Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	920 625 525
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	SRH INVESTCO AS
Forretningsadresse:	c/o Saferoad Holding AS Enebakkveien 150 0680 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Thomas Røkke
Dato for fastsettelse av årsregnskapet:	29.05.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert

År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 14.07.2022

Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Kostnader			
Other operating costs	3	7 518 000	
Other operating costs to group companies	8	0	
Sum kostnader		**7 518 000**	
Driftsresultat		**-7 518 000**	
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	6,8	390 844 000	
Annen finansinntekt	6	18 000	
Sum finansinntekter		**390 862 000**	
Rentekostnad til foretak i samme konsern	6,8	1 428 000	
Annen finanskostnad	6	387 020 000	
Net exchange rate gain/(loss)	6	61 219 000	
Sum finanskostnader		**449 667 000**	
Netto finans		**-58 805 000**	
Ordinært resultat før skattekostnad		**-66 323 000**	**0**
Skattekostnad på ordinært resultat	7	0	
Ordinært resultat etter skattekostnad		**-66 323 000**	**0**
Årsresultat		**-66 323 000**	**0**

Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	5	3 533 337 000	
Sum finansielle anleggsmidler		**3 533 337 000**	
Sum anleggsmidler		**3 533 337 000**	**0**
Omløpsmidler			
Varer			
Fordringer			
Konsernfordringer	8	225 271 000	
Sum fordringer		**225 271 000**	
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	9	10 264 000	
Sum bankinnskudd, kontanter og lignende		**10 264 000**	
Sum omløpsmidler		**235 535 000**	**0**
SUM EIENDELER		**3 768 872 000**	**0**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		18 434 000	
Overkurs		1 824 943 000	
Sum innskutt egenkapital		**1 843 377 000**	
Opptjent egenkapital			
Annen egenkapital		-48 765 000	

Balanse

Beløp i: NOK	Note	2020	2019
Sum opptjent egenkapital		**-48 765 000**	
Sum egenkapital		**1 794 612 000**	**0**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	10	1 969 048 000	
Sum annen langsiktig gjeld		**1 969 048 000**	
Sum langsiktig gjeld		**1 969 048 000**	**0**
Kortsiktig gjeld			
Leverandørgjeld		162 000	
Kortsiktig konserngjeld	8	30 000	
Annen kortsiktig gjeld	11	5 020 000	
Sum kortsiktig gjeld		**5 212 000**	
Sum gjeld		**1 974 260 000**	**0**
SUM EGENKAPITAL OG GJELD		**3 768 872 000**	**0**

Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		7 227 080 000	
Annen driftsinntekt		43 789 000	
Sum inntekter	6,7	**7 270 869 000**	
Kostnader			
Varekostnad	8	4 049 416 000	
Lønnskostnad	10,11	1 626 630 000	
Depreciation and impairment property, plant and equipment	14	151 186 000	
Depreciation and impairment right of use assets	15	142 506 000	
Amortisation and impairment	16	61 220 000	
Annen driftskostnad	9	879 292 000	
Sum kostnader		**6 910 250 000**	
Driftsresultat		**360 619 000**	
Finansinntekter og finanskostnader			
Share of profit/(loss) of associated companies	5,12	148 000	
Annen finansinntekt	12	10 939 000	
Sum finansinntekter		**11 087 000**	
Annen finanskostnad	12	246 507 000	
Net exchange rate gain/(loss)	12	60 709 000	
Sum finanskostnader		**307 216 000**	
Netto finans		**-296 129 000**	
Ordinært resultat før skattekostnad		**64 490 000**	**0**
Skattekostnad på ordinært resultat	13	15 484 000	
Ordinært resultat etter skattekostnad		**49 006 000**	**0**
Årsresultat		**49 006 000**	**0**
Minoritetsinteresser		3 957 000	
Årsresultat etter minoritetsinteresser		**45 049 000**	

Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019

Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	16	85 568 000	
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	16	23 131 000	
Utsatt skattefordel	13	55 012 000	
Goodwill	16	585 972 000	
Customer relationships	16	216 275 000	
Other intangible assets	16	17 088 000	
Sum immaterielle eiendeler		**983 046 000**	
Varige driftsmidler			
Land	14	48 980 000	
Buildings	14	340 127 000	
Maskiner og anlegg	14	476 212 000	
Construction in progress	14	706 000	
Rental equipment, furniture and vehicles	14	152 298 000	
Right-of-use assets	15	452 535 000	
Sum varige driftsmidler		**1 470 858 000**	
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap	5	1 342 000	
Other investments	5,20	729 000	
Non-current receivables		23 790 000	
Sum finansielle anleggsmidler		**25 861 000**	
Sum anleggsmidler		**2 479 765 000**	**0**
Omløpsmidler			
Varer			
Varer	8	870 875 000	
Sum varer		**870 875 000**	
Fordringer			
Kundefordringer	19	972 501 000	

Konsernets balanse

Beløp i: NOK	Note	2020	2019
Andre fordringer	7,21	344 423 000	
Sum fordringer		**1 316 924 000**	
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	22	841 377 000	
Sum bankinnskudd, kontanter og lignende		**841 377 000**	
Sum omløpsmidler		**3 029 176 000**	**0**
SUM EIENDELER		**5 508 941 000**	**0**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	26	18 434 000	
Overkurs	26	1 824 944 000	
Sum innskutt egenkapital		**1 843 378 000**	
Opptjent egenkapital			
Currency translation reserve		87 621 000	
Other equity		-292 168 000	
Sum opptjent egenkapital		**-204 547 000**	
Minoritetsinteresser	26	7 739 000	
Sum egenkapital		**1 646 570 000**	**0**
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	11	53 931 000	
Utsatt skatt	13	55 755 000	
Other provisions	17	41 168 000	
Sum avsetninger for forpliktelser		**150 854 000**	
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	19,20, 23,27	1 969 048 000	

Konsernets balanse

Beløp i: NOK	Note	2020	2019
Øvrig langsiktig gjeld	18,19, 20,23, 27	349 791 000	
Sum annen langsiktig gjeld		**2 318 839 000**	
Sum langsiktig gjeld		**2 469 693 000**	**0**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	23	28 889 000	
Leverandørgjeld		597 879 000	
Betalbar skatt	13	31 072 000	
Skyldige offentlige avgifter		197 574 000	
Other current liabilities	7,18,25	413 607 000	
Other provisions	17	1 670 000	
Current portion of non-current liabilities	23	121 987 000	
Sum kortsiktig gjeld		**1 392 678 000**	
Sum gjeld		**3 862 371 000**	**0**
SUM EGENKAPITAL OG GJELD		**5 508 941 000**	**0**

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Financial Statements 2020

SRH Investco AS

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SHR Investco in Brief

SRH Investco Group's business

The Group offers a broad range of innovative and high-quality products and solutions to those who own, build and maintain roads. The Group has leading positions in several markets across Europe, combining extensive technical expertise in combination with strong local presence.

SRH Investco is owned by FSN Capital V and FSN Capital Bridge Co-Investment, which are vehicles advised by FSN Capital Partners, a leading private equity company focused on the Northern European middle-market segment. From end of 2019, ViaCon, the road infrastructure business, is conducting its business operationally separated from Saferoad Holding Group.

The activities are accordingly organised in two distinct and autonomous divisions: Road Safety (Saferoad Holding Group) and Road Infrastructure (ViaCon Holding AB Group).

Road Safety (Saferoad)

Road Safety is SRH Investco's largest business area, representing around 72 per cent of total revenue and operates as the Saferoad Group including Saferoad-branded and non-branded companies.

Saferoad is a leading road safety supplier in Europe with more than 70 years of experience within the industry. The Group offers a broad range of innovative and high-quality products and solutions tailored to contribute to a safer life on the road and shape the future of infrastructure. Holding leading positions in several markets across Europe, the Group combines extensive technical expertise in combination with strong local presence. The Group also exports products and executes projects in countries outside of Europe.

The core business is products and services that provides guidance and safety. Dedicated to Vision Zero, the Group aims to actively reduce the number of people seriously injured and killed in traffic accidents. Headquartered in Oslo, Norway, Saferoad Group has 2 200 employees across 13 countries.

Road Infrastructure (ViaCon)

The Road Infrastructure business area represents around 28 per cent of total revenue and operates under the ViaCon brand.

ViaCon is a leading provider in the European market with a focus on production and technical sales of flexible corrugated steel structures and plastic pipes used to build Bridges & Culverts, GeoTechnical- and StormWater Solutions. ViaCon offers innovative, competitive and sustainable solutions.

The road infrastructure solutions cover subgrade construction, which refers to the process of stabilising and reinforcing the terrain, including structural subgrade work related to bridges and ensuring sufficient drainage of water.

ViaCon has business in eighteen countries throughout Europe with a total of 777 employees. During 2020, the company appointed a number of key people at the new head office in Nya Hovås in Gothenburg, Sweden.

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Board of Directors' Report

Strategy and financial targets

SHR InvestCo's ambition is to be a leading partner to road safety and road infrastructure providers in Europe. The businesses operate in an attractive market with significant secular growth opportunities across most geographic and product areas. The position as market leader in the Nordic region and a strong presence in Europe, is making these businesses well-positioned to achieve further profitable growth in its underlying core markets in the years to come. Both divisions of the Group have made substantial progress in their respective strategic agendas and simultaneously significantly lifted their financial results. The company expects a further increase in sales and profitability in the coming year.

Saferoad's (Road Safety) long-term vision remains to be the leading road safety provider in Europe. Saferoad serves an attractive market supported by the public willingness to invest in road safety as an important part of the increased ESG focus across most markets, as well as a pent-up demand for road and safety investments and stimulus packages in many areas. The division is well-positioned to achieve further profitable growth in its underlying core markets in the years to come. This is to be complemented by a mix of expansion into complementary products and services, further geographic expansion, and acquisitions. During the year, Saferoad has continued to strengthen the strategic and operational management processes and is on track regarding the execution of its strategic agenda, including the creation of a stronger focus on its now clearly defined product-driven business areas. The division is simultaneously improving critical drivers of operational efficiency and development of its manufacturing set-up. Going forward, Saferoad will continue this work of strengthening the internal processes and structures, ensuring that it is fit to meet its strategic targets and customer demands.

ViaCon (Road Infrastructure) has the vision of being the leading European provider of sustainable Bridges & Culverts, GeoTechnical and StormWater Solutions. In 2020 an action program for future growth and profitability were prepared and the work has resulted in a revised vision and business concept, where the strategic priorities are clear. Through a new organisational structure for the division, consisting of three business areas that were introduced in the beginning of 2021, ViaCon has a strong legacy to build on. Through the defined strategic initiatives, ViaCon will grow the business within "Bridges and Culverts Solutions", improve profitability within "Geotechnical Solutions" and build up the business within "StormWater Solutions". Profitability will also be strengthened by working uniformly towards the same goal and by increasing production efficiency. ViaCon aims to be the number 1 or 2 in its key markets and be highly appreciated and respected for the technical competence and solutions. The Group puts safety first in product development and in its own operations. With a proven track-record, market leadership and continuous R&D efforts to create innovative solutions, as well as optimisation of materials, the division consistently contribute to the UN Sustainable Development Goals.

The SHR Investco maintains its focus on ESG (Environment, Social, Governance) throughout the organisation and has in 2020 continued to increase its efforts; ESG requirements are at the core of the companies, serving both safety and sustainability goals. While the monitoring of health and safety of the Group's employees has long been at the core of the business, it has been complemented by a structured process for measuring employee as well as customer satisfaction. The Group emphasises the importance of the compliance with all relevant environmental requirements within all companies. Further, the businesses are increasingly also being able to deliver on the now increasing customer compliance requirements to products and solutions, while taking an active role with an ambition to help raise the bar for the entire industry.

The Group has been affected by the Covid-19 pandemic during 2020, however the companies quickly implemented strict infection control measures locally to ensure efficient and safe operations. The companies undertook further actions to safeguard employees, reduce liquidity risk and secure future operations, including home office where possible, reduced external access to production facilities, keeping inventories at a minimum, capacity adjustments and close dialogue with customers and suppliers. To a large extent, the projects have been successfully implemented and operational capacity has been maintained.

On the basis of a resilient market and the undertaken actions, the Group has not seen any material positive nor negative effects from operations or market from the pandemic during the year. However, tragically we have seen isolated fatalities among our limited set of infected employees, and we continue our comprehensive efforts to prevent both infections and more serious developments. Our vision Zero relates as much to our own employees as to deaths on the European roads. The respective divisional Boards monitors the situation closely and continuously assess if enforced measures are needed.

Market developments and outlook

The markets and product segments in which the Group operates are on average expected to continue to grow at mid-high single digit levels over the next 3 to 5 years. The growth rates in some of the Group's largest markets are expected to be on or above the average annual growth rate. The growth in government spending is mainly driven by increasing road traffic volumes, more

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efficient transportation infrastructure, higher safety focus and government efforts to reduce the existing maintenance and investment lag on the road networks across Europe; there are large road maintenance needs given aging road infrastructure, with approximately 45 per cent of highways in the key markets built more than 30 years ago, complemented by a short-term need for road infrastructure related counter-cyclical stimulus spending.

SRH Investco is well positioned to capture this growth, with strong market positions in main markets, a competitive product portfolio and an extensive sales and service network. The companies have a comprehensive set of tangible operational and strategic improvement initiatives ongoing to further improve competitiveness as well as financial performance.

Financial development SRH Investco Group

NOK 1000	2020	2019
Operating revenue underlying	7 265 779	6 561 832
EBITDA underlying	770 060	506 638
EBITDA reported	715 531	427 677
EBITDA underlying margin %	10.6%	7.7%

The Group revenues ended at NOK 7 266.0 million, which is ahead of last year by NOK 704.0 million. The underlying EBITDA of NOK 770.0 million was higher than last year by NOK 263.0 million. The performance for the year was supported by good development in all areas. During the low season period the mild winter resulted in favourable operating weather, while in the peak season sales of high margin products as well as restructuring and cost management in most units showed a positive effect on the earnings. The positive underlying development was further supported by currency effects.

Financial development Road Safety - Saferoad

NOK 1000	2020	2019
Operating revenue underlying	5 255 389	4 844 590
EBITDA underlying	635 467	450 607
EBITDA reported	618 754	431 439
EBITDA underlying margin %	12.1%	9.3%

Saferoad had underlying revenue of NOK 5 255.4 million in 2020, while underlying EBITDA was NOK 635.5 million. The underlying EBITDA margin was 12.1 per cent.

Revenues in Saferoad was mainly driven by strong Road Safety volumes in Germany, Poland, Romania, Sweden, UK and Finland, as well as the Nordic road marking segment, combined with positive currency effects, and showing positive development across most business areas, despite a difficult demand situation in some of the market segments in Norway. During the low season period the mild winter resulted in favourable operating weather while in the peak season, sales of high margin products as well as restructuring and cost management in most units showed a positive effect on the earnings. All business areas consistently managed a solid improvement in 2020. The positive underlying development was further supported by currency effects. The performance has not been materially affected by the Covid-19 pandemic, and the business was able to maintain largely normal operation throughout the year; also supported by vigilant prevention and monitoring activities.

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[redacted]ancial development Road Infrastructure - ViaCon

NOK 1000	2020	2019
Operating revenue underlying	2 029 242	1 732 087
EBITDA underlying	207 538	124 679
EBITDA reported	181 370	123 721
EBITDA underlying margin %	10.2%	7.2%

In ViaCon, the underlying revenues increased both in the Nordics and the European area, yielding combined revenues 17 per cent above last year. Revenues were supported by continued construction works without any major negative effects from Covid-19 in almost all countries. Strong sales of own produced products giving positive margin effect also positive raw material trend and stable sales prices supported margins. Almost all countries saw improved performance contributing to the improved underlying EBITDA. Underlying EBITDA was NOK 208.0 million, NOK 83.0 million above last year.

Holding costs

Holding costs consist of the unallocated costs associated with the Group's corporate administration, financial management and the elimination of inter-segment sales. The underlying EBITDA in the period was NOK (72.9) million in 2020 compared to (68.6) million in 2019. The increase from 2019 includes carve-out and other temporary effects, along with a moderate cost build-up from strengthening the central services. The coming year foresees a return to previous cost levels.

Reported results

The reported EBITDA includes non-operational costs of NOK 54.5 million, down from NOK 79.0. million last year, containing mainly restructuring charges and closedown cost in the Nordic area. There was a significant reduction of the amount, reflecting a decline in the level of transaction related expenditures. These costs are categorised under the principles of Alternative performance measures (APMs), which is used by the Group to provide a better understanding of the company's underlying financial performance. These measures are adjusted IFRS measures defined, calculated and used in a consistent and transparent manner over time and across the Group where relevant.

In 2020, operating profit amounted to NOK 360.6 million. The Group had a net currency loss of NOK (60.7) million, financial income of NOK 10.9 million and financial expenses of NOK (246.5) million in 2020. The financial expenses consist of interest expenses of (179.8) million, interest expenses on lease liabilities of NOK (29.5) million and other financial expenses of NOK (37.2) million.

A net tax expense of NOK 15.5 million was reported in 2020.

The Group's reported net income in 2020 amounted to NOK 49.0 million.

The loss for the year for SHR Investco AS of NOK (66.3) million is allocated to other equity.

Financial situation and capital structure

The Group aims to maintain a strong financial position, with emphasis on good operational management and controlling of financial risk.

The Group has senior term facility agreements and revolving facility agreement with GSO and DNB Bank ASA as lenders. Total loan commitments under the facilities are NOK 2 402.3 million, including a NOK 60.0 million leasing facility. The senior term facility agreement matures in September 2025. The revolving facility and leasing facility mature in September 2023. There is no draw-down of the revolving facility agreement per 31 December 2020.

The overall financial situation of the Group is projected to remain stable with a continued acceptable level of liquidity and a solid headroom to the Group's financial covenants

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The Group's total assets at year-end 2020 was NOK 5 508.9 million, with a net interest-bearing debt of NOK 1 621.5 million at the end of 2020. Total equity was NOK 1 646.5 million at the end of 2020, giving an equity ratio at year end of 29.9 per cent.

The Group's financial position may be viewed as sound, with sufficient financial capacity to execute current projects and initiatives.

Cash flow

Net cash flow for the Group was NOK 237.0 million in 2020 compared to NOK (238.0) million in 2019, with the difference mainly caused by higher cash inflow from operating activities in 2020. Net cash flow from operating activities was NOK 970.0 million in 2020 compared to NOK 359.0 million in 2019, primarily driven by improved working capital and a higher EBITDA this year. Net cash flow from investment activities was NOK (350.0) million in 2020 compared to NOK (232.0) million in 2019. The difference is mainly explained by the payment of the final settlement of the acquired shares in Hausneindorfer Metallbau und Montage GmbH, the acquisition of the subsidiaries AWK GmbH and HMS Montage GmbH and the acquisition of the remaining 40 per cent of the shares in Tubosider France SAS and Saferoad Czech Republic s.r.o. this year, in addition to higher operating capital expenditures (CAPEX) primarily driven by the hot dip galvanizing plant (HDG) investment this year. Net cash flow from financing activities was NOK (384.0) million in 2020 compared to NOK (364.0) million in 2019.

Risk factors and risk management

SRH Investco is subject to several operational and financial risks, which may affect parts or all its activities. The Group's risk management and internal control framework aims to systematically identify, assess and manage risk throughout the Group. The responsibility for the risk management and internal control in these aspects rests primarily with the first-line management through the work they carry out in accordance with the authorisations, instructions and guidelines that apply to each of them.

In 2020 the Group continued with increased efforts within ESG in several areas. While the monitoring of health and safety of our employees has long been at the core of the business, the Group also implemented quarterly reporting of GHG emissions data, started a ISO14001 certification in several production facilities. We further improved our process of measuring employee satisfaction through the standard eNPS survey by launching a management handbook for facilitating the process of engaging the organization to identify improvement actions based on the local eNPS results.

Given the global Covid-19 pandemic, the Group has taken several mitigating actions to safeguard employees, to reduce liquidity risk and to secure future operations. All units have been in close contact with national and local authorities to ensure compliance to regulations and restrictions, in addition to maintaining close dialogue with union – and employee representatives. The measures included work from home when possible, reduced external access to production facilities, keeping inventories at a minimum, capacity adjustments and close dialogue with customers and suppliers.

The following sections describe some of the key risks that may impact the Group's business operations, financial position and financial performance:

Industry and competitive risk

The Group operates in a market that is primarily funded by public authorities, and the end customers are typically road authorities and local municipalities. Business can be affected by a downturn in the general economic environment, a lack of prioritised funds to the road infrastructure sector versus other sectors or a change in regulatory standards for road quality and road safety. In addition, changing behaviour and technology developments that reduce traffic volumes and investments in infrastructure and maintenance may impact the Group's business, revenue, profit and financial position. The Group works actively with the company's ability to quickly respond to customer needs by having a strong local presence and by focusing on continuous product and business model development.

Operational risk

The Group´s operations consist of production and delivery to a large series of individual orders and projects, and the individual orders vary in terms of complexity, size, duration and risk. Consequently, systematic risk management in all parts of the business is important. The Group usually undertakes to complete projects by a scheduled date and ensure that the delivered products and solutions meet specified performance standards. Failure to meet required performance standards, to deliver on time or to calculate offers accurately may impact earnings, capacity utilisation of the workforce and/or production sites and may result in reputational

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[redacted]age. Saferoad aims to analyse and assesses risk in the tendering stage and manage risk systematically by the businesses th[redacted]ghout the entire execution phase.

Operational risk also refers to losses due to weaknesses or faults in processes and systems, errors made by employees or external events. Further, the Group has a significant share of its business in markets, which could be associated with ESG risks. The Group therefore continuously works to identify and to mitigate risks, in particular in respect of strategic, operational, compliance, tax and financial risks throughout the Group. To avoid official sanctions, financial losses or a loss of reputation due to failure to comply with laws, regulations and standards, the Group has implemented a strengthened ESG program, with strengthened policies and digital tools that will have a preventive effect.

