20220705345289

# SAFEROAD HOLDING AB

*Org.nr. 556753-5470*

# ÅRSREDOVISNING

# 2021

**Styrelsen och verkställande direktören för SafeRoad Holding AB får härmed avlämna årsredovisning för räkenskapsåret 2021-01-01 -- 2021-12-31.**

*Innehåll*


| | |
|---|---|
| **FÖRVALTNINGSBERÄTTELSE** | 2 |
| **RESULTATRÄKNING** | 4 |
| **BALANSRÄKNING** | 5 |
| **NOTER** | 7 |
| **UNDERSKRIFTER** | 11 |


**Fastställelseintyg**

Undertecknad styrelseledamot i Saferoad Holding AB intygar härmed att resultat- och balansräkningen i årsredovisningen har fastställts på årsstämma den 15 juni 2022. Årsstämman beslutade tillika att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Stockholm den 15 juni 2022

Espen Ashelm

20220705452290

# SAFEROAD HOLDING AB

*Org.nr. 556753-5470*

# ÅRSREDOVISNING

# 2021

**Styrelsen och verkställande direktören för SafeRoad Holding AB får härmed avlämna årsredovisning för räkenskapsåret 2021-01-01 -- 2021-12-31.**

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| **UNDERSKRIFTER** | 11 |


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**SAFEROAD HOLDING AB**
*556753-5470*

# FÖRVALTNINGSBERÄTTELSE

Årsredovisningen är upprättad i KSEK.

## Verksamheten

Bolagets verksamhet består i att äga och förvalta aktier i dotterbolag.

Företagets säte är Stockholm.

**Flerårsjämförelse***

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| Nettoomsättning | 0 | 0 | 0 | 0 | 1 200 |
| Res. efter finansiella poster | -651 | 33 308 | -12 336 | -770 652 | 90 708 |
| Balansomslutning | 228 124 | 155 649 | 1 764 654 | 1 326 151 | 2 145 877 |
| Soliditet (%) | 99,73 | 99,94 | 99,99 | 59,03 | 69,59 |
| Avkastning på eget kapital (%) | neg. | 3,46 | neg. | neg. | 6,60 |
| Antal anställda | 0 | 0 | 0 | 0 | 0 |

*Definitioner av nyckeltal, se not 10.

## Ägarförhållanden

Bolaget ägs till 100% av Saferoad Holding AS vars toppmoderbolag i sin tur är SRH BridgeCo AS.

## Väsentliga händelser under räkenskapsåret

Spridningen av Covid-19 har inte påverkat utvecklingen av bolagets verksamhet, resultat och ställning väsentligt.

**Förändringar i eget kapital**

| | Aktiekapital | Överkurs-fond | Balanserat resultat | Årets resultat | Totalt eget kapital |
|---|---|---|---|---|---|
| Belopp vid årets ingång | 210 | 4 089 275 | -3 998 555 | 64 639 | 155 569 |
| årsstämman | | | 64 639 | -64 639 | 0 |
| Årets resultat | | | | 71 945 | 71 945 |
| Belopp vid årets utgång | 210 | 4 089 275 | -3 933 916 | 71 945 | 227 514 |

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# FÖRVALTNINGSBERÄTTELSE

## Resultatdisposition (kronor)

| Förslag till disposition av bolagets vinst | |
|---|---|
| Till årsstämmans förfogande står | |
| balanserad förlust | -3 933 916 547 |
| överkursfond | 4 089 275 215 |
| årets vinst | 71 944 710 |
| | 227 303 378 |
| Styrelsen föreslår att | |
| i ny räkning överföres | 227 303 378 |
| | 227 303 378 |

Beträffande bolagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkningar med tillhörande noter.

Penneo dokumentnyckel: N0J5C-06KIN-P6EBO-6IJ62-TYK7J-B2A26

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**SAFEROAD HOLDING AB**
*556753-5470*

# RESULTATRÄKNING

| | | 2021-01-01<br>2021-12-31 | 2020-01-01<br>2020-12-31 |
|---|---|---|---|
| **Rörelsens intäkter m.m.** | | | |
| Nettoomsättning | | 0 | 0 |
| | | 0 | 0 |
| **Rörelsens kostnader** | | | |
| Övriga externa kostnader | | -653 | -391 |
| | | -653 | -391 |
| **Rörelseresultat** | | -653 | -391 |
| **Resultat från finansiella poster** | | | |
| Ränteintäkter från koncernföretag | | 57 | 33 757 |
| Ränteintäkter | | 0 | 128 |
| Räntekostnader | | -23 | -110 |
| Räntekostnader till koncernföretag | | -32 | -76 |
| | | 2 | 33 699 |
| **Resultat efter finansiella poster** | | -651 | 33 308 |
| **Bokslutsdispositioner** | | | |
| Erhållna koncernbidrag | | 83 398 | 37 008 |
| | | 83 398 | 37 008 |
| **Resultat före skatt** | | 82 747 | 70 316 |
| Skatt på årets resultat | 3 | -10 802 | -5 676 |
| **Årets resultat** | | **71 945** | **64 640** |

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# SAFEROAD HOLDING AB

*556753-5470*

## BALANSRÄKNING

| | Not | 2021-12-31 | 2020-12-31 |
|---|---|---|---|
| **TILLGÅNGAR** | | | |
| **Anläggningstillgångar** | | | |
| **Finansiella anläggningstillgångar** | | | |
| Andelar i koncernföretag | 4 | 59 251 | 59 251 |
| Uppskjuten skattefordran | 5 | 13 409 | 24 211 |
| | | 72 660 | 83 462 |
| **Summa anläggningstillgångar** | | 72 660 | 83 462 |
| **Omsättningstillgångar** | | | |
| **Kortfristiga fordringar** | | | |
| Fordringar hos koncernföretag | | 155 465 | 72 186 |
| | | 155 465 | 72 186 |
| **Summa omsättningstillgångar** | | 155 464 | 72 187 |
| **SUMMA TILLGÅNGAR** | | **228 124** | **155 649** |

Penneo dokumentnyckel: N0J5C-06KIN-P6EBO-6IJ62-TYKZJ-B2A26

20220705345295

# SAFEROAD HOLDING AB

*556753-5470*

# BALANSRÄKNING

| | Not | 2021-12-31 | 2020-12-31 |
|---|---|---|---|
| **EGET KAPITAL OCH SKULDER** | | | |
| **Eget kapital** | | | |
| **Bundet eget kapital** | | | |
| Aktiekapital | | 210 | 210 |
| | | 210 | 210 |
| **Fritt eget kapital** | | | |
| Överkursfond | | 4 089 275 | 4 089 275 |
| Balanserat resultat | | -3 933 917 | -3 998 555 |
| Årets resultat | | 71 945 | 64 639 |
| | | 227 303 | 155 359 |
| **Summa eget kapital** | | 227 513 | 155 569 |
| **Kortfristiga skulder** | | | |
| Leverantörsskulder | | 30 | 50 |
| Skulder till koncernföretag | | 551 | 0 |
| Upplupna kostnader och förutbetalda intäkter | | 30 | 30 |
| **Summa kortfristiga skulder** | | 611 | 80 |
| **SUMMA EGET KAPITAL OCH SKULDER** | | **228 124** | **155 649** |

Penneo dokumentnyckel: N0J5C-06KIN-P6EBO-6IJ62-TYK7J-B2A26

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# NOTER

## Not 1 Redovisningsprinciper

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning.

Principerna är oförändrade jämfört med föregående år.

*Fordringar, skulder och avsättningar*
Om inget annat anges nedan värderas kortfristiga fordringar till det lägsta av dess anskaffningsvärde och det belopp varmed de beräknas bli reglerade. Långfristiga fordringar och långfristiga skulder värderas efter det första värderingstillfället till upplupet anskaffningsvärde. Övriga skulder och avsättningar värderas till de belopp varmed de beräknas bli reglerade. Övriga tillgångar redovisas till anskaffningsvärde om inget annat anges nedan.

*Intäktsredovisning*
Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförligtligt sätt.

*Finansiella instrument*
Finansiella instrument värderas utifrån anskaffningsvärde.