Strategic risk

The Group's future development and success depends on the strategies being relevant and effective for the Group, that the measures are being properly executed and that they provide the expected results. If the strategies are not relevant or effective for the Group or are not properly executed, the Group may fail to meet its targets. To ensure that the Group stays on top of developments, strategic risk is managed through continuous monitoring of competitors and the market, follow-up of profitability, and through product development and planning processes.

Financial and market risk

The Group is exposed to financial risks associated with financial instruments such as trade receivables, liquidity and interest-bearing debt. These risks are classified as credit, market and liquidity risks. The risk related to currency exchange fluctuations is limited. Nevertheless, subsidiaries may from time to time generate income or incur costs under currencies that differ from the currency of their operational costs. The group is exposed to risk related to developments in raw material prices in some business areas, this risk is viewed as manageable.

Corporate governance

Corporate governance has high priority for the Board, and it considers good corporate governance a prerequisite for value creation, trustworthiness, and access to capital.

SRH Investco is strongly committed to ESG (Environment, Social and Governance) and aims to be leading in this field. The past year, the Group has strengthened its efforts around employees, corporate social responsibility, and the environment, developing specific objectives as well as targets per year.

Environmental impact

The Group aims to make its processes and products as environmentally friendly as possible and strives to handle, transport and sort hazardous goods and waste in a secure manner. We choose, if possible, sustainable products and resources, and prefer suppliers and sub-contractors with environmentally friendly production and products in order to actively contribute to the environment and be a role model to our partners.

SRH Investco´s ambition is to comply with all relevant environmental legislation and regulations in the countries where it operates and to contribute to a sustainable environment to the best of its ability.

Health & Safety

The SRH Investco companies does not compromise on safety and aim for all employees to come safe home every day. The companies have a strong safety culture, with a "vision zero" mindset towards work related accidents and injuries, aiming for zero injuries and fatalities at work.

The group-wide Health & Safety program consists of tools to assist management and employees in identifying critical and potential risks, as well as routines to help employees identify risks in their daily work. Local management is responsible to ensure that each site represents a safe working environment and that systems to enable safe work are in place.

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ViaCon, the sick absence rate was 3.9 per cent, a decrease from 4.1 per cent in 2019. The number of incidents resulting in sence from work increased in 2020 both in absolute terms (LTI) as well as relative to the actual work hours (H1 rate) involved. The ate for 2020 was 20, an increase from 11 in 2019. LTI for 2020 was 26, an increase by 11 accidents compared to 2019.

In Saferoad, the numbers of incidents resulting in absence from work were reduced in 2020 both in absolute terms (LTI) as well as relative to the actual work hours (H1 rate) involved. The H1 rate for 2020 was 13, slightly decreasing from 14 in 2019. LTI for 2020 was 58, a decrease by 4 accidents compared to 2019, due to increased focus on HSE in the production facilities as well as on site working environments. The sick absence rate was 5.0 per cent, an increase from 4.5 per cent previous year, mainly attributed to a spike in sick absence in March related to local and national restrictions due to Covid-19.

SRH Investco has further strengthened its efforts to implement preventive mitigating measures to continue decreasing the number of incidents in the future.

Equal opportunities

SRH Investco's ambition is to ensure that all employees have equal opportunities for personal and professional development. Discrimination based on gender, age, disabilities, ethnic origin, sexual orientation or religion is not tolerated.

The number of females in the road safety and infrastructure industry is generally low. At year end 82 per cent of the employees were male and 18 per cent female. The number of female employees remained stable compared to 2019.

The Group believes in diversity and continuously work to increase the number of female employees.

In accordance with section 3-3 of the Norwegian Accounting Act, the Board of Directors confirms that the financial statements have been prepared on the assumption of going concern.

Oslo, 28 May 2021

The Board of SRH Investco Group

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Lars Patrik Nolåker	Ulrik Smith	Niclas Thiel
Chairman	Board member	Board member

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Financial statements SRH Investco Group

Consolidated statement of comprehensive income

NOK 1000	Notes	2020	2019
Revenue		**7 227 080**	6 516 213
Other operating revenue		**43 790**	45 619
Total operating revenue	6, 7	**7 270 870**	6 561 832
Cost of goods sold	8	**4 049 416**	3 716 201
Personnel costs	10, 11	**1 626 630**	1 525 639
Depreciation and impairment property, plant and equipment	14	**151 186**	138 997
Depreciation and impairment right of use assets	15	**142 506**	128 344
Amortisation and impairment	16	**61 220**	52 833
Other operating costs	9	**879 292**	892 315
Total operating costs		**6 910 250**	6 454 330
Operating profit/(loss)		**360 619**	107 502
Financial income	12	**10 939**	16 742
Financial expenses	12	**246 507**	246 698
Net exchange rate gain/(loss)	12	**(60 709)**	(3 971)
Share of profit/(loss) of associated companies	5, 12	**148**	142
Net financial income/(expenses)		**(296 129)**	(233 785)
Profit/(loss) before tax from continuing operations		**64 490**	(126 283)
Tax	13	**(15 484)**	(53 159)
Profit/(loss) for the year		**49 006**	(179 442)
OTHER COMPREHENSIVE INCOME			
Items to be reclassified to profit/loss in subsequent periods			
Exchange differences on translation of foreign operations	13	**(12 021)**	30 284
Exchange differences on loans treated as net investments	13	**58 906**	(48 012)
Items not to be reclassified to profit/loss in subsequent periods			
Remeasurement of net defined benefit liability	11, 13	**177**	(2 065)
Other comprehensive income for the year, net of tax		**47 062**	(19 793)
Total comprehensive income for the year		**96 068**	(199 234)
Profit/(loss) for the year attributable to:			
Equity holders of the parent company		**45 049**	(182 444)
Non-controlling interests		**3 957**	3 002
		49 006	(179 442)
Total comprehensive income attributable to:			
Equity holders of the parent company		**92 701**	(201 625)
Non-controlling interests		**3 367**	2 391
		96 068	(199 234)

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Consolidated statement of financial position (assets)

NOK 1000	Notes	31.12.2020	31.12.2019
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Development	16	**85 568**	83 725
Licenses, product rights etc.	16	**23 131**	21 519
Goodwill	16	**585 972**	565 628
Customer relationships	16	**216 275**	245 530
Other intangible assets	16	**17 089**	19 347
Total intangible assets		**928 034**	935 748
Tangible assets			
Land	14	**48 980**	48 024
Buildings	14	**340 127**	332 630
Machines and equipment	14	**476 212**	362 291
Construction in progress	14	**706**	8 647
Rental equipment, furniture and vehicles	14	**152 298**	161 018
Right-of-use assets	15	**452 536**	473 301
Total fixed assets		**1 470 858**	1 385 911
Financial non-current assets			
Investment in associated companies	5	**1 342**	1 234
Other investments	5, 20	**729**	2 792
Non-current receivables		**23 790**	20 526
Total financial assets		**25 861**	24 552
Deferred tax assets	13	**55 012**	25 709
Total non-current assets		**2 479 765**	2 371 920
CURRENT ASSETS			
Inventories	8	**870 875**	994 059
Receivables			
Trade receivables	19	**972 501**	941 080
Other receivables	7, 21	**344 423**	362 174
Total receivables		**1 316 924**	1 303 254
Cash and cash equivalents	22	**841 377**	583 512
Total current assets		**3 029 176**	2 880 826
Total assets		**5 508 941**	5 252 746

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Consolidated statement of financial position (shareholders' equity and liabilities)

NOK 1000	Notes	31.12.2020	31.12.2019
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	26	**18 434**	18 434
Share premium	26	**1 824 944**	1 824 944
Currency translation reserve		**87 621**	40 146
Other equity		**(292 168)**	(430 339)
Total shareholders' equity attributable to the shareholders of the parent company		**1 638 830**	1 453 184
Non-controlling interests	26	**7 740**	64 220
Total equity		**1 646 570**	1 517 404
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	19, 20, 23, 27	**1 969 048**	1 896 257
Other non-current liabilities	18, 19, 20, 23, 27	**349 791**	340 213
Pension obligations	11	**53 931**	51 275
Deferred tax liabilities	13	**55 755**	54 164
Other provisions	17	**41 168**	30 590
Total non-current liabilities		**2 469 693**	2 372 499
Current liabilities			
Liabilities to credit institutions	23	**28 889**	27 726
Accounts payables		**597 879**	547 041
Current tax liabilities	13	**31 072**	16 710
Public duties (VAT, social benefits etc.)		**197 574**	142 676
Other current liabilities	7, 18, 25	**413 607**	483 258
Other provisions	17	**1 670**	5 421
Current portion of non-current liabilities	23	**121 987**	140 011
Total current liabilities		**1 392 678**	1 362 843
Total liabilities		**3 862 371**	3 735 342
Total shareholders' equity and liabilities		**5 508 941**	5 252 746

Oslo, 28 May 2021

The Board of SRH Investco AS

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Lars Patrik Nolåker
Chairman

DocuSigned by:
Ulrik Smith
F4C97496EE9D46A...
Ulrik Smith
Board member

DocuSigned by:
Niclas Thiel
3636E66883F94A8...
Niclas Thiel
Board member

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Consolidated statement of changes in equity

NOK 1000	Share capital	Share premium	Currency translation reserve	Other equity	Total	Non-controlling interests	Total equity
Note	26	26				26	
Equity at 31.12.2018	18 434	1 824 944	57 262	(197 193)	1 703 446	67 082	1 770 528
Dividends to shareholders and non-controlling interests				(48 627)	(48 627)	(944)	(49 572)
Buy-out/transaction non-controlling interests				(10)	(10)	(4 308)	(4 318)
Profit/(loss) for the year				(182 444)	(182 444)	3 002	(179 442)
Other comprehensive income net of tax:							
Actuarial gain/(loss)				(2 065)	(2 065)		(2 065)
Exchange differences on translation of foreign operations			30 896		30 896	(612)	30 284
Exchange differences on loans treated as net investments			(48 012)		(48 012)		(48 012)
Total other comprehensive income net of tax	0	0	(17 116)	(2 065)	(19 181)	(612)	(19 793)
Total comprehensive income	0	0	(17 116)	(184 509)	(201 625)	2 391	(199 234)
Equity at 31.12.2019	18 434	1 824 944	40 146	(430 339)	1 453 184	64 220	1 517 404
Capital increase				47 076	47 076		47 076
Dividends to non-controlling interests					0	(1 787)	(1 787)
Buy-out/transaction non-controlling interests				45 869	45 869	(58 059)	(12 190)
Profit/(loss) for the year				45 049	45 049	3 957	49 006
Other comprehensive income net of tax:							
Actuarial gain/(loss)				177	177		177
Exchange differences on translation of foreign operations			(11 431)		(11 431)	(590)	(12 021)
Exchange differences on loans treated as net investments			58 906		58 906		58 906
Total other comprehensive income net of tax	0	0	47 475	177	47 652	(590)	47 062
Total comprehensive income	0	0	47 475	45 226	92 701	3 367	96 068
Equity at 31.12.2020	18 434	1 824 944	87 621	(292 168)	1 638 830	7 740	1 646 570

In February and March 2020 a capital increase was conducted and other equity increased with NOK 47 076 275.

The share capital in SRH Investco AS as of 31 December 2020 consists of 184 337 750 ordinary shares with nominal value of NOK 0.10 per share.

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Consolidated cash flow statement

NOK 1000	Notes	2020	2019
Cash flow from operations			
Profit/(loss) before tax		**64 490**	(126 283)
Income tax paid	13	**(52 815)**	(43 198)
Profit from sale and disposal of tangible assets		**(11 981)**	(8 067)
Loss on sale of tangible assets		**997**	1 116
(Gain)/loss on sale of subsidiaries		**(4 602)**	0
Net depreciation, amortisation and impairment	14, 15, 16	**354 912**	320 175
Impairment of inventory	8	**21 731**	6 218
Net currency (gains)/losses not relating to operating activities		**42 698**	(2 693)
Interest income and other financial income	12	**(10 939)**	(16 742)
Interest costs and other financial expenses	12	**246 507**	246 698
Changes in inventory	8	**139 103**	6 520
Changes in trade receivable	19	**9 080**	3 597
Changes in accounts payable		**31 597**	(42 544)
Income from using equity method	5	**(148)**	(142)
Changes in other current receivables and liabilities		**139 621**	14 351
Net cash flow from operations		**970 250**	359 006
Cash flow from investment activities			
Interest received	12	**10 939**	10 534
Acquisition of subsidiaries	4	**(22 723)**	0
Buy-out of non-controlling interests and payments for acquired shares	18	**(100 396)**	(63 470)
Investments in fixed and intangible assets	14, 15, 16	**(253 582)**	(214 588)
Sale of subsidiaries and asset sale		**(613)**	5 225
Proceeds from sale of fixed assets		**19 506**	19 954
Proceeds from sales of associated companies and other investments		**0**	18 185
Other changes		**(3 128)**	(8 107)
Net cash flow from investment activities		**(349 998)**	(232 267)
Cash flow from financing activities			
Proceeds from borrowings		**336 497**	186 042
Repayment of borrowings		**(338 499)**	(187 578)
Dividends to shareholders and non-controlling interests		**(1 787)**	(2 495)
Payment of financial lease liabilities		**(171 235)**	(157 287)
Interest paid		**(208 521)**	(203 363)
Net cash flow from financing activities	24	**(383 545)**	(364 681)
Net increase/(decrease) in cash and cash equivalents		**236 707**	(237 942)
Effect of exchange rate differences on cash and cash equivalents		**19 323**	(19 639)
Cash and cash equivalents at beginning of the period		**583 512**	841 094
Cash and cash equivalents at the end of the period		**839 542**	583 512
Cash and cash equivalents at the end of the period in statement of financial position	22	**841 377**	583 512
Bank overdrafts at the end of the period in statement of financial position		**(1 835)**	0
Cash and cash equivalents at the end of the period in statement of cash flow		**839 542**	583 512

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Notes to the consolidated financial statements for SRH Investco Group

Note 1 Company information

SRH Investco AS is a limited liability company and a pure holding company of Saferoad and ViaCon Group with no other activity. The Company is incorporated and domiciled in Oslo with its registered office c/o Saferoad Holding AS, Enebakkveien 150, 0680 Oslo, Norway.

SRH Investco Group was established in September 2018, when funds managed by FSN Capital GP V Limited acquired 100 per cent of the shares in the Saferoad Holding ASA (later renamed to Saferoad Holding AS) through the holding company SRH Investco AS.

SRH BridgeCo AS is the ultimate parent company of Saferoad and ViaCon Group. SRH BridgeCo AS owns 61.18 per cent of the shares in SRH Holding AS, which owns 100 per cent of the shares in SRH Investco AS. SRH Investco AS acquired the shares in Saferoad Holding AS 11 and 12 September 2018 and the company was delisted from the Oslo Stock Exchange.

The Group conducts its business through subsidiaries in the Nordic countries, Germany, Poland, the Baltic countries and other European countries. In addition, the Group executes projects in, as well as export and sale of products to, non-European countries. See note 5 in SRH Investco AS separate financial statement for a list of companies that belong to the Group. For additional information regarding the Group, please visit www.Saferoad.com and www.viacongroup.com.

These consolidated financial statements have been approved for publication by the Board of Directors on 28 May 2021 and are to be approved at the annual general meeting.

Note 2 Accounting principles

Basis for preparation and statement of compliance

The consolidated annual accounts for the Group have been prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), as well as the Interpretations of the International Financial Reporting Interpretation Committee (IFRIC), which have been approved by the European Commission for application within the European Union. In addition, the Group applies additional information requirements in accordance with the Norwegian Accounting Act of 1998.

The consolidated statements have been prepared on a historical cost basis, except for certain financial instruments when applicable and contingent consideration that have been measured at fair value. The financial statements have been prepared based on the going concern principle.

The annual accounts for the parent company, SRH Investco AS, have been prepared in accordance with the Norwegian Accounting Act § 3-9 and Regulations on Simplified IFRS as enacted by the Ministry of Finance 3 November 2014. See note 2 to the financial statements for SRH Investco AS for further details.

For effects related to future IFRS amendments reference is made to note 31.

The consolidated financial statements provide comparative information in respect of the previous period.

Consolidation principles and business combinations

The consolidated financial statements include SRH Investco AS and all companies in which SRH Investco AS controls more than 50 per cent of the number of votes, or otherwise has a controlling interest. Non-controlling interests, which consist of the share of the profits/losses and the part of the net assets of Group companies that do not belong to the shareholders of the parent company, are reported as a separate item in the consolidated shareholders' equity. The statement of comprehensive income includes the non-controlling share of the reported profit or loss.

Transactions between Group companies, balance sheet items and unrealised profits on transactions between Group companies are eliminated in full. Unrealised losses are also eliminated, unless the transaction shows a need to write down the transferred asset.

The acquisition method is applied when accounting for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent

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consideration arrangement. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Any put option granted to non-controlling interests gives rise to a financial liability for the present value of the redemption amount. The financial liability is recognised by reclassifying the present value of the amount payable upon exercise of the option from other equity to financial liability. The financial liability is subsequently re-measured at the end of each reporting period in accordance with IFRS 9.

If the terms of the transaction provide the parent with a present ownership interest in the shares subject to the put, the shares are accounted for as acquired and no non-controlling interest remains.

Acquisition-related costs are expensed as incurred. Companies which have been acquired or sold during the year are included in the consolidated financial statement as from the date when control is achieved and until the date when control ceases.

Goodwill is determined as the difference between the cost of an acquisition and the fair value of net identifiable assets on the acquisition date. Goodwill is allocated to cash-generating units or Groups of cash-generating units that are expected to benefit from synergies from the business combination and is recognised at cost in the balance sheet, less any accumulated impairment losses. Goodwill is not amortised but is tested for impairment at least annually.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals without loss of control to non-controlling interests are also recorded in equity.

Investment in associated companies

The Group's holdings in associated companies are initially recorded at cost and subsequently reported in accordance with the equity method. Associated companies are companies in which the Group has significant influence. Investments in associated companies are reported on the balance sheet at their acquisition value, with the addition of any changes in the Group's share of the net assets of the associated company. The profit or loss reflects the Group's share of the profit or loss of the associated companies. The investments in associated companies are subject to impairment assessments and impairment testing if impairment indicators exist. The investment is written down to recoverable amount if this is lower than the carrying value. Additional losses after the interest is reduced to zero is only provided for to the extent that the Group has a legal or constructive obligation to cover the incurred losses.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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Foreign currency

The Group's presentation currency is NOK, which is also the presentation and functional currency of the parent company.

Transactions in currencies different from the functional currency

Transactions in non-functional currencies are translated at the rate in effect on the transaction date. Monetary assets and liabilities that are expressed in non-functional currencies are reported on the balance sheet date, translated to the rate in effect on that date. Non-monetary assets and liabilities that are reported at their fair value in non-functional currency are translated at the rate in effect on the balance sheet date. All other non-monetary items are translated at historical foreign exchange rates. All exchange rate differences are reported in profit or loss, with the exception of exchange differences on intercompany loans treated as net investments, which are recognised in other comprehensive income.

Currency effects in the consolidation

The statement of financial position of subsidiaries with a different functional currency, including goodwill and adjustments for fair value made in connection with consolidation, is translated at the exchange rate at the end of the reporting period, while the profit or loss is translated at an average of the year's exchange rates. The exchange rate differences that arise as a result of the translation are reported directly in other comprehensive income. In the event of a sale or other disposal of a foreign company, the accrued accumulated translation difference is recognised in profit or loss together with the gain or loss resulting from the sale or disposal.

Revenue from Contracts with Customers

The Group offers a broad assortment of products and solutions to the road safety and road infrastructure industry. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Timing of revenue recognition is considered for each separate performance obligation, as described below. The transaction price is recognised net of any expected variable consideration such as customer bonuses, cash discounts for early payment, penalties, refunds and returns. The Group considers itself as principal in its revenue arrangements, hence revenue is recognised on a gross basis.
The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in note 3.

For revenue recognition purposes, the Group divides its revenue contracts into three different categories:

(i) Sale of goods

Sale of goods comprise the sale of road work products to road authorities or other public and private contractors in the road and construction segments. Such products may include signs, pipes, barriers, geosynthetics and light poles etc., which the Group delivers without performing related installation.
Contracts containing the sale of multiple goods are separated into several performance obligations when they are capable of being distinct and are distinct within the context of the contract (e.g. the various goods are independent of each other).
Revenue from the sale of goods is recognised when control is transferred to the customer at a point in time, generally upon physical delivery.

(ii) Sale of services

The Group's service contracts consist of various services such as road marking, road maintenance and installation services.
In service contracts where delivering specified tasks, performance obligations may either consist of single tasks (e.g. a particular installation) or a series of distinct and repetitive tasks or services (e.g. repetitive services such as road marking).
Revenue from performing services is recognised over time, as the customers generally consume the benefits from the services as the Group performs.
Units delivered (hours, metres etc.) is generally applied as progress measure.
For the Group's contracts with 'stand ready' obligations, as road maintenance projects where it receives a fixed fee for performing an unspecified quantity of services, the Group generally applies a time-based progress measure. If such services are expected to be performed continuously throughout the contract period, a straight-lined recognition method is applied.

(iii) Sale of goods/services combined and projects

Revenue of sale of goods/services combined and projects relates to contracts where the Group is selling products completely assembled and installed at the customer's premises as well as construction of customised assets for the customer. Examples of such contracts include guardrails, sale and installation of geotextiles, noise protection solutions, soil steel bridges among others.
The goods and services are combined into one performance obligation when the installation services are complex and modify or significantly customise the products and/or whether the Group is delivering goods and services which are highly integrated into one combined output. When this is not the case, the goods and services sold constitute separate performance obligations; e.g. goods and installation.
Revenue is recognised over time, provided that the Group's performance either creates or enhances an asset that the customer controls as the asset is created or enhanced, or the Group's performance does not create an asset with alternative use and the Group has an enforceable right to payment for performance completed to date, or the customer consumes the benefits of the work as the Group performs.

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When the Group concludes that none of the criteria are met, revenue is recognised at the point in time when control is transferred, which generally is assessed to be upon physical delivery.

The Group generally applies cost incurred or units delivered (quantity, metres, square metres etc) as progress measures, depending on the nature of the delivered goods and services. Cost incurred is applied in projects where the Group is designing and producing a customised asset for the customer. Units delivered/installed is generally applied when the Group is installing several units, the total consideration typically consist of a fixed unit price times the number of units and control is transferred as we are installing the units.

Contract balances

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). See section Financial instruments for initial recognition and subsequent measurement of financial assets.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Income tax

The tax expense consists of the tax payable and changes in deferred tax. Taxes payable are recognised on taxable profits at the current tax rate. Deferred tax/tax assets are calculated on all differences between the carrying value and tax value of assets and liabilities, with the exception of:

- Temporary differences linked to goodwill that are not tax deductible
- Temporary differences related to investments in subsidiaries or associates where the timing of reversal of temporary differences can be controlled and it is probable that temporary differences will not reverse

Deferred tax assets are recognised when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. The companies recognise previously unrecognised deferred tax assets to the extent it has become probable that the company can utilise the deferred tax asset. Similarly, the company will reduce a deferred tax asset to the extent that the company no longer regards it as probable that it can utilise the deferred tax asset.
Deferred tax liabilities and deferred tax assets are measured on the basis of the enacted or substantially enacted tax rates on the balance sheet date applicable to the companies in the Group where temporary differences have arisen. Deferred tax liabilities and deferred tax assets are recognised at their nominal value.
Taxes payable and deferred taxes are recognised directly in other comprehensive income to the extent that they relate to items recognised in other comprehensive income.

Property, plant and equipment

Property, plant and equipment are stated at their cost less accumulated depreciation and impairment losses, if any.

Acquisition costs include costs directly attributable to the acquisition of the asset. Subsequent costs, such as regular maintenance costs, are recognised in the profit or loss, while other costs that are expected to provide future financial benefits are capitalised. The assets are depreciated on a linear basis over the estimated useful life of the asset. Useful life, depreciation methods and the residual value are reviewed annually.

Depreciation commences when the assets are ready for their intended use.

When assets are sold or disposed of, the carrying amount is derecognised and any gain or loss is recognised in the profit or loss.

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Leasing

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Rights-of-use assets

The Group recognises rights-of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

The Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Lease income from operating leases is recognised in income on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Material initial direct costs incurred by lessors in negotiating and arranging an operating lease is added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. The depreciation policy for depreciable leased assets are consistent with the Group`s normal depreciation policy for similar assets.

Intangible assets

Intangible assets that have been acquired separately are carried at cost. The cost of intangible assets acquired in a business combination is the fair value at the acquisition date. Capitalised intangible assets that are amortised are recognised at cost less any amortisation and impairment losses.

The economic life is either finite or indefinite. Intangible assets with a finite economic life are amortised on a linear basis and tested for impairment. The amortisation period is assessed annually. Changes to the amortisation period are accounted for as a change in estimate.

Intangible assets with an indefinite economic life are tested for impairment at least once a year, either individually or as a part of a cash-generating unit. Intangible assets with an indefinite economic life are not amortised. The economic life is assessed annually with regard to whether the assumption of an indefinite economic life can be justified. If it cannot, the change to a finite economic life is made prospectively.

Patents and licenses

Expenditures for patents and licenses are capitalised and depreciated over their expected useful life. The expected useful life for patents and licenses varies between five and ten years.

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Software
Expenses linked to the purchase of new computer software are capitalised as an intangible asset provided these expenses do not form part of the hardware acquisition costs. Software is normally depreciated on a straight-line basis over three years. Costs incurred as a result of maintaining or upholding the future utility of software is expensed unless the changes in the software increase the future economic benefits from the software.

Product rights
Expenditures for rights are capitalised and depreciated over their expected useful life. The expected useful life for product rights varies between five and ten years.

Contractual customer relationships
Contractual customer relationships purchased or acquired in a business combination are recognised at fair value at the acquisition date.
The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationship. The expected useful life varies between two and three years.

Non-contractual customer relationships
Non-contractual customer relationships acquired in a business combination are recognised at fair value separately from goodwill at the acquisition date, if they are capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability.
Non-contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Non-contractual customer relationships are depreciated over their expected useful life. The expected useful life varies between five and fifteen years.

Research and development
Expenses relating to research activities are recognised in profit or loss as they incur. Development costs that are attributable to an individual project are reported as an asset on the balance sheet when the Group can demonstrate the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete the intangible asset and use or sell it
- how the intangible asset will generate probable future economic benefits
- the availability of resources to complete the asset
- its ability to measure reliably the expenditure during its development

Capitalised development cost is amortised over its expected useful life and tested for impairment annually. The expected useful life for research and development varies between three and fifteen years.

Impairment of non-financial assets
Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment or if any impairment indicators exist.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The recoverable amount of an asset or a cash-generating unit is the higher of fair value, less cost to sell, and value in use. Impairment is recognised when the carrying value exceeds the recoverable value of the asset or cash-generating unit.

Previously recognised impairments are reversed if the conditions on which the recognised impairments are based are no longer applicable. Impairments are reversed to the extent that the capitalised amount after reversal does not exceed the capitalised amount net of depreciation that would have been the carrying amount if no impairment had been recognised. Impairments are not reversed for goodwill.

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 assets
The Group´s financial assets mainly consist of trade receivables, other receivables and cash and cash equivalents.
Assets are classified to the different measurement categories based on the business model and the characteristics of the contractual terms applying to cash flows.
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

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- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The four measurement categories are described below. The Group has normally financial assets entirely measured at amortised cost. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers. The Group normally does not invest in financial assets.
The Group does not apply hedge accounting.

Financial assets at amortised cost (debt instruments)
The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through OCI (debt instruments)
The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by instrument basis.
Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

    a. the Group has transferred substantially all the risks and rewards of the asset, or
    b. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Financial liabilities
The Group's financial liabilities mainly consist of loans and borrowings, trade and other payables, and other current liabilities.
The Group's financial liabilities are classified, at initial recognition, as loans, borrowings and payables, or financial liabilities at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The subsequent measurement of financial liabilities depends on their classification, as described below. The Group normally only hold instruments that are recognised at amortised cost, with the exemption of contingent considerations measured at fair value.

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After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.
Payables are measured at their nominal amount when the effect of discounting is not material.
Financial liabilities are measured at fair value through profit or loss when they meet the definition of held for trading, or when they are designated as such on initial recognition.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).
For trade receivables and contract assets, which are the main part of the Group's financial assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group's provisions are based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Inventory
Inventories are recognised at the lower of cost and net realisable value. The cost is arrived at using the FIFO method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Accounts receivable
Trade receivables and other receivables are recognised net of expected losses. The accrual for losses is based on an individual assessment of each receivable. Reference is also made to section regarding financial instruments for principles regarding loans and receivables.

Cash and cash equivalents
Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months from the date of acquisition.

Segment information
Segment information is presented in line with the Groups internal reporting to the chief operating decision makers (Group Management). The company operates within different operating segments as per the definitions in IFRS 8 Operating segments. Reference is made to note 6 for detailed segment information.

Remunerations to employees
Defined benefit pension plans
Defined benefit pension plans are recognised at the present value of the accrued future pension benefits at the end of the reporting period (balance sheet date), less the fair value of pension plan assets. Defined benefit obligations are presented net of plan assets in the balance sheet. Actuarial gains and losses are reported in other comprehensive income.

Defined contribution plans
The pension contributions are charged to expenses as they are incurred.

Provisions
A provision is recognised when the Group has an obligation (legal or constructive) as a result of a past event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be

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measured reliably. If the effect is material, the provision is calculated by discounting estimated future cash flows using a pre-tax discount rate that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

A provision for a warranty is recognised when the underlying products or services are sold. The provision is based on historical information on guarantees and a weighting of possible outcomes according to the likelihood of their occurrence.

Restructuring provisions are reported when the Group has approved a detailed and formal restructuring plan and the restructuring has either started or been publicly announced.

Provisions for loss-making contracts are recognised when the Group's estimated revenues from a contract are less than the lowest possible cost of meeting the contractual obligations.

Contingent liabilities and assets
Possible liabilities (obligations) that do not satisfy the three provision criterions are categorised as 'contingent' under IAS 37 and are not recognised in the financial statements. Significant contingent liabilities are disclosed, with the exception of contingent liabilities that are unlikely to be incurred. In a business combination a contingent liability has to be recognised in a business acquisition regardless of probability.

Contingent assets are not recognised in the annual accounts but are disclosed if it is probable that an economic benefit will be received.

Changes in accounting policies and disclosures

The Group applied in 2019 IFRS 16 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

IFRS 16 supersedes IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.* The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 does not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

The impact of IFRS 16 on the consolidated statement of financial position as at 1 January 2019 is recognition of right-of-use assets of NOK 410.4 million, lease liabilities of NOK 410.0 million and prepayments of NOK 0.4 million. The impact of IFRS 16 on the consolidated statement of comprehensive income for 2019 is reduced other operating costs of NOK 116.4 million, increased depreciations of NOK 102.4 million and increased financial expenses of NOK 28.7 million. See note 15 for further details.

The Group has lease contracts for various items of plant, machinery, vehicles and other equipment. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously classified as finance leases
The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under IAS 17). The requirements of IFRS 16 were applied to these leases from 1 January 2019.

Leases previously accounted for as operating leases
The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

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The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Events after the balance sheet date

New information on the company's financial position at the end of the reporting period which becomes known after the reporting period is recorded in the annual accounts. Events after the reporting period that do not affect the Group's financial position at the end of the reporting period, but which will affect the Group's financial position in the future are disclosed if significant.

Note 3 Significant accounting judgements, estimates and assumptions

The preparation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and applying the chosen accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.
The accounting policies applied by the Group in which judgments, estimates and assumptions may significantly differ from actual results are discussed below.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Revenue from contracts with customers
The Group applies judgements that affect the determination of the amount and timing of revenue from contracts with customers. The judgements include identifying performance obligations in sale of goods/services combined and projects and determining the timing of satisfaction of performance obligations.

Estimates and assumptions

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Business combinations
The business combinations are accounted for by applying the acquisition method, and a degree of judgement is required in establishing fair values of the identifiable assets and liabilities at the acquisition dates, when the values are not observable in the market. See note 4 for information regarding business combinations.

Impairment of assets

Goodwill
Determining whether goodwill is impaired requires an estimation of the recoverable amount. At year end 2020 the recoverable amounts are based on the value-in-use of the cash-generating units to which goodwill have been allocated. The value-in-use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying value of goodwill as of 31 December 2020 is NOK 586.0 million (NOK 565.6 million as of 31 December 2019). The Group recognises no impairment of goodwill in 2020. Details of recognised goodwill are provided in note 16, including sensitivity disclosures. No significant events or changes in business or market that potentially would change the conclusions were identified from 31 December 2020 until the reporting date.

Property plant and equipment and other intangible assets
The Group has significant carrying amounts related to property, plant and equipment and intangible assets recognised in the consolidated statement of financial position. The value in use of some of these assets could be influenced by changes in market

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conditions where the Group carries out its business. Significant and prolonged adverse market conditions and/or lower market prices for products and services sold could lead to temporary or permanent reductions of value. Such events will be considered as an impairment indicator and an impairment test will be carried out. The outcome of such impairment tests may be that significant impairment losses are recognised in the statement of income. A reduction of the expected useful life of the assets can also lead to periods with higher depreciation expense going forward. See note 14 and 16 for further details

Determining the lease term of contracts with renewal and termination options – Group as lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Leases - Estimating the incremental borrowing rate (IBR)
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Deferred tax assets
Deferred tax assets are recognised when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. Assessment of future ability to utilise tax positions is based on judgements of the level on taxable profit, the expected timing of utilisation, expected temporary differences and strategies for tax planning. The judgements relate to a large extent to tax losses carried forward. See note 13 for information about recognised and unrecognised deferred tax assets.

Note 4 Business combinations and changes in the Group structure

Acquisitions in 2020
On 31 December 2020, the Saferoad subsidiary Bongard & Lind Noise Protection GmbH acquired the companies AWK GmbH and the subsidiary HMS Montage GmbH, both included in the Road Safety Europe segment.

Aquired company	**AWK GmbH and HMS Montage GmbH**	**Total** NOK 1000
Acquisition made by subsidiary	Bongard & Lind Noise Protection GmbH & Co KG	
Total consideration for the shares	31 714	**31 714**
Goodwill	17 619	**17 619**

AWK GmbH and the subsidiary HMS Montage GmbH were acquired for a total estimated consideration of EUR 3.0 million. (NOK 31.7 million) for 100 per cent of the shares. AWK GmbH operates within the Noise Protection business area, and the acquisitions are expected to strengthen further growth in the Noise Protection segment and strengthen the Group's position in the German market. The consideration is mainly allocated into building and machinery, inventory, trade accounts receivables, cash, current liabilities and goodwill. AWK GmbH had operating revenues of EUR 5.0 million (around NOK 53.8 million) in 2020. HMS Montage GmbH had operating revenues of EUR 0.3 million (around NOK 3.6 million) in 2020.

The consideration for the shares acquired consists of cash consideration, and contingent considerations as specified in note 18.

There were no revenues or profit/(loss) from the acquired companies included in the consolidated accounts for 2020, as the companies were acquired on 31 December 2020. Revenues and profit/(loss) for the consolidated accounts for 2020 as if the acquisition dates were at the beginning of the reporting period for the Group, would have increased with around NOK 57.4 million (NOK 52.6 million in 2019) and NOK (1.7) million (NOK 1.3 million in 2019), respectively. Acquisition cost of NOK 0.5 million are expensed in 2020.

On 31 March 2020, the Group acquired the remaining 40 per cent of the shares in ViaCon France, which is included in the Road Infrastructure segment. Total consideration for the remaining shares was EUR 5.6 million (NOK 59.7 million).

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On 19 November 2020, the Group acquired the remaining 30 per cent of the shares in ViaCon SK s.r.o., which is included in the Road Infrastructure segment. Total consideration for the remaining shares was CZK 0.3 million (NOK 0.1 million).

On 18 December 2020, the Group acquired the remaining 40 per cent of the shares in Saferoad Czech Republic s.r.o., which is included in the Road Safety Europe segment. Total consideration for the remaining shares was CZK 30.0 million (NOK 12.1 million).

Acquisitions in 2019

There were no material acquisitions in 2019.

Divestments in 2020

On 6 July 2020, the subsidiary Oy Latium Ltd., a part of the Road Infrastructure segment, was sold at gross cash proceeds of 5 EUR. A loss from the sale of NOK 0.5 million is included in other operating costs.

In October 2020, the subsidiary ViaCon France in the Road Infrastructure segment divested its Road Restraint Systems business. The transaction included inventory and fixed assets related to the business. The gross cash proceeds amounted to EUR 0.6 million (NOK 6.9 million), and a gain from the sale of EUR 0.5 million (NOK 5.1 million) is included in other operating revenue.

Divestments in 2019

In January 2019, the subsidiary ASPB Lithuania, a part of the Road Infrastructure segment, was sold at cash proceeds of NOK 3.6 million. There was no gain or loss from the divestment.

Note 5 Associated companies and other investments

Associated companies

The associated companies are companies in which the Group has significant influence. The assessment of influence is based on a judgement of ownership in combination of voting rights, and other contractual arrangements.
The Group has ownership in the following associated companies as of 31 December 2020:

Associated companies	Country	Owner share	Time of acquisition
IBOS Sp. z o.o.	Poland	50 %	15.02.2011
SARL RRS Algeria	Algeria	49 %	27.03.2019

IBOS Sp. z o.o. is a company that performs crash test services for the Polish market and SARL RRS Algeria is a sales office.

Carrying value of associated companies are in December 2020 NOK 1.3 million (NOK 1.2 million in December 2019).

Change in carrying value associated companies

2020

NOK 1000	IBOS Sp. z o.o.	SARL RRS Algeria	Total
Opening balance 01.01.2020	1 196	37	**1 234**
Share of this year's profit/(loss)	188	0	**188**
Dividends	24	0	**24**
Impairment	0	40	**40**
Translation differences	(19)	3	**(16)**
Carrying value 31.12.2020	1 342	0	**1 342**

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2019

NOK 1000	IBOS Sp. z o.o.	SARL RRS Algeria	Total
Opening balance 01.01.2019	1 074	0	**1 074**
Share of this year's profit/(loss)	142	0	**142**
Dividends	23	0	**23**
Acquisitions	0	37	**37**
Translation differences	3	0	**3**
Carrying value 31.12.2019	1 196	37	**1 234**

Share of profit/(loss) of associated companies in the statement of comprehensive income includes share of this year's profit.

Financial information regarding associated companies (100 per cent basis)

Financial information 31.12.2020

NOK 1000	IBOS Sp. z o.o.	SARL RRS Algeria	Total
Assets	2 925	72	**2 996**
Liabilities	241	335	**577**
Revenues	10 832	0	**10 832**
Profit/(loss) (1.1. - 31.12.)	376	(172)	**204**
Ownership	50 %	49 %	

Financial information 31.12.2019

NOK 1000	IBOS Sp. z o.o.	SARL RRS Algeria	Total
Assets	2 690	204	**2 894**
Liabilities	297	313	**611**
Revenues	9 970	0	**9 970**
Profit/(loss) (1.1. - 31.12.)	284	(184)	**101**
Ownership	50 %	49 %	

Other investments

The group has other investments recognised at amortised cost. The carrying value as of 31 December 2020 was NOK 0.7 million (NOK 2.8 million as of 31 December 2019). The shares in Juralco AS have been written down to zero in 2020, since the company has been declared bankrupt. The write-down of NOK 2.1 million is recognised in the statement of comprehensive income. There are no other impacts expected from the bankruptcy of Juralco AS

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Note 6 Segment information

Segment structure
The operating segments presented are the key components of the Group's business and the segment note follow the structure of internal reporting. The following operating segments have been identified: Road Safety Nordic, Road Safety Europe, Road Infrastructure and Other/Holding. The segments are managed as separate and strategic businesses and no operating segment have been combined for the purpose of segment reporting. Assets and liabilities are not included in the segment reporting.

Road Safety Europe and Road Safety Nordic
The Road Safety segments offer road restraint systems (guard rails and bridge parapets), lighting columns and other traffic accommodation products and services (signs, work zone protection and road marking) to contractors and road authorities in the Nordics and rest of Europe. Information is provided for each operating segment, and for the total of Road Safety to ensure comparability with Road Infrastructure.

Road Safety Nordic consists of legal entities in Norway, Sweden, Denmark and Finland and a production facility in Poland and entities in UK. Road Safety Europe consists of legal entities in Poland, Germany, Romania, the Netherlands, Slovakia, Belarus, Czech Republic and Turkey.

Road Infrastructure
Road Infrastructure offers a wide range of soil steel bridges, pipes, culverts, geosynthetics and water and sewage systems for road construction projects in Europe. Road Infrastructure is organised as one operating segment, but is divided in two geographical business regions, "Europe" and "Nordic". Information is provided for the operating segment as a whole, along with information for "Europe" and "Nordic" to ensure comparability with Road Safety.

Road Infrastructure Nordic consists of legal entities in Norway, Denmark, Sweden and Finland. Road Infrastructure Europe consists of legal entities in Poland, the Baltic States, Austria, Romania, Bulgaria, Slovakia, Belarus, Czech Republic, Turkey and Hungary.

The Road Infrastructure business has been managed separately since last quarter 2019, with an own CEO and Board of Directors.

Other/Holding
The Other/Holding segment consists of the unallocated costs associated with the Group's corporate administration, financial management and the elimination of inter-segment sales.

Operating segment information
The reported measure of segment profit is EBITDA. The Group defines EBITDA as operating profit/(loss) before tax, financial income and expense, depreciation, amortisation and write-downs, including depreciation, amortisation and impairment of excess values in equity accounted investments. The Group's definition of EBITDA may be different from other companies.

Segment performance is evaluated based on "Underlying EBITDA" which deviates from EBITDA derived from the consolidated financial statements. In the internal reporting revenues and expenses are adjusted for items which management believes to be non-recurring, such as restructuring expenses, gains and losses (including transactions costs) from disposals of business, transaction costs from preparations of the Group for a potential change of ownership, impairment charges and other non-recurring items. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The elimination of inter-segment sales is included in "Eliminations".