*Leasing*
Samtliga leasingavtal kostnadsförs linjärt över leasingperioden.

*Skatt*
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, förutom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekt redovisas i eget kapital.

Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån per den skattesats som gäller på balansdagen.

Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjutna skattefordringar reduceras till den del det inte är sannolikt att den underliggande skattefordran kommer att kunna realiseras inom en överskådlig framtid. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Penneo dokumentnyckel: N0J5C-06KIN-P6EBO-6LI62-TYK7J-B2A26

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# NOTER

*Fordringar och skulder i utländsk valuta*
Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultat medans kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

*Låneutgifter*
De låneutgifter som uppkommer då företaget lånar kapital kostnadsförs i resultaträkningen i den period de uppstår.

*Koncernbidrag*
Erhållna och lämnade koncernbidrag redovisats som bokslutsdisposition.

## Not 2 Uppskattningar och bedömningar

Följande av styrelsens bedömningar har en betydande effekt på redovisade belopp i årsredovisningen:
Andelar i koncernföretag värderade till anskaffningsvärde skrivs ner när det utifrån objektiva bevis görs sannolikt att instrumentets kassaflöden har påverkats i en negativ inriktning av en eller flera orsaker som inträffat eller det att tillgången redovisades första gången. Nedskrivningsbeloppet belastar resultatet. I de fall orsaken till nedskrivningen försvinner och försvinnandet objektivt kan relateras till en händelse som skett efter det att nedskrivningen skett, återförs den tidigare nedskivningen. Återföringen ska inte resultera i att den finansiella tillgångens redovisade värde överstiger det belopp som den finansiella tillgången skulle ha redovisats till om nedskrivningen inte hade redovisats.
Uppskjuten skattefordran som hänför sig till underskottsavdrag bedöms enligt en simulering av de skattemässiga resultaten i de svenska bolagen, och baserat på detta är bedömningen att underskottet kommer att utnyttjas innan utgången av 2024.

***Personal***
Bolaget har inte haft några anställda. Inga löner eller andra ersättningar har utbetalats.

Penneo dokumentnyckel: N0J5C-06KIN-P6EBO-6IJ62-TYK7I-B2A26

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# NOTER

## UPPLYSNINGAR TILL ENSKILDA POSTER

### Not 3 Skatt på årets resultat

| | 2021 | 2020 |
|---|---|---|
| Aktuell skatt | 0 | 0 |
| Uppskjuten skatt | -10 802 | -5 676 |
| | -10 802 | -5 676 |
| ***Avstämning av effektiv skatt*** | | |
| Resultat före skatt | 82 747 | 70 316 |
| Skattekostnad 20,60% (21,40%) | -17 046 | -15 048 |
| Skatteeffekt av: | | |
| Ej avdragsgilla kostnader | -39 | 0 |
| Utnyttjat ränteavdrag inom koncern | 0 | 7 207 |
| Utnyttjat ej tidigare redovisat, underskottsavdrag | 0 | 2 401 |
| Uppskj. skatt, ej tidigare redov underskottsavdrag | 6 283 | 0 |
| Förändring ändrad skattesats | 0 | -236 |
| Summa | -10 802 | -5 676 |

### Not 4 Andelar i koncernföretag

| Företag<br>Organisationsnummer | Säte | Kapital andel % | 2021-12-31<br>Redovisat värde | 2020-12-31<br>Redovisat värde |
|---|---|---|---|---|
| Saferoad Treasury AB<br>556493-1573 | Kumla | 100,00% | 59 251 | 59 251 |
| | | | 59 251 | 59 251 |

| | 2021-12-31 | 2020-12-31 |
|---|---|---|
| Ingående anskaffningsvärde | 1 271 284 | 2 384 890 |
| Försäljningar/utrangeringar | 0 | -1 113 606 |
| Utgående ackumulerade anskaffningsvärden | 1 271 284 | 1 271 284 |
| Ingående nedskrivningar | -1 212 033 | -1 212 033 |
| Utgående ackumulerade nedskrivningar | -1 212 033 | -1 212 033 |
| Utgående redovisat värde | 59 251 | 59 251 |

### Not 5 Uppskjuten skatt

| | 2021-12-31 | 2020-12-31 |
|---|---|---|
| **Kategori** | | |
| Ingående saldo | 24 211 | 29 888 |
| Förändring skattefordringar | -10 802 | -5 677 |
| | 13 409 | 24 211 |

Penneo dokumentnyckel: N0J5C-06KIN-P6EBO-6IJ62-TYK7J-62A26

20220705-45299

# NOTER

## Not 6 Ställda säkerheter

| | 2021-12-31 | 2020-12-31 |
|---|---|---|
| Pantsatta aktier i dotterbolag | 0 | 59 251 |
| Summa ställda säkerheter | 0 | 59 251 |

## Not 7 Eventualförpliktelser

Saferoad Holding AS refinansierade i november 2021 genom att ingå ett Senior Term Facilities Agreement med GSO ESDF II (Luxembourg) Holdco S.à rl, GSO ESDF II (Luxembourg) Levered Holdco I S.à rl, GSO ESDF II (Luxembourg) Levered Holdco II S.à rl, G QCM (Luxemburg) Holdco S.à rl som Original Lenders (alla fonder förvaltade av Blackstone Alternative Credit Advisors LP) på 869,1 miljoner NOK, 96,0 miljoner EUR och 610,7 miljoner SEK. Faciliteterna förfaller i september 2028.

Dessutom säkrades rörelsekapitalfinansiering genom ett revolverande facilitetsavtal mellan Saferoad Holding AS och DNB BANK ASA som Original Lender. Det revolverande facilitetsavtalet uppgår till 510,0 miljoner NOK och förfaller i mars 2028.

Wilmington Trust (London) Limited agerar som säkerhetsagent för alla facilitetsavtal.

De nya finansieringsavtalen med DNB och GSO Captial har ingåtts av Saferoad Holding AS. Saferoad Sverige AB har accepterat och borgat (proprieborgen) för finansieringsavtalen med DNB och GSO Capital. Saferoad Sverige ABs borgensåtagande begränsas ("limitation language") enligt reglerna i Aktiebolagslagens 17 kapitel paragraf 1-4 angående värdeöverföringar och Aktiebolagslagens 21 kapitel paragraf 5 angående lån m.m. från bolaget.

Penneo dokumentnyckel: N0J5C-06KIN-P6EBO-6IJ62-TYK7J-B2A26

## Not 8 Väsentliga händelser efter räkenskapsårets slut

Kriget som utbrutit i Ukraina har haft effekter i form av högre råvarupriser och svårare tillgång till material. Styrelsen följer noga utvecklingen och känner att det finns god beredskap för att hantera de utmaningar som kan uppstå.

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# NOTER

## Not 9 Koncernförhållanden

Bolaget är moderbolag, men med stöd av ÅRL 7 kap 2 § upprättas inte någon koncernredovisning.
Moderbolaget för hela koncernen är SRH Bridgeco AS, org.nr. 818 111 762, med säte i Oslo.
Koncernredovisning går att hitta på www.saferoad.com eller kan beställas från Saferoad Group AS, Enebakkveien 150, N-0680 Oslo.

## Not 10 Definition av nyckeltal

Soliditet
Justerat eget kapital i procent av balansomslutning

Avkastning på eget kapital
Resultat efter finansiella poster i procent av genomsnittligt justerat eget kapital

Stockholm

Espen Asheim
Verkställande direktör

Thomas Rökke

Vår revisionsberättelse har lämnats den

Ernst &Young AB

Henrik Rosengren
Auktoriserad revisor

Penneo dokumentnyckel: N0J5C-06KIN-P6EBO-6IJ62-TYK7J-B2A26

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*"Med min signatur bekräftar jag innehållet och alla datum i detta dokumentet."*

**Espen Asheim**
**Undertecknare**
*Serienummer: 9578-5998-4-1774930*
*IP: 62.92.xxx.xxx*
*2022-06-13 14:33:09 UTC*

bankID

**Thomas William Scoble Røkke**
**Undertecknare 2**
*Serienummer: 9578-5994-4-4527418*
*IP: 77.40.xxx.xxx*
*2022-06-15 08:35:47 UTC*

bankID

**HENRIK ROSENGREN**
**Undertecknare 3**
*Serienummer: 19790215xxxx*
*IP: 145.62.xxx.xxx*
*2022-06-15 17:07:44 UTC*

BankID

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20220705453O2

# Revisionsberättelse

Till bolagsstämman i SafeRoad Holding AB, org.nr 556753-5470

## Rapport om årsredovisningen

### *Uttalanden*

Vi har utfört en revision av årsredovisningen för SafeRoad Holding AB för räkenskapsåret 2021-01-01 – 2021-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av SafeRoad Holding ABs finansiella ställning per den 31 december 2021 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

### *Grund för uttalanden*

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till SafeRoad Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

### *Styrelsens och verkställande direktörens ansvar*

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något reallistiskt alternativ till att göra något av detta.

### *Revisorns ansvar*

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla lakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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## Rapport om andra krav enligt lagar och andra författningar

*Uttalanden*

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av SafeRoad Holding AB för räkenskapsåret 2021-01-01 – 2021-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

*Grund för uttalandena*

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till SafeRoad Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

*Styrelsens och verkställande direktörens ansvar*

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

*Revisorns ansvar*

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisioner av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Lund den dag som framgår av vår elektroniska underskrift

Ernst & Young AB

*Henrik Rosengren*

Henrik Rosengren
Auktoriserad revisor

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**HENRIK ROSENGREN** (SSN-validerad)
**Signing Partner**
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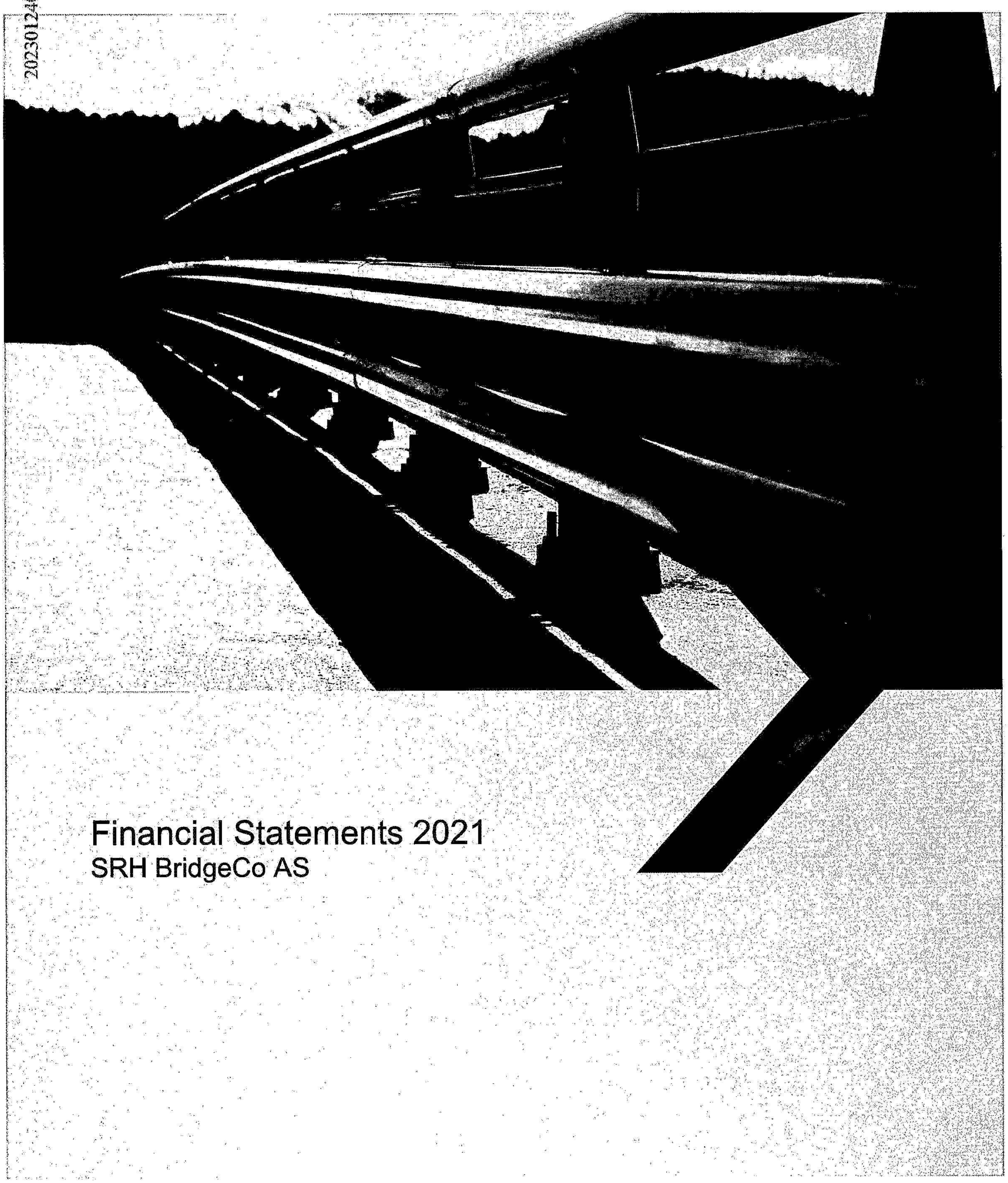
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# Financial Statements 2021
## SRH BridgeCo AS

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# Content

SRH BridgeCo in Brief.....1
Board of Directors Report.....2
Overview of financial statements SRH BridgeCo Group.....8
Notes to the consolidated financial statements for SRH BridgeCo Group.....14
Financial statements SRH BridgeCo AS.....61
Notes to the financial statements for SRH BridgeCo AS.....63
Alternative performance measures (APMs).....71
Auditor's report.....73

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# SHR BridgeCo in Brief

## SRH BridgeCo 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 BridgeCo 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.

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

## Road Safety (Saferoad Group)

Road Safety is SRH BridgeCo's largest business area, representing around 75 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 2 500 employees across 13 countries.

## Road Infrastructure (ViaCon Group)

The Road Infrastructure business area represents around 25 per cent of total revenue and operates under the ViaCon brand.

ViaCon is a leading player offering environmentally friendly and sustainable technical solutions on the European market with a focus on the sale and manufacture of corrugated steel structures and plastic pipes used to build bridges and road drums, as well as for geotechnical solutions and stormwater management. ViaCon strives for the highest standards of environmental awareness, health and safety. The solutions are designed to minimize the carbon footprint with the least possible traffic disruptions in the workplace and thus manage negative effects on both the environment and society. ViaCon offers its customers state-of-the-art long-life solutions designed to meet the challenges of a changing world. ViaCon's solutions support both its customers and society in achieving important and sustainable goals

The Group was founded in 1986 with establishments in Sweden and Norway and today has about 800 employees in 20 countries with headquartered in Gothenburg, Sweden.

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# Board of Directors' Report

## Strategy and financial targets

SHR BridgeCo'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, where the company operates in an attractive market with significant secular growth opportunities across most geographies and product areas. Based on the Group's extensive geographical footprint and broad offering, Saferoad is well positioned to benefit from the favourable market trends and deliver on its ambitions. The position as market leader in the Nordic region and a strong presence in Europe, is making the Group 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.

Saferoad has continued to strengthen the strategic focus and is on track regarding the execution of its strategic agenda, including the final steps in the creation of clearly defined product-driven business areas. The Group is simultaneously improving critical drivers of operational efficiency and development of its manufacturing set-up as well as reaping the synergies of the more coherent operating units. All of which have contributed to the positive development over the last years. Going forward, the Group will continue this critical work of strengthening the internal processes and structures, ensuring that it is fit to meet its strategic development targets as well as customer and market 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". In April, an acquisition was made of Hamco and associated companies. The acquisition is part of the Group's plans for further expansion in Western Europe. In December, Tubosider (United Kingdom) Limited was acquired, which further strengthens ViaCon's market-leading position in Europe for corrugated steel-based civil engineering solutions. After the end of the year, in April 2022, ViaCon signed an agreement to acquire assets from Bergschenhoek Civiele Techniek B.V. (BCT). The acquisition is aligned with ViaCon's strategy to grow further into Western Europe.