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The following table include information about the Group's operation segments and business areas:

Operating revenue underlying

NOK 1000	2020	2019
Segment Road Safety Nordic	**3 380 296**	3 138 606
Segment Road Safety Europe	**1 946 155**	1 759 459
Eliminations	**(71 061)**	(53 476)
Road Safety	**5 255 389**	4 844 590
Road Infrastructure Nordic	**551 885**	466 811
Road Infrastructure Europe	**1 549 364**	1 322 061
Eliminations	**(72 006)**	(56 785)
Segment Road Infrastructure	**2 029 242**	1 732 087
Other/Holding/Eliminations	**(18 852)**	(14 845)
Operating revenue underlying	**7 265 779**	6 561 832
Adjustments[1)]	**5 091**	0
Operating revenue reported	**7 270 870**	6 561 832

[1)] Items which management believes to be non-recurring

Personnel costs underlying

NOK 1000	2020	2019
Segment Road Safety Nordic	**(979 290)**	(986 341)
Segment Road Safety Europe	**(313 817)**	(272 196)
Other/Eliminations	**701**	741
Road Safety	**(1 292 406)**	(1 257 796)
Road Infrastructure Nordic	**(73 764)**	(67 027)
Road Infrastructure Europe	**(211 305)**	(185 546)
Other/Eliminations	**(35 758)**	(8 031)
Segment Road Infrastructure	**(320 827)**	(260 605)
Other/Holding/Eliminations	**(38 181)**	(35 472)
Personnel costs underlying	**(1 651 414)**	(1 553 873)
Classification adjustments[2)]	**36 940**	33 730
Adjustments[1)]	**(12 156)**	(5 496)
Personnel costs reported	**(1 626 630)**	(1 525 639)

[1)] Items which management believes to be non-recurring
[2)] External services are classified as Other operating costs in IFRS, but as Personnel costs in underlying figures

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Other operating costs underlying

NOK 1000	2020	2019
Segment Road Safety Nordic	**(322 199)**	(336 473)
Segment Road Safety Europe	**(123 200)**	(120 220)
Other/Eliminations	**0**	4
Road Safety	**(445 399)**	(456 689)
Road Infrastructure Nordic	**(27 247)**	(30 439)
Road Infrastructure Europe	**(105 041)**	(103 712)
Other/Eliminations	**(9 313)**	(267)
Segment Road Infrastructure	**(141 601)**	(134 418)
Other/Holding/Eliminations	**(28 485)**	(30 180)
Other operating costs underlying	**(615 485)**	(621 288)
Classification adjustments[2)]	**(219 697)**	(198 663)
Adjustments[1)]	**(44 110)**	(72 364)
Other operating costs reported	**(879 292)**	(892 315)

[1)] Items which management believes to be non-recurring
[2)] Freight charges are classified as Other operating costs in IFRS, but as Cost of goods sold in underlying figures

EBITDA underlying

NOK 1000	2020	2019
Segment Road Safety Nordic	**433 135**	295 879
Segment Road Safety Europe	**202 332**	154 728
Other/Eliminations	**0**	0
Road Safety	**635 467**	450 607
Road Infrastructure Nordic	**54 674**	27 183
Road Infrastructure Europe	**204 163**	108 323
Other/Eliminations	**(51 299)**	(10 828)
Segment Road Infrastructure	**207 538**	124 679
Other/Holding/Eliminations	**(72 945)**	(68 648)
EBITDA underlying	**770 060**	506 638
Adjustments[1)]	**(54 529)**	(78 960)
EBITDA reported	**715 531**	427 677
Depreciation and impairment	**(293 692)**	(267 342)
Amortisation and impairment	**(61 220)**	(52 833)
Operating profit/(loss) reported	**360 619**	107 502

[1)] Items which management believes to be non-recurring

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Operating revenue split by geographical areas

NOK 1000	2020	2019
Norway	**1 498 591**	1 613 694
Sweden	**1 337 393**	1 107 455
Denmark	**399 979**	380 473
Poland	**934 223**	738 759
Germany	**1 009 902**	961 343
Other	**2 090 783**	1 760 109
Total operating revenue	**7 270 870**	6 561 832

NOK 1000	2020	2019
Sales revenue - products	**5 882 676**	5 181 565
Sales revenue - services	**1 344 404**	1 334 648
Total other revenue[1)]	**43 790**	45 619
Total operating revenue	**7 270 870**	6 561 832

[1)] Other revenue includes gain on sale of fixed assets, rental revenue and other operational revenue

The Group and the segments have a diversified customer base and are not reliant on any single major customer.

Note 7 Revenue from contracts with customers

Disaggregated revenue information

The Group offers a broad assortment of products and solutions to the road safety and road infrastructure industry. Set out below is the disaggregation of the Group's revenue from contracts with customers into major product/service lines:

2020

NOK 1000	Segment Road Safety Nordic	Segment Road Safety Europe	Road Infrastructure Nordic	Road Infrastructure Europe	Other/Holding/ Eliminations	Total
Major product/service lines						
Road restraint systems	833 244	1 285 566	0	7 530	0	**2 126 341**
Light poles	468 547	0	0	4 356	0	**472 903**
Road marking	397 380	367 986	0	0	0	**765 366**
Signs and work zone protection	966 523	17 941	0	0	0	**984 463**
Soil steel bridges, pipes and culverts	0	0	233 567	621 367	0	**854 934**
Geosynthetics	0	0	244 525	341 180	0	**585 706**
Other products/eliminations	714 151	274 605	71 342	578 212	(161 920)	**1 476 390**
Revenue from contracts with customers	3 379 845	1 946 098	549 434	1 552 646	(161 920)	**7 266 102**

2019

NOK 1000	Segment Road Safety Nordic	Segment Road Safety Europe	Road Infrastructure Nordic	Road Infrastructure Europe	Other/Holding/ Eliminations	Total 2019
Major product/service lines						
Road restraint systems	658 976	1 100 184	0	25 857	0	**1 785 017**
Light poles	470 401	0	0	13 463	0	**483 864**
Road marking	358 145	361 564	0	0	0	**719 709**
Signs and work zone protection	960 295	17 483	0	0	0	**977 778**
Soil steel bridges, pipes and culverts	0	0	200 745	493 729	0	**694 473**
Geosynthetics	0	0	206 849	278 924	0	**485 772**
Other products/eliminations	690 219	280 130	56 968	507 401	(125 106)	**1 409 611**
Revenue from contracts with customers	3 138 036	1 759 360	464 561	1 319 373	(125 106)	**6 556 224**

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Below are further description of the products and solutions within each product/service line.

Road restraint systems products are designed to reduce the impact of an accident, and include guardrails, bridge parapets, crash cushions and end terminals.

Light poles are designed, developed, produced and distributed by the Group, mainly for use on the roads, but also for sport arenas, industrial areas, parks, residential areas and parking areas.

Road marking is application of road marking materials (lines and symbols) on roads, parking lots, airports and other paved areas, and also includes road maintenance.

Signs and work zone protection: The signs-category include fixed traffic signs, mechanical variable message signs and electronic variable message signs, along with safety posts and gantries. Work zone protection products are products of temporary and/or movable character, like barriers, truck mounted attenuators, traffic lights, signs and warning trailers.

Soil steel bridges, pipes and culverts: Culverts, bridges, underpasses, overpasses, tunnels, animal underpasses and overcrossings of buried flexible steel structures, as well as culverts, small underpasses and other industrial applications like ventilation or vertical shafts from corrugated steel pipes and pipe-arches solutions, and culverts and storm sewers of plastic pipes, are included in this line.

Geosynthetics used within construction applications, are mostly traded products, like woven and non-woven geotextiles, geogrids, natural erosion control mats, asphalt reinforcements, erosion control products, geomembranes, bentonite liners and geocomposites.

Other products/eliminations: Other products include street furniture, rail and power poles, rock support products, marina systems and noise protection systems within the road safety segment. The road infrastructure products and solutions are related to railway implementation and application materials, temporary and permanent modular steel bridges, precast modular concrete elements for bridges, environmental protection products, retaining walls and gabions, storm sewage systems and retaining tanks. Eliminations is revenue between the different segments and is applicable for all major product/service lines.
Set out below is the reconciliation of revenue from contracts with customers with the amounts disclosed in the segment information, see note 6, and with reported operating revenue:

2020

NOK 1000	Segment Road Safety Nordic	Segment Road Safety Europe	Road Infrastructure Nordic	Road Infrastructure Europe	Other/Holding/ Eliminations	Total
Operating revenue underlying	3 380 296	1 946 155	551 885	1 549 364	(161 920)	7 265 779
Adjustments[1)]	39	0	0	5 052	0	**5 091**
Operating revenue reported	3 380 335	1 946 155	551 885	1 554 416	(161 920)	**7 270 870**
Rental income	490	57	2 451	1 769	0	**4 767**
Revenue from contracts with customers	3 379 845	1 946 098	549 434	1 552 646	(161 920)	**7 266 102**

2019

NOK 1000	Segment Road Safety Nordic	Segment Road Safety Europe	Road Infrastructure Nordic	Road Infrastructure Europe	Other/Holding/ Eliminations	Total 2019
Operating revenue underlying	3 138 606	1 759 459	466 811	1 322 061	(125 106)	**6 561 832**
Adjustments[1)]	0	0	0	0	0	**0**
Operating revenue reported	3 138 606	1 759 459	466 811	1 322 061	(125 106)	**6 561 832**
Rental income	570	99	2 251	2 688	0	**5 608**
Revenue from contracts with customers	3 138 036	1 759 360	464 561	1 319 373	(125 106)	**6 556 224**

Contract balances

NOK 1000	**31.12.2020**	**31.12.2019**
Trade receivables	**943 255**	910 034
Contract assets	**145 702**	172 037
Contract liabilities	**39 437**	29 233

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Trade receivables are non-interest bearing and are generally on terms of until 60 days. The contract assets consist of unbilled amounts when revenue recognised exceeds the amount billed to customer. The contract liabilities consist of advance payments and billings in excess of revenue recognised (i.e. deferred revenue).

Performance obligations

For sale of goods the invoicing is generally done when the goods are delivered, i.e. at the same time revenue for each performance obligation is recognised. Sale of goods thus normally has no effect on the contract asset and the contract liability balances. Payment is normally due for the total consideration within two months after invoicing.

For sale of services invoicing is customarily done monthly, according to agreed fixed fees or work performed, and consideration is payable within two months after invoicing. Sale of services normally has no impact on the contract asset and the contract liability balances, as the invoicing normally coincides with the satisfaction of the performance obligations for the month. An exception is when invoicing has not yet been effectuated and the right to consideration is classified as unbilled revenue at reporting date.

Sale of goods/services combined and projects customers are generally invoiced on a monthly basis according to work performed or at agreed milestones. Payment is normally due within two months after invoicing. The sales often have no impact on the contract asset and the contract liability balances, as the invoicing often coincides with the satisfaction of the performance obligations for the month. However, when sale is invoiced according to milestones, revenue can be recognised in excess of or below the amounts invoiced, leading to contract asset or the contract liability balances for the Group.

The Group uses the practical expedient not to disclose the amount of the remaining performance obligations for contracts with original expected duration of less than one year or for contracts with right to consideration from the customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date.

The aggregate amount of the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied), for contracts with original expected duration of one year or more, with right to consideration from the customer at an amount independent of the entity's performance completed to date, as at 31 December 2020 is NOK 147 million (NOK 193 million as at 31 December 2019), whereof NOK 79 million is expected to be recognised within one year (NOK 72 million were expected to be recognised within one year in 2019).

Note 8 Cost of goods sold and inventories

Cost of goods sold

NOK 1000	**2020**	**2019**
Purchase of goods and changes in inventories	**4 027 686**	3 709 983
Write-down of inventories	**21 731**	6 218
Total cost of goods sold	**4 049 416**	3 716 201

Inventories

NOK 1000	**Carrying value 31.12.2020**	**Carrying value 31.12.2019**
Raw materials	**364 932**	369 008
Work in progress	**31 405**	34 353
Own produced goods	**275 335**	341 310
Goods purchased for resale	**199 203**	249 388
Total inventories	**870 875**	994 059

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Note 9 Other operating costs

Other operating costs

NOK 1000	2020	2019
Rent	**16 417**	20 722
Other costs related to premises	**70 830**	70 924
Leases of machinery, equipment, vehicles, fixtures and office machines [1)]	**18 710**	14 721
Direct operating costs (incl. repairs and maintenance)	**226 580**	228 721
Selling and distribution costs	**248 718**	257 174
Administrative costs	**199 172**	205 768
Membership, insurance, license- and guarantee costs	**54 751**	43 837
Capital losses upon sales of fixed assets	**997**	1 116
Bad debts	**10 880**	12 600
Other operating costs	**32 237**	36 731
Total other operating costs	**879 292**	892 315

[1)] Lease expense for short-term leases, low value asset leases and variable lease payments not included in lease liabilities

Fees to auditors

NOK 1000	2020	2019
Proposed fee for audit	**10 550**	8 100
Fees for audit previous year	**1 003**	983
Fees for attestation services	**630**	394
Fees for tax services	**2 984**	2 819
Fees for other services	**1 123**	1 456
Total fees	**16 291**	13 752
Of which is auditing fees to Ernst & Young	**10 077**	7 856
Of which is other fees to Ernst & Young	**4 697**	4 609

The amounts in the table above represent the fees for the audit of the statutory financial statements for companies with statutory audit requirements, in addition to the audit of the consolidated financial statement.

Fees to auditor is excluding VAT.

Note 10 Employees, total personnel costs and management remuneration

Salaries and remuneration

NOK 1000	2020	2019
Salary	**1 295 058**	1 223 891
Social security tax on salaries, pensions, bonuses etc.	**185 344**	180 469
Other personnel expenses	**24 102**	28 680
Pension expenses	**71 622**	65 360
Bonuses	**50 503**	27 239
Total salaries and remuneration	**1 626 630**	1 525 639

There are 2 979 employees in the Group per 31 December 2020 (2 968 last year).

Whereof salaries and remuneration for Board of Directors and Group management
The Board of Directors in SRH Investco AS received no remuneration in 2019 or 2020.

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The table below sets out the number of shares in subsidiaries owned by the Board of Directors per 31 December 2020.

	31.12.2020
MgmtCo RI AS - Class A shares (common shares)	116 294
MgmtCo RI AS - Class B1 shares (preference shares)	45 000
MgmtCo Saferoad AS - Class A shares (common shares)	105 000
MgmtCo Saferoad AS - Class B1 shares (preference shares)	105 000
Total	371 294

The Chairman and the members of the Board have no agreements for further compensation due to termination or changes in the position. There are no loans or share-based payments from the company to the Board of Directors. None of the members of the Board has a service contract.The Chairman and the members of the Board are employed in FSN Capital Partners AS which is related to the FSN funds that owns SRH Investco AS.

From end of 2019, the Group is conducting its business in two operationally separated parts; the Saferoad Group and the ViaCon Group, and each Group has its own executive management. SRH Investco AS does not have a formal CEO, but necessary management functions are provided by management in Saferoad Group and ViaCon Group.

The table below sets out the remuneration for 2020 for the Saferoad Group management which consisted of nine persons per 31 December 2020.

NOK 1000	2020
Salary [1]	24 191
Bonus [2]	9 309
Other benefits [3]	1 337
Pension benefits	1 664
Total	36 501

[1] Salary consists of base salary and holiday payment
[2] Bonus earned in 2018, 2019 and 2020, paid in 2020
[3] Other benefits are the total of all other cash and non-cash related benefits received by the individual during the year presented and includes such items as the taxable portion of insurance premiums, company car, car allowances and electronic communication items

One member of the Saferoad Group management has a loan from the company of total NOK 0.4 million.

The table below sets out the remuneration for 2020 for the ViaCon Group management which consisted of seven persons per 31 December 2020.

	2020
Salary [1]	14 698
Bonus [2]	4 818
Other benefits [3]	612
Pension benefits	3 025
Total	23 153

[1] Salary consists of base salary and holiday payment
[2] Bonus earned in 2020, paid in 2020
[3] Other benefits are the total of all other cash and non-cash related benefits received by the individual during the year presented and includes such items as the taxable portion of insurance premiums, company car, car allowances and electronic communication items

MgmtCo Saferoad AS and MgmtCo RI AS are holding companies which owns shares in Saferoad Holding AS and RI Holding AB through a management incentive program in Saferoad and ViaCon Group.

The table below sets out the number of shares in subsidiaries owned by the Saferoad Group management per 31 December 2020.

	31.12.2020
MgmtCo RI AS - Class A shares (common shares)	52 500
MgmtCo RI AS - Class B1 shares (preference shares)	52 500
MgmtCo Saferoad AS - Class A shares (common shares)	231 168
MgmtCo Saferoad AS - Class B1 shares (preference shares)	231 168
Total	567 336

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The table below sets out the number of shares in subsidiaries owned by the ViaCon Group management per 31 December 2020.

	31.12.2020
MgmtCo RI AS - Class A shares (common shares)	682 681
MgmtCo RI AS - Class B1 shares (preference shares)	408 125
MgmtCo Saferoad AS - Class A shares (common shares)	0
MgmtCo Saferoad AS - Class B1 shares (preference shares)	0
Total	1 090 806

Note 11 Pensions

The Group policy is to offer pension contribution plans to its employees. The Norwegian companies in the Group are required by law to have a pension scheme and this requirement is fulfilled. The main characteristic of a defined contribution plan is that the employer`s obligation is limited to the amount it agrees to contribute to the plan. For such plans the contribution is expensed as they are incurred.

In line with the Group policy, most defined benefit plans were terminated in 2008 or earlier. For historical reasons there are still a limited number of such plans in place in Sweden, Norway and in Germany. The main financial and accounting impact of the remaining defined benefit plans have been summarised below, on the line "defined benefit expense" and under the heading "defined benefit assets and liabilities".

Pension expense for the year

NOK 1000	2020	2019
Defined benefit expense	**1 818**	(65)
Defined contribution expense	**69 804**	65 425
Total pension expense	**71 622**	65 360
Defined benefit assets and liabilities		
Accrued pension obligations	**69 708**	67 449
Pension plan assets	**15 920**	16 341
Net benefit obligations	**53 788**	51 108
Plans with a surplus is recognised separately from plans with a deficit		
Recognised pension assets	**143**	167
Recognised pension obligations	**(53 931)**	(51 275)

Actuarial and financial assumptions (defined benefit plans):

	2020		
	Norway	**Sweden**	**Germany**
Discount rates	1,5 %	1,1 %	0,6 %
Salary increase	2,0 %	2,5 %	0,0 %

	2019		
	Norway	**Sweden**	**Germany**
Discount rates	1,8 %	1,3 %	1,1 %
Salary increase	2,3 %	2,7 %	0,0 %

Actuarial gain of NOK 0.2 million in 2020 (loss of NOK 2.1 million in 2019) have been recognised in other comprehensive income.

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Note 12 Financial items

NOK 1000	**2020**	**2019**
Interest income	**10 722**	10 345
Other financial income	**216**	6 396
Total financial income	**10 939**	16 742
Interest expenses	**179 825**	170 833
Interest expenses on lease liabilities	**29 456**	28 778
Financial expenses to group companies	**3**	0
Other financial expenses	**37 223**	47 087
Total financial expenses	**246 507**	246 698
Currency exchange gain	**338 576**	139 128
Currency exchange loss	**399 285**	143 100
Net exchange rate gain/(loss)	**(60 709)**	(3 971)
Share of profit/(loss) of associated companies	**148**	142
Net financial income/(expenses)	**(296 129)**	(233 785)

Other financial expenses consist of guarantee provisions, bank fees, and write-down of financial assets.

Other financial income in 2019 consists mainly of net decrease in estimated future payments of acquired shares, see note 18.

Currency exchange gains and losses arise from the Group's holding entities' internal and external monetary positions in currencies different from the entity's functional currency. The gains and losses arise from translation of monetary assets and liabilities expressed in non-functional currencies to the exchange rate in effect on the balance sheet date, and from transactions in non-functional currencies translated at the rate in effect on the transaction date. The gains and losses are netted per currency per entity.

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Note 13 Income tax

Tax income/(expense)

NOK 1000	2020	2019
Tax payable	**(67 473)**	(33 263)
Changes in deferred tax	**51 990**	(19 896)
Tax income/(expense) recognised in the consolidated statement of comprehensive income	**(15 484)**	(53 159)
Prepaid tax (included in other receivables)	**24 442**	31 503
Current tax liabilities	**(31 072)**	(16 710)
Total (net) tax payable 31 December, receivable/(liability)	**(6 630)**	14 793

A reconciliation of the effective rate of tax and the tax rate in Saferoad Group's country of registration

NOK 1000	2020	2019
Profit/(loss) before tax	**64 490**	(126 283)
Expected income taxes according to income tax rate in Norway 22%	**(14 188)**	27 782
Adjustment in respect of current income tax of previous years	**2 745**	(4 466)
Deferred tax assets not recognised current year	**(29 061)**	(64 250)
Use of previously unrecognised loss carried forward	**29 079**	19 460
Effect of redused valuation allowance regarding deferred tax asset [1)]	**29 058**	(1 397)
Non deductible expenses [2)]	**(37 180)**	(30 259)
Non-taxable income	**12 488**	3 037
Tax rate outside Norway other than 22%	**2 243**	123
Change in deferred tax assets/liabilities due to change in tax rates [3)]	**(432)**	2 630
Other	**(10 236)**	(5 817)
Tax income/(expense) recognised in the consolidated statement of comprehensive income	**(15 484)**	(53 159)
Tax income/(expense) reported in other comprehensive income		
Pensions	**43**	101
Tax effect on currency translation - net investment	**(23 826)**	13 619
Income tax on other comprehensive income	**(23 783)**	13 720

[1)] Assessments of whether tax loss carry forward and deferred tax on other temporary differences should be recognised, is done partly on country and partly on company level.
[2)] The non-deductible expenses include other financial expenses related to changes in estimated future payments for put options on shares (see note 12 and note 18), non-deductible interest expenses, and loss on sale of subsidiaries (see note 4).
[3)] Deferred tax assets/liabilities are measured at new tax rate 20.6% from year end 2020 for Swedish entities as Sweden have decided to reduce the corporate income tax in 2021.