The SRH BridgeCo Group maintains its focus on ESG (Environment, Social, Governance) throughout the organisation and has in 2021 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 taken strong measures to protect the business against the spread of Covid-19 and to date the Group has been affected by the pandemic to a fairly limited extent. The measures have been successfully implemented and production capacity has been maintained. The two divisions management is constantly evaluating the Covid situation.

Following Russia's invasion of Ukraine in the end of February 2022, the Group has analysed its own exposure to risks concerning the conflict that inflicts significant potential for human, political, economic and legal consequences. Saferoad has no recorded sales in the primary affected countries, e.g. Russia, Ukraine and Belarus, but do source raw materials from one larger supplier in the region. The conflict does however influence prices on a number of critical inputs in the production process and consequently working capital requirements, which needs to be mitigated along with the affected materials being redirected to other sources of supply. Saferoad has initiated actions to minimise the impact on operations of these events. With respect to ViaCon, there is uncertainty about how and to what extent ViaCon's operations will be affected by the ongoing conflict in Ukraine. An initial evaluation shows that short-term financial exposure is currently limited. In the long run, there may be risks in raw material supply and pricing. ViaCon continuously monitors the development of the war situation to continuously evaluate and manage the impact and possible risks. ViaCon currently has a small operation in Belarus, which is in the process of divesting.

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## Markets 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 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 BridgeCo 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 BridgeCo Group

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Operating revenue underlying | **7 712 705** | 7 266 512 |
| EBITDA underlying | **828 005** | 767 637 |
| EBITDA reported | **742 316** | 713 108 |
| EBITDA underlying margin % | **10.7%** | 10.6% |

The Group underlying operating revenues ended at NOK 7 712.7 million, which is ahead of last year by NOK 446.2 million. The underlying EBITDA of NOK 828.0 million was higher than last year by NOK 60.4 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.

## Financial development Road Safety - Saferoad

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Operating revenue underlying | **5 756 892** | 5 255 389 |
| EBITDA underlying | **660 189** | 635 467 |
| EBITDA reported | **622 543** | 618 754 |
| EBITDA underlying margin % | **11.5%** | 12.1% |

Saferoad had underlying operating revenue of NOK 5 756.9 million in 2021, while underlying EBITDA was NOK 660.2 million. The underlying EBITDA margin was 11.5 per cent.

Revenues in Saferoad were driven by good underlying growth and strong order intake in all the business areas, despite a comparably slow start to the year as weather in the early season was less favourable than 2020, which was compensated by an acceleration into the later parts. The development was supported by strong growth in the Road Safety business area (focusing on Road Restraint Systems and Noise Protection) from a combination of market demand, steel related price increases as well as partly from strengthening the position in Finland through the acquisition and integration of the company Kaide Kanerva. This was complemented by solid growth in the Signs & Work Zone Protection business area, from market demand coupled with sales initiatives, as well as good order intake across the remaining parts of the business. Underlying EBITDA increased by NOK 24.8 million to NOK 660.2 million, with positive development across most business areas: Somewhat positively affected by acquisitions, held back by currency effects compared to last year and achieved in a comparably challenging raw material cost environment. The performance has not been materially affected by the Covid-19 pandemic as the business was able to maintain normal operations throughout the year

## Financial development Road Infrastructure - ViaCon

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Operating revenue underlying | **1 968 595** | 2 029 242 |
| EBITDA underlying | **238 594** | 207 538 |
| EBITDA reported | **200 965** | 181 370 |
| EBITDA underlying margin % | **12.1%** | 10.2% |

In ViaCon, the underlying operating revenues decreased with 3 percent compared with last year. The increase in profitability is primarily driven by the strategic agenda of focusing on selected, more profitable business and product solutions. At the same time, ViaCon have successfully managed increased costs for input materials and longer lead times from suppliers while maintaining delivery precision to the customer. A dedicated efficiency programme with regard to both capital and costs, as well as structure and processes among others within our industrial system has also contributed to the improved profitability. The continued COVID-19 pandemic in 2021 has affected all kinds of companies and organizations, with far-reaching consequences in many industries. ViaCon has taken powerful measures to protect the business against the spread of the virus, and ViaCon has to date been affected by COVID-19 to a relatively limited extent. ViaCon has largely been able to maintain its delivery capacity, and our production capacity has been maintained.

## 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 (70.8) million in 2021 compared to (75.4) million in 2020.

## Reported results

The reported EBITDA includes non-operational costs of NOK 85.7 million, up from NOK 54.5 million last year, containing mainly costs for external advisors in relation to financing of Saferoad- and ViaCon Group and transaction costs in connection to acquisitions of companies. There was a significant increase of the amount due to the refinancing process in November 2021. 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 2021, operating profit amounted to NOK 378.0 million. The Group had a net currency loss of NOK (48.5) million, financial income of NOK 24.1 million and financial expenses of NOK (355.0) million in 2021. The financial expenses consist of interest expenses of (191.7) million, interest expenses on lease liabilities of NOK (27.5) million and other financial expenses of NOK (135.8) million.

A net tax expense of NOK (24.2) million was reported in 2021.

The Group's reported loss for 2021 amounted to NOK (25.5) million.

The profit for the year for SHR BridgeCo AS of NOK 0.8 million is transferred 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.

In November 2021 both Saferoad and ViaCon secured their own funding. Saferoad renewed and extended its Term Facilities with several funds managed by Blackstone Alternative Credit as Original Lenders and the Revolving Credit Facility with DNB, all Facilities maturing in 2028, and structurally matching the currencies in the loan obligations to the Group's cash flow. ViaCon issued a senior secured bonds of EUR 100 million. Trading of the bonds started on Börse Frankfurt, Open Market as of December 22, 2021. Thereafter admission to trading of the Bonds on Nasdaq Stockholm took place on January 26, 2022.

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 2021 was NOK 6 001.0 million, with a net interest-bearing debt of NOK 3 414.2 million at the end of 2021.** Total equity was NOK 329.7 million at the end of 2021, giving an equity ratio at year end of 5.5 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 (100.6) million in 2021 compared to NOK 245.7 million in 2020, with the difference mainly caused by reduced cash inflow from operating activities in 2021 to some extent offset by less capital outflow from financing activities. Net cash flow from operating activities was NOK 292.1 million in 2021 compared to NOK 968.1 million in 2020, with the change explained by unfavourable developments in working capital. Increasing raw material prices caused a direct build up in stocks, accounts receivable and unbilled revenue, that could only partly be offset by higher level of accounts payable and other reduction measures. Net cash flow from investment activities was NOK (374.0) million in 2021 compared to NOK (350.5) million in 2021, with the difference mainly caused net cash paid in connection with acquisitions in 2021 to some extent offset by less payments in relation to buy-out of minority interests. Net cash flow from financing activities was NOK (18.7) million in 2021 compared to NOK (371.8) million in 2020, with the recent numbers significantly affected by the refinancing of the Group; both in terms of cash inflow and outflow. New loan facilities gave rise to cash inflow that was offset by repayment of former loans and the distribution to shareholders and non-controlling interests of NOK 1 264.2 million.

## Risk factors and risk management

SRH BridgeCo 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.

The efforts around risk management and mitigating initiatives has continued during 2021. The year has seen a reinforced strengthening of activities around IT and Cyber security considering the continuously increasing challenges generally observed. In lights of increased volatility in key raw materials as well as the now longer-term exposure to potential interest rate risks, the Group has expanded its resources and capabilities to hedge and mitigate adverse developments through financial instruments in this area in line with Group policies. The work on strengthening the financial compliance and control environment has been sustained.

In 2021 we also continued to increase our efforts regarding ESG in several areas beyond the monitoring of health and safety of our employees, which has long been at the core of the business, while continuing the already started activities around monitoring GHG emissions data, environment certifications, employee satisfaction as well as governance, anti-corruption as well as anti-bribery.

Given the continued evolution of the global Covid-19 pandemic, the Group has continued monitoring and managing the situation, while taking necessary measures in line with the regulations and restrictions set up by national and local authorities. The Board has been continuously informed of the situation closely and continuously assessed if enforced measures were needed.

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

[redacted] accurately may impact earnings, capacity utilisation of the workforce and/or production sites and may result in [redacted] damage. The Group aims to analyse and assesses risk in the tendering stage and manage risk systematically by the [redacted] throughout 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, and has shown itself during 2021, to be manageable.

## Environment

The Group is committed to contribute to the shift to more circular business models and use of resources, finding ways to close loops and generate new revenue streams from the processes and materials that we use. Many of the solutions we provide today are effective in terms of sustainability. There are many benefits in our solutions, like minimizing the CO2 footprint, reducing construction time and to reuse materials.

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.

The Group drives continues improvement in its production facilities with environmental management system ISO 14001. In 2021 another two facilities in Saferoad was certified, resulting in 80 per cent of the production units in Saferoad being ISO 14001 certified.

## Personnel and Organisation

The Group had 3 300 employees at 31 December 2021, a net increase of 300 from 1 January 2021. Our employees are our most important assets. Employee engagement and a performance culture based on customer success, trust and passion are critical for the Group to fulfil its mission. The Group'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 road infrastructure industry is generally low. At year end 84 per cent of the employees were male and 16 per cent female. The number of female employees remained stable compared to 2020. The Group believes in diversity and continuously work to increase the number of female employees.

In ViaCon, the sick absence rate was 7.1 per cent, an increase from 4.7 per cent in 2020, while in Saferoad, the sick absence rate was 5.2 per cent, an increase from 5.0 per cent previous year, mainly attributed to a spike in sick absence in March related to local and national restrictions due to Covid-19.

The SRH BridgeCo 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.

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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. The Group has seen a reduction of incidents resulting in absence from work (LTI). LTI for 2021 was 82, a decrease by 2 accidents compared to 2020.

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

## Legal proceedings

From time to time, companies in the Group may be involved in litigation, disputes, and other legal proceedings arising in the normal course of their business. For more detailed information, please refer to note 28 in the 2021 financial statements.

## 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 BridgeCo AS have purchased and maintain a Directors and Officers Liability Insurance on behalf of the members of the Board of Directors. The insurance additionally covers any employee acting in a managerial capacity and includes subsidiaries owned with more than 50 per cent. The insurance policy is issued by a reputable, specialized insurer with appropriate rating.

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, 27 June 2022

The Board of SRH BridgeCo Group

DocuSigned by:
Ulrik Smith
F1C97198EE9B46A...
Ulrik Smith
Chairman

DocuSigned by:
Andreas Niclas Bengt-Ingvar Thie
3036E66003F04A8...
Niclas Thiel
Board member

# Overview of financial statements

## Financial statements SRH BridgeCo Group

9 Consolidated statement of comprehensive income
10 Consolidated statement of financial position (assets)
11 Consolidated statement of financial position (shareholders' equity and liabilities)
12 Consolidated statement of changes in equity
13 Consolidated cash flow statement

**14 Notes to the consolidated financial statements**
14 **Note 1** Company information
14 **Note 2** Accounting principles
22 **Note 3** Significant accounting judgements, estimates and assumptions
23 **Note 4** Business combinations and changes in the Group structure
25 **Note 5** Associated companies and other investments
27 **Note 6** Segment information
29 **Note 7** Revenue from contracts with customers
31 **Note 8** Cost of goods sold and inventories
32 **Note 9** Other operating costs
32 **Note 10** Personal costs, employees and management remuneration
34 **Note 11** Pensions
35 **Note 12** Financial items
35 **Note 13** Income tax
37 **Note 14** Property, plant and equipment
38 **Note 15** Leases
39 **Note 16** Intangible assets
41 **Note 17** Other provisions
42 **Note 18** Earn outs on acquired shares
43 **Note 19** Financial strategy and financial risks
46 **Note 20** Fair values of financial instruments
49 **Note 21** Other current receivables
49 **Note 22** Cash and cash equivalents
49 **Note 23** Interest-bearing liabilities
51 **Note 24** Changes in liabilities arising from financing activities
52 **Note 25** Other current liabilities
52 **Note 26** Share capital, shareholders' equity, dividend and non-controlling interests
53 **Note 27** Pledged assets and guarantees
55 **Note 28** Other commitments and contingencies
55 **Note 29** Transactions with related parties
56 **Note 30** Events after the balance sheet date
57 **Note 31** Future IFRS amendments

## Financial statements SRH BridgeCo AS

58 Statement of comprehensive income
59 Statement of financial position (assets)
60 Statement of financial position (shareholders' equity and liabilities)
61 Statement of changes in equity
62 Cash flow statement

**63 Notes to the financial statements**
63 **Note 1** Company information
63 **Note 2** Accounting principles
64 **Note 3** Other operating costs
64 **Note 4** Employees and remuneration to key personnel
64 **Note 5** Shares in subsidiaries
67 **Note 6** Financial items
68 **Note 7** Income tax
69 **Note 8** Transactions with group companies
69 **Note 9** Cash and cash equivalents
69 **Note 10** Interest-bearing liabilities
69 **Note 11** Other current liabilities
69 **Note 12** Other investments
70 **Note 13** Pledged assets and guarantees

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# Financial statements SRH BridgeCo Group

## Consolidated statement of comprehensive income

| NOK 1000 | Notes | 2021 | 2020 |
|---|---|---|---|
| Revenue | | **7 663 410** | 7 227 080 |
| Other operating revenue | | **64 282** | 44 524 |
| Total operating revenue | 6, 7 | **7 727 692** | 7 271 604 |
| Cost of goods sold | 8 | **4 259 772** | 4 049 416 |
| Personnel costs | 10, 11 | **1 734 948** | 1 626 630 |
| Depreciation and impairment property, plant and equipment | 14 | **162 620** | 151 186 |
| Depreciation and impairment right of use assets | 15 | **139 474** | 142 506 |
| Amortisation and impairment | 16 | **62 206** | 61 220 |
| Other operating costs | 9 | **990 656** | 882 450 |
| Total operating costs | | **7 349 675** | 6 913 408 |
| Operating profit/(loss) | | **378 016** | 358 196 |
| Financial income | 12 | **24 090** | 10 995 |
| Financial expenses | 12 | **355 003** | 246 504 |
| Net exchange rate gain/(loss) | 12 | **(48 498)** | (60 709) |
| Share of profit/(loss) of associated companies | 5, 12 | **123** | 148 |
| Net financial income/(expenses) | | **(379 288)** | (296 069) |
| Profit/(loss) before tax | | **(1 272)** | 62 127 |
| Tax | 13 | **(24 233)** | (15 484) |
| Profit/(loss) for the year | | **(25 505)** | 46 643 |
| **OTHER COMPREHENSIVE INCOME** | | | |
| **Items to be reclassified to profit/loss in subsequent periods** | | | |
| Exchange differences on translation of foreign operations | | **(6 596)** | (12 021) |
| Exchange differences on loans treated as net investments | | **(292)** | 58 906 |
| Exchange differences on hedge instruments of net investments in foreign operations | | **(13 358)** | 0 |
| **Items not to be reclassified to profit/loss in subsequent periods** | | | |
| Remeasurement of net defined benefit liability | 11, 13 | **663** | 177 |
| Other comprehensive income for the year, net of tax | | **(19 582)** | 47 061 |
| Total comprehensive income for the year | | **(45 087)** | 93 704 |
| **Profit/(loss) for the year attributable to:** | | | |
| Equity holders of the parent company | | **(16 694)** | 24 911 |
| Non-controlling interests | | **(8 811)** | 21 732 |
| | | **(25 505)** | 46 643 |
| **Total comprehensive income attributable to:** | | | |
| Equity holders of the parent company | | **(28 340)** | 54 293 |
| Non-controlling interests | | **(16 747)** | 39 412 |
| | | **(45 087)** | 93 704 |