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Deferred tax liabilities/(deferred tax assets) NOK 1000	**Statement of financial position 2020**	Statement of financial position 2019	**Statement of profit or loss 2020**	Statement of profit or loss 2019
Non-current assets and liabilities				
Intangible assets	**48 292**	53 865	**5 573**	8 390
Tangible fixed assets	**30 051**	37 377	**7 327**	8 449
Pensions	**(5 723)**	(5 711)	**(31)**	(103)
Other non-current items	**17 362**	17 065	**(296)**	(1 526)
Total non-current assets and liabilities	**89 981**	102 597	**12 573**	15 210
Current assets and liabilities				
Inventory	**(4 474)**	(2 081)	**2 393**	(128)
Liabilities	**(2 461)**	(1 918)	**543**	1 370
Trade receivables	**(6 814)**	(4 053)	**2 761**	201
Other investments at fair value	**(111)**	(97)	**14**	7
Other current items	**(11 050)**	(9 456)	**1 593**	(1 978)
Total current assets and liabilities	**(24 909)**	(17 605)	**7 304**	(527)
Tax losses carried forward	**(252 802)**	(261 937)	**14 691**	9 898
Of which assets not recognised (valuation allowance)	**(188 473)**	(205 401)	**(16 928)**	45 058
Net recognised deferred tax liabilities	**743**	28 456	**51 496**	(20 477)

Tax loss carried forward

The Group has a total tax loss carried forward of NOK 1 192.1 million which expires as follows:

NOK 1000	Sweden	United Kingdom	Norway	Other	2020	2019
Current year + 1 year				20 353	**20 353**	13 265
Current year + 2 years				25 427	**25 427**	19 732
Current year + 3 years				17 442	**17 442**	16 276
Current year + 4 years				7 419	**7 419**	32 938
Current year + 5 years or later				2	**2**	19 382
No due date	239 657	136 389	688 086	57 355	**1 121 486**	1 141 513
Total tax loss carried forward	239 657	136 389	688 086	127 999	**1 192 130**	**1 243 106**
On which deferred tax assets have not been recognised	107 315	136 389	582 285	62 883	**888 872**	**940 763**
Total tax loss on which deferred tax assets have been recognise	132 342	0	105 801	65 116	**303 258**	**302 343**

Changes in net deferred taxes

NOK 1000	2020	2019
Opening balance	**28 455**	21 698
Recognised in profit and loss	**(52 049)**	19 954
Recognised as other comprehensive income	**23 783**	(13 719)
Acquistions and disposals	**77**	9
Translation differences	**476**	514
As of 31 December	**743**	28 455
Of which deferred tax assets	**55 012**	25 709
Of which deferred tax liabilities	**(55 755)**	(54 164)

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Note 14 Property, plant and equipment

2020

NOK 1000	Land	Buildings	Machines / equipment	Construction in progress	Rental equipment /furniture /vehicles [1]	Total
Accumulated cost 31 December 2019	48 024	379 259	451 946	8 647	219 629	1 107 505
Reclassifications	0	40 376	16 431	(11 752)	4 722	49 777
Additions, acquisition of subsidiaries	0	1 037	699	0	586	2 322
Additions, other	230	15 879	193 238	3 455	30 500	243 302
Disposals	0	(1 198)	(5 558)	0	(3 041)	(9 796)
Translation differences	726	18 663	18 360	356	13 882	51 988
Accumulated cost 31 December 2020	48 980	454 017	675 116	706	266 278	1 445 097

Depreciation method / Useful life NOK 1000	No depreciation	Linear 10-40 years	Linear 5-10 years	No depreciation	Linear 3-5 years	Total
Accumulated depreciations and impairments 31 December 2019	0	46 629	89 655	0	58 611	194 895
Reclassifications	0	26 046	19 250	0	2 019	47 316
Disposals	0	(1 263)	(5)	0	0	(1 268)
Depreciations	0	35 537	69 994	0	44 121	149 653
Impairments	0	0	1 533	0	0	1 533
Translation differences	0	6 940	18 477	0	9 230	34 647
Accumulated depreciations and impairments 31 Desember 2020	0	113 891	198 904	0	113 981	426 776
Carrying value 31 December 2019	48 024	332 630	362 291	8 647	161 018	912 610
Carrying value 31 December 2020	48 980	340 127	476 212	706	152 297	1 018 321

[1] This category includes rental equipment where the Group is the lessor.

2019

NOK 1000	Land	Buildings	Machines / equipment	Construction in progress	Rental equipment /furniture /vehicles [1]	Total
Accumulated cost 31 December 2018	36 789	375 112	443 372	1 261	224 273	1 080 807
Transfer to RoU 1 January 2019	0	0	(85 301)	0	(39 011)	(124 312)
Accumulated cost 1 January 2019	36 789	375 112	358 071	1 261	185 261	956 495
Reclassifications	0	7 448	(3 873)	(6 219)	4 293	1 649
Additions, other	13 546	12 095	108 724	13 524	34 970	182 860
Disposals	(2 190)	(11 566)	(4 495)	0	(2 416)	(20 667)
Translation differences	(121)	(3 830)	(6 481)	81	(2 480)	(12 832)
Accumulated cost 31 December 2019	48 024	379 259	451 946	8 647	219 629	1 107 505

Depreciation method / Useful life NOK 1000	No depreciation	Linear 10-40 years	Linear 5-10 years	No depreciation	Linear 3-5 years	Total
Accumulated depreciations and impairments 31 December 2018	0	14 316	29 675	0	17 737	61 727
Accumulated depreciations and impairments 1 January 2019	0	14 316	29 675	0	17 737	61 727
Reclassifications	0	1 826	(419)	0	242	1 649
Disposals	0	0	0	0	(121)	(121)
Depreciations	0	31 876	64 860	0	42 262	138 997
Translation differences	0	(1 388)	(4 461)	0	(1 509)	(7 358)
Accumulated depreciations and impairments 31 December 2019	0	46 629	89 655	0	58 611	194 895
Carrying value 31 December 2018	36 789	360 796	413 697	1 261	206 536	1 019 079
Carrying value 31 December 2019	48 024	332 630	362 291	8 647	161 018	912 610

1) This category includes rental equipment where the Group is the lessor.

There is no material capitalised interest cost on property, plant and equipment per 31 December 2020 or per 31 December 2019.

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Note 15 Leases

The Group has leases for premises, machinery and equipment, vehicles, fixtures and office machines. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet:

2020

NOK 1000	Leased premises	Leased machinery/ tools/ vehicles	Leased company cars	Leased furniture/ fixtures/ office machines	Total
Accumulated cost 31 December 2019	309 350	181 788	102 896	5 134	599 168
Reclassifications	0	(2 250)	(1 376)	(1 745)	(5 371)
Additions, other	54 364	33 299	16 253	662	104 579
Disposals	(7 010)	(7 414)	(16 919)	(413)	(31 756)
Translation differences	14 502	5 453	5 625	287	25 867
Accumulated cost 31 December 2020	371 206	210 876	106 479	3 925	692 487
Accumulated depreciations and impairments 31 December 2019	52 847	40 811	30 821	1 387	125 867
Reclassifications	0	(840)	(1 217)	(852)	(2 909)
Disposals	(7 010)	(7 414)	(14 830)	(413)	(29 667)
Depreciations	61 354	50 121	29 435	1 596	142 506
Translation differences	1 690	1 006	1 398	62	4 155
Accumulated depreciations and impairments 31 December 2020	108 882	83 684	45 606	1 779	239 951
Carrying value 31 December 2019	256 503	140 976	72 075	3 747	473 301
Carrying value 31 December 2020	262 325	127 192	60 873	2 146	452 536

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2019

NOK 1000	Leased premises	Leased machinery/ tools/ vehicles	Leased company cars	Leased furniture/ fixtures/ office machines	Total
Transfer from property, plant and equipment to RoU 1 January 2019 (note 14)	0	86 037	36 604	1 672	124 312
Transition to IFRS 16 Leases 1 January 2019	295 470	64 592	48 194	2 138	410 393
Accumulated cost 1 January 2019	295 470	150 629	84 798	3 810	534 706
Reclassifications	0	652	(948)	0	(296)
Additions, other	24 461	30 732	23 617	1 421	80 231
Disposals	(6 530)	(395)	(3 515)	(73)	(10 513)
Translation differences	(4 051)	170	(1 057)	(23)	(4 960)
Accumulated cost 31 December 2019	309 350	181 788	102 896	5 134	599 168
Accumulated depreciations and impairments 1 January 2019	0	0	0	0	0
Reclassifications	0	0	(294)	0	(294)
Disposals	(2 296)	(205)	(393)	(73)	(2 967)
Depreciations	54 869	40 674	31 350	1 452	128 344
Translation differences	275	342	157	9	783
Accumulated depreciations and impairments 31 December 2019	52 847	40 811	30 821	1 387	125 867
Carrying value 31 December 2018	0	0	0	0	0
Carrying value 31 December 2019	256 503	140 976	72 075	3 747	473 301

The right-of-use assets are included in the same line item as where the corresponding underlying assets would be presented if they were owned.

The lease liabilities are secured by the related underlying assets. See note 23 regarding the maturity profile of the lease liabilities at 31 December 2020 and see note 12 regarding interest expense on the lease liabilities.

See Cash flow statement for total cash outflows regarding financial lease payments.

The group has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

NOK 1000	2020	2019
Lease expense for short-term leases	**29 150**	30 544
Lease expense for low value asset leases	**3 171**	2 807
Variable lease payments not included in lease liabilities	**5 063**	5 541

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Note 16 Intangible assets

2020

NOK 1000	Licenses, product rights etc	Development	Goodwill	Customer relationships	Other intangible assets	Total
Accumulated cost 1 January 2020	22 565	103 069	565 628	285 864	29 202	1 006 328
Reclassifications	0	(822)	0	0	822	0
Additions, acquisition of subsidiaries	0	0	18 109	0	8	18 117
Additions, other	0	19 354	0	0	2 657	22 011
Translation differences	2 960	6 788	2 234	6 231	2 738	20 951
Accumulated cost 31 December 2020	25 525	128 389	585 972	292 095	35 426	1 067 406

Amortisation method
Useful life

NOK 1000	Linear 5-10 years	Linear 3-15 years	No amortisation	Linear 5-10 years	Linear 3-15 years	Total
Accumulated amortisations and impairments 1 January 2020	1 046	19 344	0	40 334	9 855	70 580
Amortisations	577	17 448	0	35 078	6 740	59 843
Impairments	0	1 378	0	0	0	1 378
Translation differences	770	4 651	0	408	1 743	7 572
Accumulated amortisations and impairments 31 December 2020	2 393	42 821	0	75 820	18 338	139 372
Carrying value 1 January 2020	21 519	83 724	565 628	245 530	19 347	935 748
Carrying value 31 December 2020	23 131	85 568	585 972	216 275	17 089	928 034

2019

NOK 1000	Licenses, product rights etc [1]	Development	Goodwill	Customer relationships	Other intangible assets	Total
Accumulated cost 1 January 2019	23 440	76 916	564 070	287 807	25 918	978 150
Reclassifications	0	0	0	0	16	16
Additions, acquisition of subsidiaries	0	0	1 919	0	0	1 919
Additions, other	0	27 337	0	0	4 343	31 680
Derecognition	(177)	(108)	0	0	(558)	(843)
Translation differences	(697)	(1 076)	(361)	(1 942)	(518)	(4 596)
Accumulated cost 31 December 2019	22 565	103 069	565 628	285 864	29 202	1 006 328

Amortisation method
Useful life

NOK 1000	Linear 5-10 years	Linear 3-15 years	No amortisation	Linear 5-10 years	Linear 3-15 years	Total
Accumulated amortisations and impairments 1 January 2019	500	7 982	0	6 736	4 148	19 366
Amortisations	683	12 232	0	33 486	6 432	52 833
Derecognition	0	0	0	0	(540)	(540)
Translation differences	(136)	(870)	0	112	(185)	(1 080)
Accumulated amortisations and impairments 31 December 2019	1 046	19 344	0	40 334	9 855	70 580
Carrying value 31 December 2018	22 940	68 934	564 070	281 070	21 771	958 785
Carrying value 31 December 2019	21 519	83 725	565 628	245 530	19 347	935 748

[1] This category includes trademark of NOK 19.6 million which is not amortised.

Total spending in research and development in 2020 amounted to NOK 19.4 million (NOK 27.3 million in 2019).

Groups of cash-generating unit composition

The Group comprises of the cash-generating units (CGUs) Road Safety Nordic, Road Safety Europe and Road Infrastructure. When identifying the CGUs, various factors have been considered, including how Group management monitors operations by segments. The CGUs correspond to the operating segments, which are managed as separate and strategic business, see description in note 6.

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The table below shows the allocation of goodwill between the CGUs:

NOK 1000	31.12.2020	31.12.2019
Road Safety Nordic	**352 420**	352 420
Road Safety Europe	**63 634**	43 349
Road Infrastructure	**169 917**	169 859
Total	**585 972**	565 628

Impairment testing of goodwill

The Group tests goodwill for impairment annually or more frequently if there are indications that goodwill is impaired. Recognised goodwill as of 31 December 2020 is NOK 586.0 million, and is derived from CGUs Road Safety Nordic, Road Safety Europe and Road Infrastructure, see table above. The recoverable amounts of the CGUs have been determined based on value-in-use calculations.

Cash flow assumptions used in value-in-use calculations
Revenue is driven by public road spend budgets in relevant markets, adjusted for Management's expectations for price development and market penetration. Baseline variable costs are assumed to be at a fixed level of revenue and fixed costs are expected to increase by inflation or expected salary growth. Capital expenditure is assumed to be at a fixed level of revenue and depreciation is assumed to be equal to capital expenditure. Net working capital levels are budgeted on an entity level based on historically reported values and expectations to ongoing initiatives to improve capital efficiency. In calculations of the terminal value the level of change in net working capital is assumed at a percentage of revenues based on long-term expectations. The tax rate applied is the weighted tax rate for the relevant countries. Cash flows after year 2025 have been extrapolated using a long-term growth rate that is similar to the expected long-term inflation.

Discount rates used in value-in-use calculations
The Group has applied a weighted average cost of capital (WACC) specific for each CGU. The value in use is the net present value of the estimated cash flow after tax, using a discount factor reflecting the timing of the cash flows and the expected risks. Discount rates reflect the current market assessment of the risks specific to each CGU. The discount rate is estimated based on the weighted average cost of capital (WACC) for the industry. This rate is further adjusted to reflect the market assessment of any risk specific to the CGU for which future estimates of cash-flows have not been adjusted. The market risk premium of equity is 6 per cent, at the same level as previous years.
The table below outlines the key assumptions for each CGU.

	Expected compound annual growth rate (CAGR) of sales	EBITDA-margins	Change in net working capital as a percentage of revenues	Discount rate applied to cash-flow projections
Road Safety Nordic	3.2%	10%-12%	0.4%-0.6%	6.91%
Road Safety Europe	3.0%	8%	0.6%-0.8%	7.07%
Road Infrastructure	3.5%	8%-12%	0.3%-1.1%	8.27%

Sensitivity analysis

The calculation of recoverable amount is sensitive for changes in key assumptions. Sensitivity analysis have been performed on the most sensitive assumptions, which are changes in sales growth, changes in discount rates and changes in EBITDA-margins. The table below outlines the level of change in a single assumption that will lead to impairment charges.

	Expected compound annual growth rate (CAGR) of sales	Discount rate applied to cash-flow projections	EBITDA-margins
Road Safety Nordic	(5.0%-points)	3.4%-points	(20.3%)
Road Safety Europe	(1.7%-points)	0.8%-points	(7.2%)
Road Infrastructure	(16.4%-points)	12.8%-points	(53.5%)

The sensitivity analysis indicates that the conclusion is robust to changes in assumptions for all three segments. Decreased demand can lead to a decline in the expected compound annual growth rate (CAGR) or EBITDA-margin. The Group believes that no reasonably possible change in any of the key assumptions used for impairment testing would cause the recoverable amount to be lower than the carrying amount of the Cash Generating Units.

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Note 17 Other provisions

Non-current

NOK 1000	31.12.2020	31.12.2019
Warranty provision	**10 109**	6 525
Other provisions	**31 059**	24 065
Total non-current provisions	**41 168**	30 590

Current

NOK 1000	31.12.2020	31.12.2019
Restructuring provisions	**1 670**	5 421
Total current provisions	**1 670**	5 421

Other provisions include royalty provisions for suppliers, a possible VAT claim in Poland and environmental liabilities. Restructuring provisions are mainly related to personnel costs.

Changes in provisions in 2020

NOK 1000	Warranty provisions	Other provisions	Total non-current provisions	Restructuring provisions	Total current provisions
Opening balance 01.01.2020	6 525	24 065	**30 590**	5 421	**5 421**
Additions	5 165	20 343	**25 508**	5 545	**5 545**
Used (amount charged against provision)	(400)	(12 751)	**(13 150)**	(8 065)	**(8 065)**
Unused amounts reversed	(1 113)	(413)	**(1 526)**	(1 876)	**(1 876)**
Translation differences	(68)	(186)	**(254)**	645	**645**
Total provisions 31.12.2020	10 109	31 059	**41 168**	1 670	**1 670**

Changes in provisions in 2019

NOK 1000	Warranty provisions	Other provisions	Total non-current provisions	Restructuring provisions	Total current provisions
Opening balance 01.01.2019	5 399	34 211	**39 609**	4 708	**4 708**
Additions	1 637	16 185	**17 822**	4 623	**4 623**
Used (amount charged against provision)	0	(9 782)	**(9 782)**	(3 876)	**(3 876)**
Unused amounts reversed	(500)	(16 537)	**(17 037)**	0	**0**
Translation differences	(11)	(12)	**(23)**	(34)	**(34)**
Total provisions 31.12.2019	6 525	24 065	**30 590**	5 421	**5 421**

Note 18 Put options on remaining shares and earn outs on acquired shares

Put options on shares and estimated future payments

In some acquired companies with non-controlling interests, put options are issued for the purchase of the remaining shares. The estimated future payments related to the buyouts of non-controlling interests and the remaining put option are shown in the table below. Options that do not create any obligations are not reported.

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NOK 1000	31.12.2020	31.12.2019
Included in other non-current liabilities	**0**	0
Included in other current liabilities	**0**	53 975
Total estimated future payments	**0**	53 975

Changes in estimated future payments

NOK 1000	31.12.2020	31.12.2019
Opening balance	**53 975**	57 103
Change in estimate existing obligations	**1 336**	4 531
Payments	**(64 417)**	(7 215)
Translation differences	**9 106**	(444)
Closing balance	**0**	53 975

In March 2018, the Group, through ViaCon International AB aquired 60 per cent of the voting shares in ViaCon France. The Group also entered into a shareholders' agreement with an option to buy the remaining 40 per cent of the shares. The remaining 40 % of the shares were acquired in March 2020 and no further obligations exists.

Future payments for acquired shares

The Group has the following future payments (earn outs and seller credit) related to acquired subsidiaries:

NOK 1000	31.12.2020	31.12.2019
Company		
Stolper AS	**0**	318
TrafikkDirigering AS	**0**	794
Oy Latium Ltd	**0**	1 644
AS ViaCon Eesti	**0**	6 905
Saferoad Finland Oy	**0**	786
Schalltec GmbH & Co. KG	**4 551**	4 287
Hausneindorfer Metallbau und Montage GmbH	**0**	10 477
ViaCon Hungary CS LLC	**0**	1 453
AWK GmbH	**9 507**	0
Total estimated future payments	**14 058**	26 663
Classified as		
Other non-current liabilities	**6 193**	794
Other current liabilities	**7 865**	25 869
Total estimated future payments	**14 058**	26 663

Acquired shares in the reporting period

On 31 December 2020, the Group acquired AWK GmbH in Germany, which is included in the Road Safety Europe segment. The first tranche of the estimated total consideration was paid 28 December 2020. The second tranche will be paid after finalisation of the annual financial statements for 2020 for the company. The final settlement will be made after finalisation of the annual financial statements for 2022 for the company and is based on the EBITDA-performance for 2021 and 2022. AWK GmbH is consolidated as a wholly owned subsidiary of the Group.

For some of the investments the estimated consideration is based on future development in the financial performance of the investments.

See note 4 "Business combinations and changes in the Group structure" for further details.

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Note 19 Financial strategy and financial risks

Capital management

The Group's capital management and financing strategy secures funding for all subsidiaries. The overriding goal is to provide the operating entities with financial capacity to perform their operational activities uninterrupted and to support the Group 's business strategy.

In September 2018, funds managed by FSN Capital GP V Limited acquired 100 per cent of the shares in the Group for NOK 1 909.3 million. The acquisition of the shares and the refinancing of the previous facility agreements with Danske Bank and Nordea was financed by equity and new loan facility agreements provided by DNB and funds managed by GSO Capital. GSO Capital has committed Senior Term Facility Agreements for NOK 975.0 million and EUR 100.5 million which mature in 2025. DNB's original Revolving Facility Agreement commitment of NOK 300.0 million was increased to NOK 375.0 million in February 2021. In addition, DNB has committed a Financial Leasing Facility of NOK 60.0 million. The DNB facilities mature in 2023.

The Group has sufficient financial capacity for current operations and further expansion.

According to the new facilities, the Group is required to be compliant with financial covenants related to leverage ratio and capital expenditure. Leverage ratio is defined as total net debt to last 12 months (LTM) EBITDA. The leverage ratio shall only be tested when 40 per cent or more of the revolving facility is drawn. The leverage ratio covenant does not trigger an event of default. By year end 2020, there were no drawdowns on the revolving facility. The capital expenditure covenant level is set 30 per cent above normal capital expenditure level, and there was significant headroom to the capital expenditure covenant 31 December 2020.

Net interest-bearing debt

NOK 1000	**31.12.2020**	**31.12.2019**
Facility loans (including revolving credit facility)	**1 969 048**	1 896 257
Leasing	**445 293**	464 300
Interest-bearing loans from group companies	**600**	0
Other interest-bearing debt	**47 933**	41 327
Total interest-bearing debt (note 23)	**2 462 874**	2 401 883
Cash and cash equivalents (note 22)	**841 377**	583 512
Net interest-bearing debt	**1 621 497**	1 818 371

Financial risk management

The Group is exposed to several financial risks that are originated from the international operations and from the financing of the Group. Financial risk mitigation is managed according to the Group's financial strategy and policy. The major risks are related to liquidity, counterparts for receivables, foreign exchange, interest rates and commodities. Financial risks are monitored and managed on a consolidated level by Group Treasury.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to honour its financial obligations as they fall due. The Group's strategy is to manage the liquidity risk so that the Group will have enough liquidity to satisfy its obligations as they fall due. Sufficient liquidity shall be attained without risking unacceptable losses, or at the expense of the reputation of the Group. The Group maintains a liquidity reserve as a buffer for extraordinary events. The liquidity reserve is cash and cash equivalents, with the addition of any unutilised commitments under the revolving facility agreement. The Group is targeting a minimum liquidity reserve between three to five per cent of the Group's annual turnover. The liquidity risk is closely monitored by the Group Management and the Board.

Cash at hand and the revolving facility agreement of NOK 375.0 million from February 2021 ensures sufficient financial capacity to sustain seasonal working capital fluctuations. The liquidity demand increases throughout the spring, and peak pressure is during early autumn when the operational activity is at the highest. Late autumn and during wintertime the commonly harsher weather conditions naturally reduces the operational activity, and thereby the working capital needs.

Furthermore, the Group's growth strategy will also draw on the liquidity reserves, either through proceeds in relation to acquisitions, or capital expenditures. Larger scale operations will also increase working capital needs.

The Group operates three cash pools, which facilitates an efficient exploitation of available cash within the Group. The cash pools help to reduce the utilisation of the revolving facility agreement. In addition, continuous cash flow forecasting helps to reduce external debt financing and thereby financing cost.