# Consolidated statement of financial position (assets)

| NOK 1000 | Notes | 31.12.2021 | 31.12.2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| **Intangible assets** | | | |
| Development | 16 | **89 186** | 85 568 |
| Licenses, product rights etc. | 16 | **21 804** | 23 131 |
| Goodwill | 16 | **651 839** | 585 972 |
| Customer relationships | 16 | **177 521** | 216 275 |
| Other intangible assets | 16 | **15 908** | 17 089 |
| Total intangible assets | | **956 259** | 928 034 |
| **Tangible assets** | | | |
| Land | 14 | **54 799** | 48 980 |
| Buildings | 14 | **406 795** | 340 127 |
| Machines and equipment | 14 | **460 409** | 476 212 |
| Construction in progress | 14 | **416** | 706 |
| Rental equipment, furniture and vehicles | 14 | **153 182** | 152 298 |
| Right-of-use assets | 15 | **436 934** | 452 536 |
| Total fixed assets | | **1 512 536** | 1 470 858 |
| **Financial non-current assets** | | | |
| Investment in associated companies | 5 | **1 367** | 1 342 |
| Other investments | 20 | **777** | 729 |
| Non-current receivables | | **24 790** | 23 790 |
| Total financial assets | | **26 935** | 25 861 |
| Deferred tax assets | 13 | **61 540** | 55 012 |
| Total non-current assets | | **2 557 269** | 2 479 765 |
| **CURRENT ASSETS** | | | |
| Inventories | 8 | **1 263 401** | 870 875 |
| **Receivables** | | | |
| Trade receivables | 19 | **991 772** | 972 501 |
| Other receivables | 7, 21 | **453 282** | 344 363 |
| Total receivables | | **1 445 054** | 1 316 864 |
| Cash and cash equivalents | 22 | **735 307** | 870 702 |
| Total current assets | | **3 443 761** | 3 058 441 |
| Total assets | | **6 001 030** | 5 538 206 |

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

| NOK 1000 | Notes | 31.12.2021 | 31.12.2020 |
|---|---|---|---|
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | |
| **SHAREHOLDERS' EQUITY** | | | |
| Share capital | 26 | **8 207** | 8 207 |
| Share premium | 26 | **356 060** | 1 152 144 |
| Currency translation reserve | | **53 485** | 57 364 |
| Other equity | | **(251 810)** | (225 795) |
| Total shareholders' equity attributable to the shareholders of the parent company | | **165 942** | 991 920 |
| Non-controlling interests | 26 | **163 746** | 683 869 |
| Total equity | | **329 689** | 1 675 789 |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Liabilities to credit institutions | 19, 20, 23, 27 | **2 710 007** | 1 969 048 |
| Other non-current liabilities | 18, 19, 20, 23, 27 | **1 296 371** | 349 191 |
| Pension obligations | 11 | **54 566** | 53 931 |
| Deferred tax liabilities | 13 | **31 550** | 55 755 |
| Other provisions | 17 | **16 594** | 41 168 |
| Total non-current liabilities | | **4 109 088** | 2 469 093 |
| **Current liabilities** | | | |
| Liabilities to credit institutions | 23 | **27 387** | 28 889 |
| Accounts payables | | **716 307** | 598 454 |
| Current tax liabilities | 13 | **12 568** | 31 072 |
| Public duties (VAT, social benefits etc.) | | **189 782** | 197 574 |
| Other current liabilities | 7, 18, 25 | **492 270** | 413 678 |
| Other provisions | 17 | **1 694** | 1 670 |
| Current portion of non-current liabilities | 23 | **122 244** | 121 987 |
| Total current liabilities | | **1 562 253** | 1 393 323 |
| Total liabilities | | **5 671 341** | 3 862 417 |
| Total shareholders' equity and liabilities | | **6 001 030** | 5 538 206 |

Oslo, 27 June 2022

The Board of SRH BridgeCo AS

DocuSigned by:
Ulrik Smith
F1C07198EE9D46A...
Ulrik Smith
Chairman of the Board

DocuSigned by:
Andreas Niclas Bengt-Ingvar Thiel
3036E66003F94A8...
Niclas Thiel
Board member

# 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 31.12.2019 | 8 207 | 1 152 144 | 28 091 | (278 877) | 909 565 | 674 780 | 1 584 345 |
| Capital increase | 0 | 0 | | | 0 | | 0 |
| Dividends to shareholders and non-controlling interests | | | | 0 | 0 | (1 787) | (1 787) |
| Buy-out/transaction non-controlling interests | | | | 28 063 | 28 063 | (40 253) | (12 190) |
| Sale of shares to non-controlling interests | | | | | 0 | 11 718 | 11 718 |
| Profit/(loss) for the year | | | | 24 911 | 24 911 | 21 732 | 46 643 |
| **Other comprehensive income net of tax:** | | | | | | | |
| Actuarial gain/(loss) | | | | 108 | 108 | 69 | 177 |
| Exchange differences on translation of foreign operations | | | (6 765) | | (6 765) | (5 256) | (12 021) |
| Exchange differences on loans treated as net investments | | | 36 038 | | 36 038 | 22 867 | 58 906 |
| Total other comprehensive income net of tax | 0 | 0 | 29 273 | 108 | 29 382 | 17 679 | 47 061 |
| Total comprehensive income | 0 | 0 | 29 273 | 25 019 | 54 292 | 39 412 | 93 704 |
| Equity at 31.12.2020 | 8 207 | 1 152 144 | 57 364 | (225 795) | 991 920 | 683 869 | 1 675 789 |
| Dividends to shareholders and non-controlling interests | (775 895) | | | | (775 895) | (488 616) | (1 264 511) |
| Repayment of capital to shareholders and non-controlling interests | (20 189) | | | | (20 189) | (12 811) | (33 000) |
| Buy-out/transaction non-controlling interests | | | | (1 554) | (1 554) | (1 948) | (3 502) |
| Profit/(loss) for the year | | | | (16 694) | (16 694) | (8 811) | (25 505) |
| **Other comprehensive income net of tax:** | | | | | | | |
| Actuarial gain/(loss) | | | | 406 | 406 | 257 | 663 |
| Exchange differences on translation of foreign operations | | | (3 701) | | (3 701) | (2 895) | (6 596) |
| Exchange differences on loans treated as net investments | | | (178) | | (178) | (113) | (292) |
| Exchange differences on hedge instruments of net investments in foreign operations | | | | (8 173) | (8 173) | (5 186) | (13 358) |
| Total other comprehensive income net of tax | 0 | 0 | (3 879) | (7 767) | (11 646) | (7 936) | (19 582) |
| Total comprehensive income | 0 | 0 | (3 879) | (24 461) | (28 340) | (16 747) | (45 087) |
| Equity at 31.12.2021 | 8 207 | 356 060 | 53 485 | (251 810) | 165 942 | 163 746 | 329 689 |

The share capital in SRH BridgeCo AS as of 31 December 2021 consists of 41 036 800 ordinary shares with nominal value of NOK 0.20 per share.

# Consolidated cash flow statement

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| NOK 1000 | Notes | 2021 | 2020 |
|---|---|---|---|
| **Cash flow from operations** | | | |
| Profit/(loss) before tax | | (1 272) | 62 127 |
| Income tax paid | 13 | (94 323) | (52 815) |
| Profit from sale and disposal of tangible assets | | (26 954) | (11 981) |
| Loss on sale of tangible assets | | 1 226 | 997 |
| (Gain)/loss on sale of subsidiaries | | 0 | (4 602) |
| Net depreciation, amortisation and impairment | 14, 15, 16 | 364 308 | 354 912 |
| Impairment of inventory | 8 | 2 343 | 21 731 |
| Net currency (gains)/losses not relating to operating activities | | 121 611 | 42 698 |
| Interest income and other financial income | 12 | (22 832) | (10 995) |
| Interest costs and other financial expenses | 12 | 355 000 | 246 504 |
| Changes in inventory | 8 | (374 614) | 139 103 |
| Changes in trade receivable | 19 | (35 417) | 9 080 |
| Changes in accounts payable | | 116 973 | 31 797 |
| Income from using equity method | 5 | (123) | (148) |
| Changes in other current receivables and liabilities | | (113 872) | 139 673 |
| Net cash flow from operations | | 292 056 | 968 079 |
| | | | |
| **Cash flow from investment activities** | | | |
| Interest received | 12 | 22 832 | 10 995 |
| Acquisition of subsidiaries | 4 | (167 137) | (22 723) |
| Buy-out of non-controlling interests and payments for acquired shares | 18 | (11 193) | (100 396) |
| Purchase/production of fixed and intangible assets | 14, 15, 16 | (260 011) | (253 582) |
| Sale of subsidiaries and asset sale | | 9 515 | (613) |
| Proceeds from sale of fixed assets | | 37 240 | 19 506 |
| Other changes | | (5 244) | (3 728) |
| Net cash flow from investment activities | | (373 998) | (350 541) |
| | | | |
| **Cash flow from financing activities** | | | |
| Proceeds from borrowings | | 3 708 667 | 336 497 |
| Repayment of borrowings | | (1 997 400) | (338 499) |
| Proceeds from shareholders | | 0 | 11 748 |
| Dividends to shareholders and non-controlling interests | | (1 264 251) | (1 787) |
| Repayment of financial lease liabilities | | (139 747) | (171 235) |
| Interest paid | | (325 939) | (208 518) |
| Net cash flow from financing activities | 24 | (18 669) | (371 793) |
| | | | |
| Net increase/(decrease) in cash and cash equivalents | | (100 611) | 245 744 |
| | | | |
| Effect of exchange rate differences on cash and cash equivalents | | (32 950) | 19 323 |
| Cash and cash equivalents at beginning of the period | | 868 867 | 603 800 |
| Cash and cash equivalents at the end of the period | | 735 307 | 868 867 |
| | | | |
| Cash and cash equivalents at the end of the period in statement of financial positi | 22 | 735 307 | 870 702 |
| Bank overdrafts at the end of the period in statement of financial position | | 0 | (1 835) |
| Cash and cash equivalents at the end of the period in statement of cash flow | | 735 307 | 868 867 |

# Notes to the consolidated financial statements for SRH BridgeCo Group

## **Note 1** Company information

SRH BridgeCo AS is a limited liability company and the ultimate parent company of Saferoad and ViaCon Group. The Company is incorporated and domiciled in Oslo with its registered office, c/o FSN Capital Partners AS, Dronning Mauds gate 11, 0250 Oslo, Norway.

SRH BridgeCo 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 companies SRH BridgeCo AS, SRH Holding AS and SRH Investco AS.

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 BridgeCo 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 27 June 2022 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 BridgeCo 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 BridgeCo 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 BridgeCo AS and all companies in which SRH BridgeCo AS exercises control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through it power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Subsidiaries are deconsolidated from the date that control ceases.

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.

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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 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.

## 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 noise protection solutions, geomembranes, retaining walls and 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.

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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.

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.

## 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.

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**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 development varies between three and fifteen years.

**Licenses, product rights etc.**
Expenditures for licenses, product rights etc. are capitalised and depreciated over their expected useful life. The expected useful life for patents and licenses varies between five and ten years.

**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.

**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.

## 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)

- 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.

***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 (Board of Directors). The Group 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 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

Amendments and interpretations applied for the first time in 2021, did 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

## 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 judgements, 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 judgements, 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. See note 7 for information regarding revenue from contracts with customers.

## 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.

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**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.

***Goodwill***
Determining whether goodwill is impaired requires an estimation of the recoverable amount. At year end 2021 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 2021 is NOK 651.8 million (NOK 586.0 million as of 31 December 2020). The Group recognises no impairment of goodwill in 2021. 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 2021 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 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). See note 15 for further details.

***Leases - Estimating the incremental borrowing rate (IBR)***
When the Group cannot readily determine the interest rate implicit in the lease, 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). See note 15 for further details.

***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 2021

On 1 April 2021, the Group acquired all shares in Haku Service GmbH as well as the operations in Hamco Dinslaken Bausysteme GmbH, MSB Montage von Schutzeinrichtungen and Bausystemen GmbH via its wholly-owned German company ViaCon Germany GmbH. Hamco sells and manufactures bridges for road constructions and Haku, which also includes MSB Montage's operation, acts as a service an assembly company. Above all, the acquisition strengthens further the growth in the Road Infrastructure segment.

On 30 April 2021 the Group acquired KaideKanerv Oy as well as the subsidiary Kanerv Oy Kaide ja Kuljetus including the subsidiary Teedemeister Oy Suomi, all included in Road Safety segment.

On 1 December 2021 was Tubosider (United Kingdom) Limited acquired, a leading manufacturer and supplier of corrugated steel-based construction solutions in the UK who operates within the Road infrastructure segment.

| NOK 1000 | Road Safety 2021 | Road Infrastructure 2021 | Total 2021 |
|---|---|---|---|
| **Purchase price** | | | |
| Purchase consideration | **39 813** | **155 054** | **194 867** |
| **Total cost of the acquistion** | **39 813** | **155 054** | **194 867** |
| | | | |
| **Acquired assets and liabilities at fair value** | | | |
| Non-current assets | **5 505** | **56 679** | **62 184** |
| Deferred tax assets | **-** | **1 512** | **1 512** |
| Current assets | **33 740** | **70 319** | **104 058** |
| Cash and cash equivalents | **14 166** | **2 514** | **16 680** |
| Deferred tax liabilities | **-** | **(1 942)** | **(1 942)** |
| Provision for pensions | **-** | **(5 939)** | **(5 939)** |
| Non-current liabilities | **(350)** | **(3 260)** | **(3 610)** |
| Current liabilities | **(13 247)** | **(34 449)** | **(47 696)** |
| Total fair value of net assets | **39 813** | **85 434** | **125 247** |
| Goodwill | **(0)** | **69 620** | **69 620** |
| | | | |
| **Cash flow effect from acquisitions** | | | |
| **Purchase consideration** | **(39 813)** | **(155 054)** | **(194 867)** |
| Not paid purchase price | **-** | **15 245** | **15 245** |
| Acquired cash and cash equivalents | **14 166** | **(1 164)** | **13 001** |
| Change in cash and cash equivalents due to acquistions | **(25 647)** | **(140 973)** | **(166 621)** |

The purchase price for KaideKanerv Oy totalled an estimated consideration of EUR 4.0 million (NOK 39.8 million). The purchase price for the German acquisitions totalled EUR 5.6 million (NOK 56.0 million) and the purchase price for Tubosider (United Kingdom) Limited amounted to GBP 8.3 million (NOK 98.0 million) According to agreement, EUR 1.5 million, corresponding to NOK 15.0 million of the German purchase price falls due for payment when the annual report for ViaCon Germany GmbH is approved, but no later than 31 May 2022. The purchase price for the acquisitions was higher than the book values for the net assets, which means that the acquisitions gave rise to goodwill, which can mainly be attributed to future new markets, synergies, and profitability.

The German acquired operations contributed net sales of NOK 86.3 million and earnings after tax of NOK -3.2 million for the period 1 April to 31 December 2021. German net sales for the full year 2021 amounted to NOK 101.4 million. Tubosider (United Kingdom) Limited contributed net sales of NOK 9.3 million and earnings after tax of NOK -0.3 million for the period 1 December 2021 to 31 December 2021. The company's net sales for the full year 2021 amounted to NOK 94.0 million. KaideKanerv group contributed revenues of NOK 90.2 million and earnings after tax of NOK 7.8 million for the period from 1 May to 31 December 2021. The net sales for the full year 2021 amounted to NOK 104 million.

The total cost and fair value have been preliminarily determined. The acquisition analysis may therefore be adjusted during the 12 months following the acquisition date.

**Acquisitions of non-controlling interests**

On 26 September 2021 it was agreed to purchase the remaining 30 percent of the shares in ViaCon CR s.r.o. in the Czech Republic. The agreed purchase price for the minority share in ViaCon CR s.r.o is EUR 0.4 million (NOK 3.5 million) of which EUR 0,2 million (NOK 1.5 million) was paid in the fourth quarter of 2021 and the remaining purchase price will be paid in 2022.

Acquisition-related costs totalled NOK 12.6 million and have been recognised as other costs and included under non-recurring items.

## Acquisitions in 2020

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

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| 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 Road Safety 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.)

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 segment. Total consideration for the remaining shares was CZK 30.0 million (NOK 12.1 million).