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Credit risk

The Group has guidelines to ensure that sales of products and services take place only to customers with a satisfactory credit history. Customer credit in the form of payment days is only granted after credit considerations are made. The average size of individual sales is low and there is no significant credit risk linked to individual customers, or customers that can be regarded as a Group due to similarities in their credit risk. The Group's diversified customer base in different jurisdictions, and from various industries, also lowers the concentration of counterparty credit risk from accounts receivables. Guarantees and credit insurances are used if deemed necessary and cost effective.

Realised losses during the year are classified as other operating expenses in the profit or loss (see note 9). The Group's aging structure for outstanding trade receivables is relatively stable. Bad debt losses recognised in 2020 totalled NOK 10.9 million (NOK 12.6 million in 2019). The total provision for bad debt is NOK 50.0 million as of 31 December 2020 (NOK 52.5 million as of 31 December 2019).

Aging analysis trade receivables, 31 December 2020

NOK 1000	Total	Not due	< 30d	30-60d	60-90d	>90d
Trade receivables	1 022 513	738 753	166 571	16 439	11 307	89 442
Provision for bad debt	(50 012)	(666)	(1 134)	(530)	(432)	(47 249)
Total trade receivables	972 501	738 087	165 436	15 909	10 875	42 194

Aging analysis trade receivables, 31 December 2019

NOK 1000	Total	Not due	< 30d	30-60d	60-90d	>90d
Trade receivables	993 544	668 187	140 558	37 416	20 607	126 776
Provision for bad debt	(52 464)	(80)	(241)	(1 064)	(988)	(50 090)
Total trade receivables	941 080	668 107	140 317	36 352	19 619	76 686

Foreign exchange rate risk

As a consequence of the international business activities, the Group is exposed to foreign exchange risks from the flow of goods (transaction exposure) and from assets and liabilities in currencies other than the reporting currency (translation exposure).

The Group aims to reduce these risks by creating natural hedges, to the extent possible. Natural hedges can be achieved by buying and selling goods and services in the same currency, and by borrowing in the same currency as the assets on the balance sheet.

All foreign exchange differences are reported in profit or loss, with the exception of foreign exchange differences on intercompany loans treated as net investments, which are recognised in other comprehensive income.

Transaction exposure

The Group shall reduce the impact from currency fluctuations by primarily creating natural hedges, and thereafter hedge contracted transaction exposure by applying financial instruments. Hedging with financial instruments will only be done after a case-by-case cost benefit analysis.

Translation exposure

Translation exposure is an accounting risk arising when items denominated in foreign currencies in the balance sheet and income statement are revaluated and consolidated.
The Group shall continuously monitor, measure and follow-up the exposure to evaluate the effects on financial statements and covenants.

Foreign exchange sensitivities

The schedule below outlines the impact from a 10 per cent NOK appreciation against the main currencies:

Impacts from a 10% NOK appreciation towards

NOK million	All currencies	SEK	EUR	PLN
One-off revaluation effects financial items	104,0	(5,0)	112	(9,0)

The table above illustrates the one-off revaluation effects in financial items from a NOK appreciation against other currencies. Revaluation effects from intercompany positions are included. All sensitivities are estimated while keeping all other parameters constant.

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Interest rate risk

The interest rates on the facility agreements are affected by changes in market rates, as the Group is being charged floating interest rates. The exposure to market rates is continuously monitored.

The sensitivity analysis illustrates the annual impact on financial expenses and after-tax profit for an increase or decrease of 100 basis points in the interest rates (all other variables being unchanged). There are interest rate floors in the financing agreements with GSO Capital and DNB, which has become effective because of the current interest rate levels. As a consequence of the interest rate floors being effective, the impact from a further 1% interest rate decrease will be lower than a 1% increase in interest rates.

Sensitivity analysis interest rates, 31 December 2020

NOK million	**Change Financial expenses**	**Change After-Tax profit and loss**
100 basis points increase	11,0	8,8
100 basis points decrease	(3,0)	(2,4)

Assumes effective tax rate of 20 per cent agreements.

The Group interest rate cost is also exposed to risk related to changes in the credit margin on the facilities agreements because the credit margin of the Revolving Facility Agreement varies with the Group's leverage ratio. There is no draw-down of the Revolving Facility Agreement per 31 December 2020.

Commodity risk management

The Group is exposed to commodity price risks due to changes in commodity prices, which the Group is not directly able to transfer to external counterparties. The Group's main exposure derives from purchases of raw materials like steel, aluminium, zinc and plastics. In addition, the Group is exposed to fluctuations in the price of electricity and oil.

To secure cost-efficiency and large scale of operations, category teams have been established for the major commodities. The category teams closely monitor the risk related to changes in commodity prices and the Group use natural hedging to mitigate potential negative impact from increase in raw material prices on larger projects and orders with fixed prices.

Financial derivatives

The Group may from time to time use forward agreements to hedge selected currency exposures, and interest rate swaps to hedge interest rate fluctuations. At year end 2020 the Group had no forward currency contracts or interest swaps outstanding. The Group does not apply hedge accounting.

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Note 20 Fair values of financial instruments

Set out below is a comparison by class of the carrying amount and fair values that are recognised in the financial statements.

2020

NOK 1000	Notes	Financial assets and liabilities at amortised cost	Financial liabilities at fair value	Total
Non-current assets				
Loans to associated companies	29	0		**0**
Non-current receivables		23 790		**23 790**
Other investments	5	729		**729**
Current assets				
Trade receivables	19	972 501		**972 501**
Other receivables	21	216 032		**216 032**
Financial derivatives	19			**0**
Total		1 213 052	0	**1 213 052**
Fair value		1 213 052	0	**1 213 052**
Unrecognised gain/(loss)		0	0	**0**
Non-current liabilities				
Non-current liabilities to credit institutions	23	1 969 048		**1 969 048**
Non-current liabilities related to acquisitions	18		6 193	**6 193**
Other non-current liabilities	23	343 598		**343 598**
Contingent consideration				**0**
Current liabilities				
Accounts payables		597 879		**597 879**
Current liabilities related to acquisitions	18, 25		7 865	**7 865**
Other current liabilities	25	405 742		**405 742**
Current portion of non-current liabilities	23	121 987		**121 987**
Current liabilities to credit institutions	23	28 889		**28 889**
Financial derivatives	19			**0**
Contingent consideration				**0**
Total		3 467 145	14 058	**3 481 202**
Fair value		3 467 145	14 058	**3 481 202**
Unrecognised gain/(loss)		0	0	**0**

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2019

NOK 1000	Notes	Financial assets and liabilities at amortised cost	Financial liabilities at fair value	Total
Non-current assets				
Non-current receivables		20 526		**20 526**
Other investments	5	2 792		**2 792**
Current assets				
Trade receivables	19	941 080		**941 080**
Other receivables	21	229 007		**229 007**
Total		1 193 406	0	**1 193 406**
Fair value		1 193 406	0	**1 193 406**
Unrecognised gain/(loss)		0	0	**0**
Non-current liabilities				
Non-current liabilities to credit institutions	23	1 896 257		**1 896 257**
Non-current liabilities related to acquisitions	18		794	**794**
Other non-current liabilities	23	339 419		**339 419**
Current liabilities				
Accounts payables		547 041		**547 041**
Current liabilities related to acquisitions	18, 25		79 844	**79 844**
Other current liabilities	25	403 415		**403 415**
Current portion of non-current liabilities	23	140 011		**140 011**
Current liabilities to credit institutions	23	27 726		**27 726**
Total		3 353 868	80 638	**3 434 506**
Fair value		3 353 868	80 638	**3 434 506**
Unrecognised gain/(loss)		0	0	**0**

Fair value

The following methods and assumptions were used to estimate the fair values:

The carrying amount of receivables has been reduced for impaired receivables and is considered equal to fair value. Trade payables are entered into on normal terms and conditions and the carrying amount is equal to fair value.

The fair value of non-current liabilities with floating interest rates is estimated by discounting future cash flows using rates currently available for debt in similar terms, credit risks and remaining maturities. The carrying value is considered to be a reasonable approximation of fair value because the liability has a floating interest rate and the margin set in 2020 is considered to reflect current market terms.

The fair value of liabilities related to acquisitions is estimated by discounting estimated future cash flows.

The fair value of unquoted shares available for sale is estimated using appropriate valuation techniques.

Fair value hierarchy

The Group applies the following hierarchy when assessing and presenting the fair value of financial instruments:

Level 1: Trading prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Input for the asset or liability that is not based on observable market data.

For liabilities related to acquisitions in level 3 the carrying amount is assessed to be reasonable approximation of fair value.

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Liabilities measured at fair value

NOK 1000	Total 31.12.2020	Level 3 2020	Total 31.12.2019	Level 3 2019
Financial liabilities at fair value through profit or loss				
Liabilities related to acquisitions	**14 058**	**14 058**	80 638	80 638
Total liabilities measured at fair value	**14 058**	**14 058**	80 638	80 638

There were no assets measured at fair value per 31 December 2020 or 31 December 2019.

NOK 1000	31.12.2020	31.12.2019
Closing balance liabilities measured at level 3	**80 638**	148 366
Change in estimate existing obligations	**1 161**	(6 204)
Acquisitions in the year	**9 507**	904
Payments	**(88 205)**	(60 628)
Translation differences	**10 958**	(1 800)
Closing balance liabilities measured at level 3	**14 058**	80 638

There are no items in level 1 and 2.

There were no transfers in 2020 or 2019 between level 1 and level 2 fair value measurements, and no transfers into or out of level 3 fair value measurements. See note 18 for a specification of liabilities related to acquisitions.

Note 21 Other current receivables

NOK 1000	31.12.2020	31.12.2019
Unbilled revenue	**146 239**	172 130
Prepayments to suppliers	**26 446**	20 773
Prepaid taxes	**24 442**	31 503
Other prepayments	**77 256**	80 465
Receivables on employees, associated- and related parties	**3 073**	3 255
Other receivables	**66 967**	54 047
Total other current receivables	**344 423**	362 174

Receivables on employees, associated- and related parties include a loan to an employee of NOK 0.5 million. The loan is interest-free and without instalments.

Note 22 Cash and cash equivalents

NOK 1000	31.12.2020	31.12.2019
Cash and bank deposits	**839 044**	581 235
Restricted cash	**2 333**	2 277
Total cash and cash equivalents	**841 377**	583 512

See note 19 for description of cash pool systems.

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Note 23 Interest-bearing liabilities

In connection with SRH Investco AS' acquisition of the shares in Saferoad Holding ASA 11 and 12 September 2018, the Group entered into new senior term facility agreements and revolving facility agreement with GSO and DNB Bank ASA as lenders. Total loan commitments under the facilities are NOK 2 402.3 million, including a NOK 60.0 million leasing facility. The senior term facility agreement matures in September 2025. The revolving facility and leasing facility mature in September 2023. There is no draw-down of the revolving facility agreement per 31 December 2020.

Interest
Interest on the senior term facilities and the revolving facility agreements will accrue at a floating rate calculated as the sum of the applicable interbank market rate and a margin. The margin for the revolving facility varies with the Group's leverage ratio. The margin for the senior term facilities is fixed.

Security and pledge
See note 27 'Pledged assets and guarantees' regarding security and pledge.

Financial covenant
See note 19 'Financial strategy and financial risks' regarding financial covenant. The Group was in compliance with these covenants as of 31 December 2020.

Borrowing costs
The arrangement fee and direct legal cost of total NOK 84.8 million incurred in connection with the new loan agreement in 2018 is amortised over the time to maturity using the effective interest method.

The Group has the following non-current interest-bearing liabilities to credit institutions:

Liabilities to credit institutions 31 December 2020

NOK 1000	Currency	Interest rate	Due date	Amount
Liabilites to credit institutions - Term loan	NOK	NIBOR + Margin	07.09.2025	947 006
Liabilites to credit institutions - Term loan	EUR	EURIBOR + Margin	07.09.2025	1 022 042
Total				1 969 048
Less current part				0
Non-current				1 969 048

Liabilities to credit institutions 31 December 2019

NOK 1000	Currency	Interest rate	Due date	Amount
Liabilites to credit institutions - Term loan	NOK	NIBOR + Margin	07.09.2025	940 268
Liabilites to credit institutions - Term loan	EUR	EURIBOR + Margin	07.09.2025	955 988
Total				1 896 257
Less current part				0
Non-current				1 896 257

Other non-current liabilities 31 December 2020

NOK 1000	Amount
Financial leasing	445 293
Non-current liabilities interest bearing to group companies	600
Other non-current liabilities interest bearing	19 044
Estimated future payments for acquired shares (note 18)	14 057
Other non-current liabilities non interest bearing	649
Total	479 643
Less current part	(129 852)
Non-current	349 791

Other non-current liabilities 31 December 2019

NOK 1000	Amount
Financial leasing	464 300
Other non-current liabilities interest bearing	13 601
Estimated future payments for acquired shares (note 18)	26 663
Estimated future payments for remaining shares - put options (note 18)	53 975
Other non-current liabilities non interest bearing	1 529
Total	560 068
Less current part	(219 855)
Non-current	340 213

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The Group has the following current liabilities to credit institutions:

	Carrying value	
NOK 1000	31.12.2020	31.12.2019
Other current liabilities to credit institutions	**28 889**	27 726
Total current liabilities to credit institutions	**28 889**	27 726

The tables below, which include interests, summarise the maturity profile of current liabilities to credit institutions and non-current financial liabilities:

2020

NOK 1000	Due within one year	Due within two years	Due within three years	Due within five years	Due after five years	Total interest-bearing liabilities
Liabilities to credit institutions - principal amount	31 951	2 710	1 721	2 027 253	0	**2 064 421**
Liabilities to credit institutions - interest	158 900	158 947	156 876	104 140	0	**730 969**
Loan from group companies	18	18	612	0	0	**648**
Financial leasing	155 152	123 173	82 985	40 224	83 347	**546 747**
Estimated future payments for acquired shares (note 18)	7 865	0	6 193	0	0	**14 057**
Other loans	0	0	0	0	11 861	**11 861**
Total	353 886	284 848	248 387	2 171 617	95 208	**3 368 703**

2019

NOK 1000	Due within one year	Due within two years	Due within three years	Due within four years	Due within five years	Due after five years	Total interest-bearing liabilities
Liabilities to credit institutions - principal amount	32 022	3 020	2 448	1 386	592	1 966 317	**2 005 785**
Liabilities to credit institutions - interest	165 392	165 426	165 453	162 458	155 633	106 559	**920 922**
Financial leasing	186 322	123 677	92 159	55 193	39 354	81 862	**578 567**
Estimated future payments for remaining shares - put options (note 18)	53 975	0	0	0	0	0	**53 975**
Estimated future payments for acquired shares (note 18)	25 869	794	0	0	0	0	**26 663**
Other loans	0	0	0	0	0	2 319	**2 319**
Total	463 579	292 918	260 060	219 037	195 579	2 157 057	**3 588 231**

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Note 24 Changes in liabilities arising from financing activities

2020

				Non-cash changes					
NOK 1000	Notes	31.12.2019	Cash flows	Acquisition of subsidiaries and other businesses	Sale of subsidiaries	Changes in foreign exchange rates	Changes in fair values	Other changes	31.12.2020
Non-current liabilities									
Non-current liabilities to credit institutions	23	1 896 257	0	0	0	60 953		11 839	**1 969 048**
Financial leasing	23	328 526	(35 461)	0	0	17 454		15 732	**326 251**
Options on shares and estimated future payments	18, 23	0							**0**
Future payments for acquired shares	18, 23	794		6 193				(794)	**6 193**
Other non-current liabilities	23	10 893	(3 052)	6 252	0	9 171		(5 917)	**17 347**
Total other non-current liabilities	23	340 213	(38 513)	12 445	0	26 624	0	9 021	**349 791**
Current liabilities									
Other current liabilities to credit institutions	23	27 726	2 342	2 618	0	(5 631)			**27 055**
Total current liabilities to credit institutions arising from financing activities	23	27 726	2 342	2 618	0	(5 631)	0	0	**27 055**
Bank overdrafts included as cash and cash equivalents	23	0				(45)		1 880	**1 835**
Total current liabilities to credit institutions	23	27 726	2 342	2 618	0	(5 676)	0	1 880	**28 889**
Dividends to non-controlling interests		0	(1 787)					1 787	**0**
Accrued interest		4 339	(208 521)					205 787	**1 604**
Current portion of financial leasing	23	135 774	(135 774)			5 554		113 488	**119 042**
Current portion of other non-current liabilities	23	4 237	(1 292)	0		184	0	(184)	**2 945**
Other current liabilities		144 349	(347 374)	0	0	5 738	0	320 878	**123 591**
Total liabilities from financing activities		2 408 545	(383 545)	15 063	0	87 639	0	343 617	**2 471 320**

Net cash flows arising from liabilities from financing activities are NOK (383.5) million in 2020. Proceeds from shareholders are NOK 0 million, which give a total cash flow from financing activities of NOK (383.5) million in 2020.

2019

						Non-cash changes			
NOK 1000	Notes	31.12.2018	Transition to IFRS 16 Leases 1.1.2019	1.1.2019	Cash flows	Sale of subsidiaries	Changes in foreign exchange rates	Other changes	31.12.2019
Non-current liabilities									
Non-current liabilities to credit institutions	23	1 893 604		1 893 604			(8 492)	11 145	**1 896 257**
Financial leasing	23	80 803	326 814	407 617	(37 640)		(4 878)	(36 573)	**328 526**
Options on shares and estimated future payments	18, 23	49 861		49 861				(49 861)	**0**
Future payments for acquired shares	18, 23	14 902		14 902			(59)	(14 049)	**794**
Other non-current liabilities	23	16 916		16 916	(5 493)	(2 311)	1 283	498	**10 893**
Total other non-current liabilities	23	162 482	326 814	489 296	(43 132)	(2 311)	(3 654)	(99 985)	**340 213**
Current liabilities									
Other current liabilities to credit institutions	23	24 041		24 041	4 927		(1 242)		**27 726**
Total current liabilities to credit institutions	23	24 041	0	24 041	4 927	0	(1 242)	0	**27 726**
Dividends to non-controlling interests		0		0	(2 495)			2 495	**0**
Accrued interest		10 439		10 439	(203 363)			197 263	**4 339**
Current portion of financial leasing	23	36 466	83 181	119 647	(119 647)		(1 034)	136 808	**135 774**
Current portion of other non-current liabilities	23	5 207	0	5 207	(970)		(27)	27	**4 237**
Other current liabilities		52 111	83 181	135 292	(326 475)	0	(1 060)	336 593	**144 349**
Total liabilities from financing activities		2 132 238	409 995	2 542 233	(364 681)	(2 311)	(14 449)	247 753	**2 408 545**

Net cash flows arising from liabilities from financing activities were NOK (364.7) million in 2019. Proceeds from shareholders where NOK 0 million, which give a total cash flow from financing activities of NOK (364.7) million in 2019.
The column 'Other changes' includes the effect of change in estimate for existing obligations related to put options on remaining shares and earn outs on acquired shares. 'Other changes' also includes the effect of accrual of dividends that were not yet paid at the year end and the effect of accrued but not yet paid interest on interest-bearing loans and borrowings.

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Note 25 Other current liabilities

NOK 1000	31.12.2020	31.12.2019
Salary	**59 357**	54 867
Bonuses	**42 811**	25 395
Holiday pay	**101 021**	100 962
Other liabilities to employees	**10 545**	16 333
Prepayment from customers	**47 158**	36 846
Accrued interest	**1 604**	4 339
Estimated future payments acquired shares (note 18)	**7 865**	25 869
Estimated future payments remaining shares (note 18)	**0**	53 975
Other current liabilities	**143 247**	164 674
Total other current liabilities	**413 607**	483 258

Note 26 Share capital, shareholders' equity, dividend and non-controlling interests

The share capital of SRH Investco AS on 31 December consists of the following shares:

		Number of shares	Share capital	Share premium
05.03.2018	Incorporation	30 000	30	0
06.09.2018	Repayment	(30 000)	(30)	0
06.09.2018	Capital contribution	184 337 750	18 434	1 824 944
31.12.2020	Total	184 337 750	18 434	1 824 944

Number of shares are in full amount, but share capital and share premium are in NOK thousand.

SRH Investco AS was incorporated 5 March 2018. The share capital was reduced with NOK 30 000 from NOK 30 000 to NOK 0 on 6 September 2018, by redemption of 30 000 shares, each with a face value of NOK 1. The share capital increased to NOK 18 433 775 from NOK 0 by issuance of 184 337 750 shares. The subscription price was NOK 10 per share, of which NOK 0.10 was share capital and NOK 9.90 was share premium.

Number of shares and shareholders

Shareholders in SRH Investco AS 31 December 2020:

Shareholders	Ordinary shares	Percentage
SRH Holding AS	184 337 750	100 %
Total	184 337 750	100 %

Non-controlling interests

2020

				Financial information (100% basis)			
NOK 1000	Accumulated non-controlling interests	Non-controlling interests share of profit/(loss)	Dividends to non-controlling interests	Assets	Liabilities	Revenue	Profit/(loss)
Road Infrastructure Poland subsidaries	1 937	660	433	8 570	2 402	20 927	2 658
Road Infrastructure France	0	946	0	0	0	0	0
Other minorities	5 803	2 351	1 354	34 397	11 564	76 567	5 169
Total non-controlling interests	7 740	3 957	1 787				

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2019

				Financial information (100% basis)			
NOK 1000	Accumulated non-controlling interests	Non-controlling interests share of profit/(loss)	Dividends to non-controlling interests	Assets	Liabilities	Revenue	Profit/(loss)
Road Infrastructure Poland subsidiaries	1 769	209	0	7 208	2 377	18 907	903
Road Infrastructure France	45 182	2 955	0	93 539	43 883	154 306	9 046
Other minorities	17 269	(162)	944	74 212	39 244	137 236	723
Total non-controlling interests	64 220	3 002	944				

For an overview of non-controlling interest ownership percentages and principal places of business, see note 5 in the parent company accounts.

Payment of dividend to minority shareholders shall be no greater than proportionate to their shareholding (unless the rights attaching to their shareholding entitle them to a greater proportion in which case not exceeding such greater proportion).

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Note 27 Pledged assets and guarantees

Security

The companies listed below have acceded the Facility Agreements with DNB and GSO Capital as Guarantors.

Company	Jurisdiction	Corporate Identity Number
Bongard & Lind Noise Protection GmbH & Co KG	Germany	HRB 21196
Brødrene Berntsen AS	Norway	810547472
Euroskilt AS	Norway	890729142
Eurostar AS	Norway	976962699
Eurostar Danmark A/S	Denmark	26994896
R. Infrastructure Holding AB	Sweden	559228-2437
Inter Metal Sp. z o.o.	Poland	0000189130
Moramast AB	Sweden	556179-2598
Oy ViaCon AB	Finland	0969082-9
RI Holding AS	Norway	923991484
Saferoad AS	Norway	958103069
Saferoad Daluiso A/S	Denmark	21778702
Saferoad Europe GmbH Germany	Germany	HRB 22345
Saferoad Grawil Sp. z o.o.	Poland	0000152355
Saferoad Holding AB	Sweden	556753-5470
Saferoad Holding AS	Norway	917763909
Saferoad Holding Denmark Aps	Denmark	31589487
Saferoad Holding Germany GmbH	Germany	HRB 22343
Saferoad Holding Norway AS	Norway	992090014
Saferoad RRS GmbH	Germany	HRB 22479
Saferoad RRS Polska Sp. z o.o.	Poland	0000265582
Saferoad Smekab AB	Sweden	556099-6869
Saferoad Sp. z o.o.	Poland	0000293157
Saferoad Sverige AB	Sweden	556030-8073
Saferoad Treasury AB	Sweden	556493-1573
Saferoad V Holding AB	Sweden	556826-4062
SR RI AS	Norway	924028300
SRH Investco AS	Norway	920625525
UAB ViaCon Baltic	Lithuania	110788621
ViaCon A/S Denmark	Denmark	37331643
ViaCon AB	Sweden	556620-7519
ViaCon AS	Norway	847016272
ViaCon Holding AB	Sweden	556661-6099
ViaCon International AB	Sweden	556619-6159
ViaCon Polska Sp. z o.o.	Poland	0000281974
ViaCon Sp. z o.o.	Poland	0000093391
Vik Ørsta AS	Norway	985001952

As of 1 February 2021, ViaCon Polska Sp. z.o.o and ViaCon Sp z.o.o merged. The merged entity carries the name ViaCon Polska Sp z.o.o and has corporate identity number 0000093391.

The Guarantors' aggregate EBITDA and aggregate gross assets shall not represent less than 80 per cent of consolidated EBITDA and consolidated gross assets of the Group.

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Security in favour of DNB and GSO Capital is granted over:

a) 100 per cent of the issued share capital of each Guarantor by the relevant Holding Company of the Guarantor (book value of NOK 298.5 million per 31 December 2020 and NOK 285.8 million per 31 December 2019); and
b) each Guarantor has granted security over its intra-group loans for NOK 5.0 million (or a similar value in any other currency) or higher (book value of NOK 3 625.0 million per 31 December 2020 and NOK 4 878.5 million per 31 December 2019); and
c) pledge in the bank accounts (other than any tax accounts) of SRH Investco AS (book value of NOK 10.3 million per 31 December 2020 and NOK 10.1 million per 31 December 2019)
d) pledge granted by SRH Holding AS of all shares issued by SRH Investco AS and held by SRH Holding AS (book value of NOK 18.4 million per 31 December 2020 and 18.4 million 31 December 2019)

The subsidiary TrafikkDirigering AS has committed pledge for a total value of up to NOK 25.0 million for a factoring agreement with Nordea. This pledge is within the limits of the facility agreements.

Guarantees
Guarantee obligations for the Group amounts to NOK 405.0 million at year end 2020 (NOK 370.0 million at year end 2019) consisting of bank guarantees with recourse, which are mainly performance guarantees, payment guarantees and letter of credit.

Note 28 Other commitments and contingencies

The Group may from time to time be involved in legal proceedings in various forms. While acknowledging the uncertainties of litigation, the Group is of the opinion that based on the information currently available, these matters will be resolved without any material adverse effect individually or in aggregate on the Group`s financial position. For legal disputes where the Group assesses it probable (more likely than not) that an economic outflow will be required to settle the obligation, provisions have been made based on management`s best estimate.

In June 2015, the Danish Competition Council found Eurostar Denmark A/S, a company within the Group, non-compliant with the Danish and EU competition law by having engaged in joint bidding via a consortium with LKF Vejmarkering A/S in a tender for road marking in Denmark. Prior to entering the joint bidding consortium, Eurostar Denmark A/S sought legal advice, which stated that such a joint bidding consortium did not infringe applicable competition law. The decision was contested by Eurostar Denmark A/S and appealed to the Danish Competition Appeals Tribunal, which upheld the decision in April 2016. Eurostar Denmark appealed the decision from the Danish Competition Council and brought the case before the Danish Maritime and Commercial High Court. The Danish Maritime and Commercial High Court ruled in favour of Eurostar Denmark A/S in August 2018. The case was appealed to the Danish Supreme Court and the Danish Supreme Court ruled in favour of the Danish Competition authorities in November 2019. Any potential fine due to the ruling of the Danish Supreme Court has not been decided yet. The case related to the determination of the fine will according to the plan start at the end of November 2021 and the verdict is expected to be available at the beginning of 2022. Additional disclosures of information as required by IAS 37 regarding this case are not made, due to the ongoing proceedings.

Note 29 Transactions with related parties

An overview of subsidiaries is presented in note 5 for the parent company, and associated companies are presented in note 5 in the Groups Financial Statements. Remunerations to the Board of Directors and Group Management is disclosed in note 10. Transactions with subsidiaries have been eliminated and do not represent related party transactions.

The Group has the following transactions with shareholders, associated companies, minority shareholders of subsidiaries or companies that can be considered related to members of the Board of Directors or leading executives.

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NOK 1000	2020	2019
Profit and loss		
Sales to related parties	**934**	1 053
Purchases from related parties [1]	**51 091**	51 117

NOK 1000	31.12.2020	31.12.2019
Balance sheet		
Receivables [2]	**103**	486
Payables [3]	**1 515**	1 213
Other transactions with related parties	**350**	613

[1] Purchase from related parties mainly include purchase of goods from minority shareholder of subsidiaries and from companies which are related to leading executives in a company in the Group. In addition, hire of employees from associated companies are included.
[2] Receivables mainly include receivables for trade of goods from companies which are related to leading executives in a company in the Group.
[3] Payables mainly include transactions for trade of goods with minority shareholders of subsidiaries and with companies which are related to leading executives in a company in the Group.

The following board members of the subsidiary Saferoad Holding AS and ViaCon Holding AB own shares in MgmtCo Saferoad AS (see Note 10):

Name	Board member	Ordinary shares	Preference shares	Total number of shares	Percentage
Elke Elfriede Eckstein	Saferoad Holding AS	35 000	35 000	70 000	2,55 %
Gunn Wærsted	Saferoad Holding AS	35 000	35 000	70 000	2,55 %
Lars Patrik Nolåker	Saferoad Holding AS/ViaCon Holding AB	105 000	105 000	210 000	7,66 %
Krzysztof Rafal Andrulewicz	ViaCon Holding AB	72 613	72 613	145 226	5,30 %

The following board members of the subsidiary Saferoad Holding AS and ViaCon Holding AB own shares in MgmtCo RI AS (see Note 10):

Name	Board member	Ordinary shares	Preference shares	Total number of shares	Percentage
Elke Elfriede Eckstein	Saferoad Holding AS	15 000	15 000	30 000	1,23 %
Gunn Wærsted	Saferoad Holding AS	15 000	15 000	30 000	1,23 %
Lars Patrik Nolåker	Saferoad Holding AS/ViaCon Holding AB	116 294	45 000	161 294	6,64 %
Krzysztof Rafal Andrulewicz	ViaCon Holding AB	33 526	33 526	67 052	2,76 %

The ownership structure between Saferoad Holding AS, ViaCon Holding AB, MgmtCo Saferoad AS and MgmtCo RI AS is described in note 5 for SRH Investco separate financial statements.

Note 30 Events after the balance sheet date

The Revolving Facility Agreement provided by DNB was increased by NOK 75.0 million in February 2021.

On 30 April 2021, the subsidiary Saferoad Finland Oy acquired 100 per cent of KaideKanerva Oy with its subsidiaries Kanerva Oy Kaide and Teedemeister Oy for a total estimated cash consideration of EUR 4.0 million (NOK 39.8 million). The companies will be included in the Road Safety Europe segment. The acquisition will extend the Group's Road Restraint Systems business in Finland and offers synergies with the existing business. In the fiscal year 2019/2020 which ended 30. April 2020, KaideKanerva OY had a revenue of EUR 0.5 million, Kanerva Oy Kaide had a revenue of EUR 9.6 million and Teedemeister OY had a revenue of EUR 0.7 million. The purchase price allocation is under preparation.

On March 15 2021 ViaCon signed an agreement to acquire Hamco Dinslaken Bausysteme GmbH, HaKu Service GmbH and MSB Montage von Schutzeinrichtungen und Bausystemen GmbH. The total purchase price for entities in Germany is EUR 5.6 million (NOK 56.4 million) where EUR 4.1 million (NOK 41.3 million) was paid on April 1 2021. Additional fee is planned to be paid during the spring of 2022. Through the acquisitions, ViaCon will become the market leader for corrugated Bridges & Culverts Solutions in Europe. The acquisitions are an important part of ViaCon's plan for further expansion into Western Europe. Germany

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is an attractive market and by acquiring Hamco, ViaCon is adding access to this market and a brand with a strong reputation. On April 1 2021, ViaCon completed the acquisitions.

Beyond this there have been no significant events for the Group after the balance sheet date.

Note 31 Future IFRS amendments

The future consolidated financial statements will be affected by new and amended IFRS standards and interpretations which have been published but are not effective as of 31 December 2020. New and amended standards not yet effective (and not approved by the EU), are not expected to have a significant impact on the Group's financial statements.

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Financial Statements SRH Investco AS

Statement of comprehensive income

NOK 1000	Notes	2020	2019
Total operating revenue		**0**	0
Other operating costs to group companies	8	**0**	0
Other operating costs	3	**7 518**	3 411
Total operating costs		**7 518**	3 411
Operating profit/(loss)		**(7 518)**	(3 411)
Financial income	6	**18**	5
Financial income from group companies	6, 8	**390 844**	2 693 246
Financial expenses	6	**387 020**	2 461 468
Financial expenses to group companies	6, 8	**1 428**	0
Net exchange rate gain/(loss)	6	**(61 219)**	7 681
Net financial income/(expenses)		**(58 805)**	239 464
Profit/(loss) before tax		**(66 323)**	236 053
Tax	7	**0**	0
Profit /(loss) for the year		**(66 323)**	236 053
Other comprehensive income for the year, net of tax		**0**	0
Total comprehensive income for the year		**(66 323)**	236 053

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Statement of financial position (assets)

NOK 1000	Notes	31.12.2020	31.12.2019
ASSETS			
NON-CURRENT ASSETS			
Financial non-current assets			
Shares in subsidiaries	5	**3 533 337**	3 745 637
Total financial assets		**3 533 337**	3 745 637
CURRENT ASSETS			
Receivables			
Receivables on group companies	8	**225 271**	30 827
Total receivables		**225 271**	30 827
Cash and cash equivalents	9	**10 264**	10 131
Total current assets		**235 535**	40 958
Total assets		**3 768 872**	3 786 596

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Statement of financial position (shareholders' equity and liabilities)

NOK 1000	Notes	31.12.2020	31.12.2019
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital		**18 434**	18 434
Share premium		**1 824 944**	1 824 944
Other equity		**(48 765)**	17 558
Total shareholders' equity		**1 794 612**	1 860 935
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	10	**1 969 048**	1 896 257
Total non-current liabilities		**1 969 048**	1 896 257
Current liabilities			
Accounts payables		**161**	952
Liabilities to group companies	8	**30**	22 818
Other current liabilities	11	**5 020**	5 633
Total current liabilities		**5 212**	29 404
Total liabilities		**1 974 260**	1 925 660
Total shareholders' equity and liabilities		**3 768 872**	3 786 596

Oslo, 28 May 2021

The Board of SRH Investco AS

DocuSigned by:
6830FFAA0C0D455...
Lars Patrik Nolåker
Chairman

DocuSigned by:
Ulrik Smith
F1C97198EE0D464...
Ulrik Smith
Board member

DocuSigned by:
Niclas Thiel
2026E66002E04A8...
Niclas Thiel
Board member

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Statement of changes in equity

NOK 1000	Share capital	Share premium	Other equity	Total shareholders' equity
Shareholders' equity at 31.12.2018	18 434	1 824 944	(171 219)	**1 672 159**
Dividends to shareholders			(47 276)	**(47 276)**
Profit/(loss) for the year			236 053	**236 053**
Total comprehensive income	0	0	236 053	**236 053**
Shareholders' equity at 31.12.2019	18 434	1 824 944	17 558	**1 860 935**
Profit/(loss) for the year			(66 323)	**(66 323)**
Total comprehensive income	0	0	(66 323)	**(66 323)**
Shareholders' equity at 31.12.2020	18 434	1 824 944	(48 765)	**1 794 612**

The share capital in SRH Investco AS as of 31 December 2020 consists of 184 337 750 ordinary shares with nominal value of NOK 0.10 per share.

The articles of association do not contain specific decisions on voting rights.

See note 26 in Group accounts for details on share capital, shareholders' equity and ownership.

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Cash flow statement

NOK 1000	Notes	2020	2019
Cash flow from operations			
Profit/(loss) before tax		**(66 323)**	236 053
Net currency (gains)/losses not relating to operating activities		**60 953**	(8 492)
Interest income and other financial income	6	**(390 861)**	(2 693 251)
Interest costs and other financial expenses	6	**388 448**	2 461 468
Changes in receivables on group companies		**696**	5 415
Changes in accounts payable		**(791)**	(827)
Changes in other current receivables and liabilities		**(602)**	(5 141)
Net cash flow from operations		**(8 480)**	**(4 776)**
Cash flow from investment activities			
Interest and dividend received	6	**165 228**	160 005
Acquisition of subsidiaries		**0**	(60)
Other changes		**(30)**	0
Net cash flow from investment activities		**165 198**	159 945
Cash flow from financing activities			
Dividends to shareholders and non-controlling interests			(200)
Group contribution received		**6 759**	
Interest paid		**(163 344)**	(166 626)
Net cash flow from financing activities		**(156 585)**	(166 826)
Net increase/(decrease) in cash and cash equivalents		133	(11 657)
Cash and cash equivalents at beginning of the year		**10 131**	21 788
Cash and cash equivalents at the end of the year		10 264	10 131
		0	
Cash and cash equivalents at the end of the year in statement of financial position	9	**10 264**	10 131
Cash pool at the end of the year in statement of financial position	8	**0**	0
Cash and cash equivalents at the end of the year in statement of cash flow		**10 264**	10 131

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Notes to the financial statements for SRH Investco AS

Note 1 Company information

SRH Investco AS is a limited liability company, which is incorporated on 5 March 2018 under the name WR Start Up 225 AS and domiciled in Oslo with its registered office c/o Saferoad Holding AS, Enebakkveien 150, 0680 Oslo, Norway. SRH Investco AS acquired the shares in Saferoad Holding AS 11 and 12 September 2018 and serves as a pure holding company in Saferoad and ViaCon Group. The company had no other activities in 2020 or 2019.

The financial statements of SRH Investco AS for the fiscal year 2020 were approved in the board meeting at 28 May 2021.

The Group's activities are described in note 1 of the consolidated financial statements.

Note 2 Accounting principles

Basis for preparation and statement of compliance

The financial statements for SRH Investco AS have been prepared in accordance with the Norwegian Accounting Act § 3-9 and Regulations on Simplified IFRS as enacted by the Ministry of Finance 3 November 2014. In all material aspects, Norwegian Simplified IFRS requires that the IFRS recognition and measurement criteria (as adopted by the European Union) are complied with, but disclosure and presentation requirements (the notes) follow the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Standards.

SRH Investco AS' significant accounting principles are consistent with the accounting principles for the Group, as described in note 2 of the consolidated financial statements. Where the notes for the parent company are substantially different from the notes for the Group, these are shown below. Otherwise, refer to the notes to the consolidated financial statements.

Subsidiaries

Investments in subsidiaries are recognised at cost. If the carrying value of a subsidiary is higher than the estimated fair value, the investment is written down. The write-down is shown in profit/loss. Previously recognised write-downs are reversed if the reason for write-downs no longer exists. Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the subsidiary according to the Norwegian Regulation of simplified IFRS § 3-1. If dividends or group contribution exceed withheld profits after acquisition, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet statement for the parent company.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term, highly liquid financial assets with maturities of three months or less.

Events after the balance sheet date

New information on the company's financial position after the end of the reporting period which becomes known after the reporting period is recorded in the financial statements. Events after the reporting period that do not affect the company's financial position at the end of the reporting period, but which will affect the company's financial position in the future are disclosed if significant.

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Note 3 Other operating costs

Other operating costs

NOK 1000	2020	2019
Fee for audit, legal and consultancy assistance	**7 514**	3 410
Other operating costs	**3**	1
Total other operating costs	**7 518**	3 411

Fees to auditors

NOK 1000	2020	2019
Proposed fee for audit	**154**	224
Fees for tax services	**46**	61
Total fees	**200**	286

The amounts for fees to auditors include VAT.

Note 4 Employees and remuneration to key personnel

There are no employees in the company and the company is not required by law to have a pension scheme.

The Board of Directors in SRH Investco AS has not received any remunerations in 2020 or 2019.

The company does not have a CEO. See note 10 in the consolidated financial statements for further details.

Note 5 Shares in subsidiaries

Company	Corp ID No	Ownership	Voting rights	NOK 1000 Carrying value
Saferoad Holding AS	917 763 909	97,89 %	97,89 %	1 266 166
RI Holding AS	923 991 484	95,08 %	95,08 %	531 090
SR RI AS	924 028 300	100,00 %	100,00 %	1 736 021
MgmtCo Saferoad AS	923 008 888	1,60 %	100,00 %	30
MgmtCo RI AS	923 009 027	1,95 %	100,00 %	30
Total value				3 533 337

NOK 1000	Equity 31.12.2020	Equity 31.12.2019	Profit/(loss) for 2020	Profit/(loss) for 2019
Saferoad Holding AS	1 537 490	1 292 163	261 991	303 667
RI Holding AS	594 861	531 120	36 027	896
SR RI AS	1 736 018	1 949 246	137 644	5 272
MgmtCo Saferoad AS	24 058	(30)	(127)	(60)
MgmtCo RI AS	22 609	(30)	(130)	(60)

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The table below sets forth SRH Investco AS's ownership in subsidiaries through its ownership in Saferoad Holding AS and RI Holding AS.

Several of the subsidiaries own shares in other subsidiaries.

Shares in subsidiaries owned through subsidiaries	Country	Segment	Ownership
Saferoad Holding AS			
Saferoad Holding AB	Sweden	Holding/Other	100,00 %
Saferoad Holding Norway AS	Norway	Holding/Other	100,00 %
Saferoad Holding Denmark Aps	Denmark	Holding/Other	100,00 %
Saferoad Holding AB			
Saferoad Treasury AB	Sweden	Holding/Other	100,00 %
Saferoad Holding Norway AS			
Saferoad AS	Norway	Holding/Other	100,00 %
Saferoad AS			
Saferoad Holding Germany GmbH	Germany	Holding/Other	100,00 %
Euroskilt AS	Norway	Road Safety Nordic	100,00 %
Trafikksikring AS	Norway	Road Safety Nordic	100,00 %
Vik Ørsta AS	Norway	Road Safety Nordic	100,00 %
Eurostar AS	Norway	Road Safety Nordic	100,00 %
Saferoad Trading AS	Norway	Road Safety Nordic	100,00 %
Brødrene Berntsen AS	Norway	Road Safety Nordic	100,00 %
Vik Ørsta Design AS	Norway	Road Safety Nordic	100,00 %
TrafikkDirigering AS	Norway	Road Safety Nordic	100,00 %
EKC Sverige AB	Sweden	Road Safety Nordic	100,00 %
Saferoad UK Limited	UK	Road Safety Nordic	100,00 %
Saferoad VRS Limited	UK	Road Safety Nordic	100,00 %
Saferoad Sverige AB	Sweden	Road Safety Nordic	100,00 %
Saferoad Smekab AB	Sweden	Road Safety Nordic	100,00 %
Moramast AB	Sweden	Road Safety Nordic	100,00 %
EKC Production AB	Sweden	Road Safety Nordic	100,00 %
Brödrene Berntsen AB	Sweden	Road Safety Nordic	100,00 %
Saferoad Finland Oy	Finland	Road Safety Nordic	100,00 %
Saferoad Pomerania Sp. z o.o.	Poland	Road Safety Nordic	100,00 %
Saferoad Europe GmbH Germany	Germany	Road Safety Europe	100,00 %
Saferoad RRS GmbH	Germany	Road Safety Europe	100,00 %
Brite Line Europe GmbH	Germany	Road Safety Europe	74,80 %
Bongard & Lind Verwaltungs GmbH	Germany	Road Safety Europe	100,00 %
Bongard & Lind Noise Protection GmbH & Co KG	Germany	Road Safety Europe	100,00 %
Saferoad SES GmbH	Germany	Road Safety Europe	100,00 %
Schalltec GmbH & Co. KG	Germany	Road Safety Europe	100,00 %
Schalltec Beteiligungs GmbH	Germany	Road Safety Europe	100,00 %
Hausneindorfer Metallbau und Montage GmbH	Germany	Road Safety Europe	100,00 %
AWK GmbH	Germany	Road Safety Europe	100,00 %
HMS Montage GmbH	Germany	Road Safety Europe	100,00 %
Saferoad Holland BV	Netherlands	Road Safety Europe	100,00 %
Saferoad Sp. z o.o.	Poland	Road Safety Europe	100,00 %
Saferoad Grawil Sp. z o.o.	Poland	Road Safety Europe	100,00 %
Saferoad Kabex Sp. z o.o.	Poland	Road Safety Europe	100,00 %
Saferoad RRS Polska Sp. z o.o.	Poland	Road Safety Europe	100,00 %
Signaroad Sp. z o.o.	Poland	Road Safety Europe	100,00 %
Inter Metal Sp. z o.o.	Poland	Road Safety Europe	100,00 %
Saferoad Baltic UAB	Lithuania	Road Safety Europe	100,00 %

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Shares in subsidiaries owned through subsidiaries	Country	Segment	Ownership
Saferoad Slovakia s. r. o.	Slovakia	Road Safety Europe	100,00 %
Saferoad Czech Republic s.r.o.	Czech Republic	Road Safety Europe	100,00 %
Saferoad Romania SRL	Romania	Road Safety Europe	100,00 %
Saferoad Lightpoles Brasov S.R.L.	Romania	Road Safety Europe	100,00 %
Marina Systeme GmbH	Germany	Holding/Other	100,00 %
Saferoad Holding Denmark Aps			
Saferoad Daluiso A/S	Denmark	Road Safety Nordic	100,00 %
Eurostar Danmark A/S	Denmark	Road Safety Nordic	100,00 %
RI Holding AS			
R. Infrastructure Holding AB	Sweden	Road Infrastr. Other	100,00 %
ViaCon Holding AB	Sweden	Road Infrastr. Other	100,00 %
ViaCon Invest AB	Sweden	Road Infrastr. Other	100,00 %
ViaCon International AB	Sweden	Road Infrastr. Other	100,00 %
ViaCon AB	Sweden	Road Infrastr. Nordic	100,00 %
ViaCon Production AB	Sweden	Road Infrastr. Nordic	100,00 %
FLA Geoprodukter AB	Sweden	Road Infrastr. Nordic	100,00 %
Nordic Culvert AB	Sweden	Road Infrastr. Nordic	100,00 %
ViaCon AS	Norway	Road Infrastr. Nordic	100,00 %
mertus 654. GmbH	Germany	Road Infrastr. Europe	100,00 %
ViaCon Sp. z o.o.	Poland	Road Infrastr. Europe	100,00 %
ViaCon Construction Sp. z o.o.	Poland	Road Infrastr. Europe	100,00 %
Geotex Sp. z o.o.	Poland	Road Infrastr. Europe	100,00 %
Elikopol BK Sp. z o.o.	Poland	Road Infrastr. Europe	100,00 %
ViaCon Polska Sp. z o.o.	Poland	Road Infrastr. Europe	100,00 %
Steel-System Sp. z o.o.	Poland	Road Infrastr. Europe	100,00 %
ViaCon Hungary CS LLC	Hungary	Road Infrastr. Europe	100,00 %
Tubo Hungária LLC	Hungary	Road Infrastr. Europe	100,00 %
ViaCon Bulgaria EOOD	Bulgaria	Road Infrastr. Europe	100,00 %
ViaCon Romania SRL	Romania	Road Infrastr. Europe	100,00 %
ViaCon İnşaat Müh. San. Tic. A.Ş.	Turkey	Road Infrastr. Europe	100,00 %
ViaCon Middle East FZE	United Arab Emirates	Road Infrastr. Europe	100,00 %
ViaCon Austria GmbH	Austria	Road Infrastr. Europe	100,00 %
ViaCon ČR s.r.o.	Czech Republic	Road Infrastr. Europe	70,00 %
ViaCon SK s.r.o.	Slovakia	Road Infrastr. Europe	70,00 %
Oy ViaCon AB	Finland	Road Infrastr. Nordic	100,00 %
Solcon Oy	Finland	Road Infrastr. Nordic	100,00 %
Kiinteistö Oy Rumtikli	Finland	Road Infrastr. Nordic	100,00 %
ViaCon A/S Denmark	Denmark	Road Infrastr. Nordic	100,00 %
ViaCon France	France	Road Infrastr. Europe	100,00 %
AS ViaCon Eesti	Estonia	Road Infrastr. Europe	100,00 %
SIA ViaCon Latvija	Latvia	Road Infrastr. Europe	100,00 %
UAB ViaCon Baltic	Lithuania	Road Infrastr. Europe	100,00 %
UAB ViaCon Baltic Pipe	Lithuania	Road Infrastr. Europe	100,00 %
ViaCon Technologies COOO	Belarus	Road Infrastr. Europe	100,00 %

For the SRH Investco AS subsidiaries in the table where the indirect ownership interest is listed as less than 50 per cent, SRH Investco AS controls more than 50 per cent of the voting power via its voting power in the owner companies.

The following companies based in Germany make use of the exemption provision pursuant to §264 (3) HGB or § 264b HGB, which means that they do not need to prepare consolidated financial statements at a lower level than SRH Investco Group:
Saferoad Holding Germany GmbH
Saferoad Europe GmbH
Saferoad RRS GmbH
Bongard & Lind Verwaltungs GmbH
Bongard Lind Noise Protection GmbH & Co. KG
Saferoad SES GmbH
Schalltec GmbH & Co. KG
Schalltec Beteiligungs GmbH
Hausneindorfer Metallbau und Montage GmbH

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Note 6 Financial items

NOK 1000	**2020**	**2019**
Interest income	**18**	5
Dividends from subsidiaries (note 8)	**213 228**	2 686 487
Group contribution from subsidiaries (note 8)	**177 615**	6 759
Total financial income	**390 861**	2 693 251
Interest expenses	**160 348**	154 324
Interest expenses to group companies	**1 428**	0
Write-down of shares in subsidiaries	**213 228**	2 293 157
Other financial expenses	**13 444**	13 987
Total financial expenses	**388 448**	2 461 468
Currency exchange gain	**10 230**	8 533
Currency exchange loss	**71 448**	852
Net exchange rate gain/(loss)	**(61 218)**	7 681
Net financial income/(expenses)	**(58 805)**	239 464

In 2020 the investment in SR RI AS was written down by NOK 213 228 million based on a estimated fair value calculation of the shares.In 2019 the investment in Saferoad Holding AS was written down by NOK 2 293.2 million based on a estimated fair value calculation of the shares.

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Note 7 Income tax

Tax income/(expense)

NOK 1000	2020	2019
Tax payable	**0**	0
Changes in deferred tax	**0**	0
Tax income/(expense) recognised in the statement of comprehensive income	**0**	0

A reconciliation of the effective rate of tax and the tax rate in SRH Investco AS

NOK 1000	2020	2019
Profit/(loss) before tax	**(66 323)**	236 053
Expected income taxes according to income tax rate in Norway 22%	**14 591**	(51 932)
Deferred tax assets not recognised current year	**(14 522)**	(33 975)
Non deductible expenses	**(46 979)**	(505 120)
Non-taxable income	**46 910**	591 027
Tax income/(expense) recognised in the statement of comprehensive income	**0**	0

Tax payable basis

NOK 1000	2020	2019
Profit/(loss) before tax	**(66 323)**	236 053
Non deductible expenses	**213 541**	2 296 000
Non-taxable income	**(214 376)**	(2 686 487)
Change in temporary differences	**11 839**	11 145
Tax payable basis	**(55 319)**	(143 289)
Tax payable (22% of tax payable basis)	**0**	**0**

Deferred tax liabilities/(deferred tax assets)

NOK 1000	2020	2019
Non-current assets and liabilities		
Other non-current items	**11 930**	14 534
Total non-current assets and liabilities	**11 930**	14 534
Tax losses carried forward	**(80 779)**	(68 862)
Of which assets not recognised (valuation allowance)	**(68 850)**	(54 327)
Net recognised deferred tax liabilities	**0**	0

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Note 8 Transactions with group companies

NOK 1000	2020	2019
Dividend and group contribution		
Saferoad Holding AS	**0**	2 686 487
SR RI AS	**389 695**	6 759
RI Holding AS	**1 148**	0
Financial income from group companies	**390 844**	2 693 246
Internal financial expense		
SR RI AS	**1 428**	0
Financial income from group companies	**1 428**	0

NOK 1000	31.12.2020	31.12.2019
Receivables on group companies		
Saferoad Holding AS	**493**	1 189
RI Holding AS	**0**	22 818
SRH BridgeCo AS	**60**	60
Total receivables on group companies	**553**	24 068
Group contribution and dividend on group companies		
SR RI AS	**224 467**	6 759
RI Holding AS	**251**	0
Total group contribution and dividend on group companies	**224 718**	6 759
Current liabilities to group companies		
SRH Holding AS	**0**	22 818
SRH BridgeCo AS	**30**	0
Total current liabilities to group companies	**30**	22 818

Note 9 Cash and cash equivalents

NOK 1000	31.12.2020	31.12.2019
Cash and bank deposits	**10 264**	10 131
Restricted cash	**0**	0
Total cash and cash equivalents	**10 264**	10 131

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Note 10 Interest-bearing liabilities

SRH Investco AS has the following non-current interest-bearing liabilities to credit institutions:

Liabilities to credit institutions 31 December 2020

NOK 1000	Currency	Interest rate	Due date	Amount
Liabilites to credit institutions - Term loan	NOK	NIBOR + Margin	07.09.2025	947 006
Liabilites to credit institutions - Term loan	EUR	EURIBOR + Margin	07.09.2025	1 022 042
Total				1 969 048
Less current part				0
Non-current				1 969 048

Liabilities to credit institutions 31 December 2019

NOK 1000	Currency	Interest rate	Due date	Amount
Liabilites to credit institutions - Term loan	NOK	NIBOR + Margin	07.09.2025	940 268
Liabilites to credit institutions - Term loan	EUR	EURIBOR + Margin	07.09.2025	955 988
Total				1 896 257
Less current part				0
Non-current				1 896 257

The arrangement fee and direct legal cost of total NOK 84.8 million incurred in connection with the loan agreement is amortised over the time to maturity using the effective interest method.

Note 19 in the consolidated financial statements describes the covenants which SRH Investco AS needs to comply with.

The table below summarises the maturity profile of non-current financial liabilities:

2020

NOK 1000	Due within one year	Due within two years	Due within three years	Due within four years	Due within five years	Due after five years	Total interest-bearing liabilities
Liabilities to credit institutions - principal amount	0	0	0	0	2 027 253	0	**2 027 253**
Liabilities to credit institutions - interest	158 900	158 947	156 876	152 107	104 140		**730 969**
Total	158 900	158 947	156 876	152 107	2 131 393	0	**2 758 223**

2019

NOK 1000	Due within one year	Due within two years	Due within three years	Due within four years	Due within five years	Due after five years	Total interest-bearing liabilities
Liabilities to credit institutions - principal amount	0	0	0	0	0	1 966 301	**1 966 301**
Liabilities to credit institutions - interest	165 309	165 309	165 309	162 348	155 574	106 557	**920 406**
Financial leases	0	0	0	0	0	0	**0**
Total	165 309	165 309	165 309	162 348	155 574	2 072 858	**2 886 707**

Note 11 Other current liabilities

NOK 1000	31.12.2020	31.12.2019
Accrued interest	**845**	866
Other current liabilities	**4 176**	4 767
Total other current liabilities	**5 020**	5 633

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Note 12 Pledged assets and guarantees

In September 2018, funds managed by FSN Capital GP V Limited acquired 100 per cent of the shares in the Group for NOK 1 909.3 million. The acquisition of the shares and the refinancing of the previous facility agreements with Danske Bank and Nordea was financed by equity and funds managed by GSO Capital. GSO Capital has committed Senior Term Facility Agreements for NOK 975.0 million and EUR 100.5 million which mature in 2025.

Guarantees

SRH Investco AS has issued a guarantee related to pension commitments in Sweden, which amounts to NOK 20.1 million at year end 2020 (NOK 18.2 million at year end 2019).

Security

The Senior Term Facility Agreements are drawn by SRH Investco AS.

Security in SRH Investco AS in favour of DNB and GSO Capital is granted over:

a) pledge in the bank accounts (other than any tax accounts) of SRH Investco AS (book value of NOK 10.4 million per 31 December 2020, NOK 10.1 million per 31 December 2019)
b) pledge granted by SRH Holding AS of all shares issued by SRH Investco AS and held by SRH Holding AS (book value of NOK 18.4 million per 31 December 2020 and 31 December 2019)
c) security over its intra-group loans for NOK 5.0 million (or a similar value in any other currency) or higher (book value of NOK 0 per 31 December 2020 and NOK 22.8 million per 31 December 2019)

See note 27 in the consolidated financial statements for further details.

Note 13 Transactions with related parties

SRH Investco AS's related parties consist of subsidiaries of the Group. These transactions are described in note 8.

The following board members of the subsidiary Saferoad Holding AS and ViaCon Holding AB own shares in MgmtCo Saferoad AS:

Name	Board member	Ordinary shares	Preference shares	Total number of shares	Percentage
Elke Elfriede Eckstein	Saferoad Holding AS	35 000	35 000	70 000	2,55 %
Gunn Wærsted	Saferoad Holding AS	35 000	35 000	70 000	2,55 %
Lars Patrik Nolåker	Saferoad Holding AS/ViaCon Holding AB	105 000	105 000	210 000	7,66 %
Krzysztof Rafal Andrulewicz	ViaCon Holding AB	72 613	72 613	145 226	5,30 %

The following board members of the subsidiary Saferoad Holding AS and ViaCon Holding AB own shares in MgmtCo RI AS:

Name	Board member	Ordinary shares	Preference shares	Total number of shares	Percentage
Elke Elfriede Eckstein	Saferoad Holding AS	15 000	15 000	30 000	1,23 %
Gunn Wærsted	Saferoad Holding AS	15 000	15 000	30 000	1,23 %
Lars Patrik Nolåker	Saferoad Holding AS/ViaCon Holding AB	116 294	45 000	161 294	6,64 %
Krzysztof Rafal Andrulewicz	ViaCon Holding AB	33 526	33 526	67 052	2,76 %

The ownership structure between Saferoad Holding AS, ViaCon Holding AB, MgmtCo Saferoad AS and MgmtCo RI AS is described in note 5.

No further transactions with related parties for SRH Investco AS have been identified.

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Alternative performance measures (APMs)

APMs are used by the Group for annual and periodic financial reporting to provide a better understanding of the company's underlying financial performance for the period. Underlying revenue and underlying EBITDA are also used by management to drive performance in terms of target setting. These measures are adjusted IFRS measures defined, calculated and used in a consistent and transparent manner over time and across the Group where relevant.

Operational measures such as volumes, prices and currency effects are not defined as APMs. The Group focuses on underlying EBITDA in the discussions of periodic operating results for the segments and for the Group.

Each of the following APMs has been defined by the Group as follows:

Underlying revenue is defined as reported operating revenue adjusted for material items such as gains from divestments of businesses, as well as other major effects of a special nature.

EBITDA is defined as operating profit/(loss) before interests, income tax, depreciation and amortisation.

Underlying EBITDA is defined as EBITDA adjusted for material items which are not regarded as part of underlying business performance for the period, such as costs related to acquisitions and divestments, major restructuring costs and closure costs, major impairments of property, plant and equipment, gains and losses of disposals of businesses and operating assets, as well as other major effects of a special nature.

Underlying net income is defined as net income adjusted for material items which are not regarded as part of underlying business performance for the period, such as costs related to acquisitions and divestments, major restructuring costs and closure costs, major impairments of property, plant and equipment, gains and losses of disposals of businesses and operating assets, impairments of intangible assets, change in deferred tax, changes in earn outs and estimated future payments related to options on shares, and unrealised foreign exchange rate gains/(losses), as well as other major effects of a special nature.

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APM table

NOK 1000	2020	2019
Operating revenue reported	**7 270 870**	6 561 832
Items excluded from operating revenue underlying	**(5 091)**	0
Operating revenue underlying	**7 265 778**	6 561 832
EBITDA reported	**715 531**	427 677
Items excluded from EBITDA underlying	**54 529**	78 960
EBITDA underlying	**770 060**	506 638
Net income/(loss) reported	**49 006**	(179 442)
Items excluded from net income/(loss) underlying	**32 400**	77 306
Net income/(loss) underlying	**81 406**	(102 136)
Items excluded from underlying revenue, EBITDA and Net income		
Restructuring charges and closure costs	**(39)**	0
(Gain)/losses on divestments	**(5 052)**	0
Items excluded from operating revenue underlying	**(5 091)**	0
Transaction cost	**(4 500)**	0
(Gain)/losses on divestments	**(4 602)**	0
Restructuring charges and closure costs	**39 169**	32 646
Other effects	**24 463**	46 314
Items excluded from EBITDA underlying	**54 529**	78 960
Amortisation and impairment	**1 532**	0
Net financial income/(expense)	**28 328**	(21 550)
Tax	**(51 990)**	19 896
Items excluded from Net income/(loss) underlying	**32 400**	77 306
Items excluded from underlying EBITDA, specified per operating segment		
Road Safety	**16 713**	19 168
Nordic	**16 713**	18 018
Europe	**0**	1 149
Road Infrastructure	**26 168**	957
Nordic	**1 013**	957
Europe	**(4 205)**	0
Other	**29 360**	0
Holding, other	**11 648**	58 835
Items excluded from EBITDA underlying	**54 529**	78 960

- **Transaction costs** relate to reversal of VAT-provision made for transaction costs regarding the acquisition of Saferoad Holding ASA by funds managed by FSN Capital GP V Limited.
- **(Gain)/losses on divestments** relates to the divestment of Oy Latium and the Road Restraint Systems business in ViaCon France.
- **Restructuring charges** and closure costs relate to redundancy and other restructuring cost.
- **Other effects** in 2020 include adjustments for extraordinary operational strategy and OPWC projects, as well as other less material effects. Other effects in 2019 include adjustments for extraordinary operational strategy-, working capital- and ESG projects in relation to the acquisition by funds managed by FSN Capital GP V Limited as well as other less material effects.
- **Net financial income/(expense)** relates to unrealised foreign exchange rate gains/(losses), as well changes in earn outs and estimated future payments related to options on shares.
- **Tax** relates to changes in deferred tax liabilities/assets.

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Auditor's report

A signed copy of the auditor's report will be inserted after the board meeting.

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Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6A, NO-0191 Oslo
Postboks 1156 Sentrum, NO-0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of SRH Investco AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of SRH Investco AS comprising the financial statements of the parent company and the Group. The financial statements of the parent company comprise the statement of financial position as at 31 December 2020, statement of comprehensive income, statements of cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements comprise the statement of financial position as at 31 December 2020, statements of comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion,

- the financial statements are prepared in accordance with the law and regulations
- the financial statements present fairly, in all material respects, the financial position of the parent company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway
- the consolidated financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors (management) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we 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.

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Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the parent company and International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the financial statements, 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 opinion. 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 internal control relevant to the 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 management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 financial statements or, if such disclosures are inadequate, to modify our opinion. 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 the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 29 May 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Tore Sørlie
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: 5TTM7-YEQV7-K8K3E-EOKLG-X6BO6-W2JTE

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Tore Sørlie
Statsautorisert revisor
På vegne av: Ernst & Young AS
Serienummer: 9578-5995-4-774812
IP: 95.34.xxx.xxx
2021-05-29 09:41:20Z

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Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
11.02.2019	05.12.2018	Henning Stokke
800 80 000	Din/Deres referanse	Telefon
Skatteetaten.no	Yvonne Skramstad	800 80 000
Org.nr	Vår referanse	Postadresse
974761076	2019/5229113	Postboks 9200 Grønland 0134 OSLO

SAFEROAD AS
Enebakkveien 150
0680 OSLO

Tillatelse til å utarbeide årsberetning og årsregnskap på engelsk språk

Vi viser til deres brev av 5. desember 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

- Saferoad Holding AS org.nr. 917 763 909
- SRH Investco AS org.nr. 920 625 525
- SRH Holding AS org.nr. 919 999 896
- SRH Mgto AS org.nr. 921 491 115
- SRH BridgeCo AS org.nr. 818 111 762

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering selskapene nevnt ovenfor dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet.
Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn
Fra søknaden gjengis:

> *Cidron Triangle AS (org.nr. 917 763 909) ble innvilget tillatelse for å utarbeide årsregnskap og årsberetning på engelsk i vedtak fra Skattedirektoratet datert 08.02.2017. Cidron Triangle AS konverterte til et allmennaksjeselskap og endret navn til Saferoad Holding ASA 03.05.2017.*
>
> *Selskapet ble notert på Oslo Børs 29.05.2017 og ble innvilget tillatelse for å utarbeide årsregnskap og årsberetning på engelsk i vedtak fra Oslo Børs datert 05.05.2017 og Skattedirektoratet datert*

10.04.2018. Saferoad Holding ASA ble omdannet til AS, avnotert fra Oslo Børs og kjøpt opp av SRH Investco AS i september 2018.

SRH Investco AS er 100 % eid av SRH Holding AS. SRH Holding AS er eid 62 % av SRH BridgeCo AS og 38 % av FSN Capital GP V Limited. SRH Mgto AS er 100 % eid av SRH BridgeCo AS. SRH BridgeCo er 100 % eid av FSN Capital GP V Limited. Alle de fem selskapene kontrolleres dermed av FSN Capital GP V Limited.

Saferoadkonsemet har selskaper i over 20 land. Ledelsen i utenlandske datterselskaper og deler av konsernledelsen består av personer som ikke er norskspråklige. Arbeidsspråk og rapportering er derfor i all hovedsak på engelsk. En stor del av kommunikasjonen med konsernets kunder, leverandører og kreditorer foregår på engelsk. Det er heller ingen forhold rundt selskapets finansiering eller eierstruktur som skulle tilsi behov for regnskap på norsk. Bankforbindelser etterspør kun informasjon på engelsk.

Markedsmateriale utgis på engelsk. Alle sentrale aktører og samarbeidspartnere innen bransjen til Saferoadkonsemet behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

> *"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at alle selskapene er direkte eller indirekte eid av et utenlandsk selskap. Eierkretsen er begrenset. I tillegg opererer selskapene i en internasjonal bransje, og arbeidsspråk er engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Juridisk avdeling, næring
Skattedirektoratet

Henning Stokke

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.