### Divestments in 2021

There were no material divestments in 2021.

### 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.

## **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 2021:

| Associated companies | Country | Owner share | Time of acquisition |
|---|---|---|---|
| IBOS Sp. z o.o. | Poland | 50 % | 15.02.2011 |

IBOS Sp. z o.o. is a company that performs crash test services for the Polish market.
Carrying value of associated companies are in December 2021 NOK 1.4 million (NOK 1.3 million in December 2020).

## Change in carrying value associated companies

**2021**

| NOK 1000 | IBOS Sp. z o.o. | Total |
|---|---|---|
| Opening balance 01.01.2021 | 1 342 | **1 342** |
| Share of this year's profit/(loss) | 123 | **123** |
| Dividends | (22) | **(22)** |
| Translation differences | (75) | **(75)** |
| Carrying value 31.12.2021 | 1 367 | **1 367** |

**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** |

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 31.12.2021**

| NOK 1000 | IBOS Sp. z o.o. | Total |
|---|---|---|
| Assets | 6 918 | **6 918** |
| Liabilities | 4 183 | **4 183** |
| Revenues | 9 588 | **9 588** |
| Profit/(loss) (01.01. - 31.12.) | 245 | **245** |
| Ownership | 50 % | |

**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) (01.01. - 31.12.) | 376 | (172) | **204** |
| Ownership | 50 % | 49 % | |

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# **Note 6** Segment information

## Segment structure

The operating segments presented are the key components of the Group's business. The following operating segments have been identified:

- Road Safety
- Road Infrastructure
- Other/Holding

In 2021 the reporting segment for Road Safety Nordic and Road Safety Europe were merged into one reporting segment Road Safety. The same for Road Infrastructure were Road Infrastructure Nordic and Road Infrastructure Europe were merged into one reporting segment. Comparable figures are restated.

## Road Safety

Road Safety offer a comprehensive and innovative range of road restraint systems (guardrails, bridge parapets, rails, energy absorbing systems) and noise protection barriers which covers all areas of use on roads, highways and along railways. The Group's offering includes design, manufacturing, delivery, installation and repair.

Road Safety consists of legal entities in Norway, Sweden, Denmark, Finland, United Kingdom, Poland, Germany, Romania, the Netherlands, Slovakia, and Czech Republic.

## Road Infrastructure

Road Infrastructure offers sustainable engineering solutions of corrugated steel structures, geo-technical, and storm-water solutions (relining of culverts, bridges, viaducts, grade separations, ecological crossings, tunnels, and solutions for soil reinforcement).

Road Infrastructure consists of legal entities in Norway, Denmark, Sweden, Finland, Poland, the Baltic States, Austria, France, Germany, United Kingdom, Romania, Bulgaria, Slovakia, Belarus, Czech Republic, Turkey, Hungary, and UAE.

## 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 profit/(loss) for the year before financial income and expense, tax, 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 regarding refinancing, impairment charges and other non-recurring items. See APM table for a further description. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

**Underlying operating revenue**

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Road Safety | 5 756 892 | 5 255 389 |
| Road Infrastructure | 1 968 595 | 2 029 242 |
| Other/Holding/Elimination | (12 782) | (18 118) |
| **Underlying operating revenue** | **7 712 705** | 7 266 512 |
| Adjustments1) | **14 987** | 5 091 |
| **Reported operating revenue** | **7 727 692** | 7 271 604 |

1) Items which management believes to be non-recurring

**Underlying personnel costs**

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Road Safety | (1 395 821) | (1 292 406) |
| Road Infrastructure | (348 763) | (320 827) |
| Other/Holding/Elimination | (36 185) | (38 181) |
| **Underlying personell costs** | **(1 780 769)** | (1 651 414) |
| | | |
| Classification adjustments[2)] | **49 099** | 36 940 |
| Adjustments[1)] | **(3 278)** | (12 156) |
| **Reported personnel costs** | **(1 734 948)** | (1 626 630) |

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

**Underlying other operating costs**

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Road Safety | (504 542) | (445 399) |
| Road Infrastructure | (144 002) | (141 601) |
| Other/Holding/Elimination | (27 133) | (31 643) |
| **Underlying other operating costs** | **(675 677)** | (618 643) |
| | | |
| Classification adjustments[2)] | **(217 581)** | (219 697) |
| Adjustments[1)] | **(97 398)** | (44 110) |
| **Reported other operating costs** | **(990 656)** | (882 450) |

[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

**Underlying EBITDA**

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Road Safety | 660 189 | 635 467 |
| Road Infrastructure | 238 594 | 207 538 |
| Other/Holding/Elimination | (70 778) | (75 368) |
| **Underlying EBITDA** | **828 005** | 767 637 |
| | | |
| Adjustments[1)] | **(85 689)** | (54 529) |
| **Reported EBITDA** | **742 316** | 713 108 |
| Depreciation and impairment | **(302 094)** | (293 692) |
| Amortisation and impairment | **(62 206)** | (61 220) |
| **Reported operating profit/(loss)** | **378 017** | 358 196 |

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

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## Operating revenue split by geographical areas

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Norway | **1 641 793** | 1 499 325 |
| Sweden | **1 427 748** | 1 337 393 |
| Denmark | **360 577** | 399 979 |
| Poland | **1 052 278** | 934 223 |
| Germany | **1 042 892** | 1 009 902 |
| United Kingdom | **376 495** | 311 162 |
| Other | **1 825 908** | 1 779 622 |
| Total operating revenue | **7 727 692** | 7 271 604 |

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Sales revenue - products | **6 097 820** | 5 882 676 |
| Sales revenue - services | **1 565 590** | 1 344 404 |
| Other revenue[1)] | **64 282** | 44 524 |
| Total operating revenue | **7 727 692** | 7 271 604 |

[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 in accordance with segment reportering. Comparable figures for 2020 have been restated accordingly.

**2021**

| NOK 1000 | Road Safety | Road Infrastructure | Other/Holding/ Eliminations | Total |
|---|---|---|---|---|
| **Major product/service lines** | | | | |
| Road restraint systems | 2 382 519 | 0 | 0 | **2 382 519** |
| Light poles | 475 955 | 0 | 0 | **475 955** |
| Road marking | 850 208 | 0 | 0 | **850 208** |
| Signs and work zone protection | 1 078 010 | 0 | 0 | **1 078 010** |
| Soil steel bridges, pipes and culverts | 0 | 779 206 | 0 | **779 206** |
| Geosynthetics | 0 | 709 042 | 0 | **709 042** |
| Other products/eliminations | 978 687 | 478 633 | (7 827) | **1 449 494** |
| **Revenue from contracts with customers** | 5 765 379 | 1 966 882 | (7 827) | **7 724 433** |

**2020**

| NOK 1000 | Road Safety | Road Infrastructure | Other/Holding/ Eliminations | Total |
|---|---|---|---|---|
| **Major product/service lines** | | | | |
| Road restraint systems | 2 118 810 | 7 530 | 0 | **2 126 341** |
| Light poles | 468 547 | 4 356 | 0 | **472 903** |
| Road marking | 765 366 | 0 | 0 | **765 366** |
| Signs and work zone protection | 984 463 | 0 | 0 | **984 463** |
| Soil steel bridges, pipes and culverts | 0 | 854 934 | 0 | **854 934** |
| Geosynthetics | 0 | 585 706 | 0 | **585 706** |
| Other products/eliminations | 920 420 | 577 548 | (20 844) | **1 477 124** |
| **Revenue from contracts with customers** | 5 257 606 | 2 030 074 | (20 844) | **7 266 835** |

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 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:

**2021**

| NOK 1000 | Road Safety | Road Infrastructure | Other/Holding/ Eliminations | Total |
|---|---|---|---|---|
| **Underlying operating revenue** | 5 750 927 | 1 968 595 | (6 817) | **7 712 705** |
| Adjustments[1)] | 14 988 | 1 010 | (1 011) | **14 987** |
| **Reported operating revenue** | 5 765 915 | 1 969 605 | (7 828) | **7 727 692** |
| Rental income | 536 | 2 723 | 0 | **3 259** |
| **Revenue from contracts with customers** | 5 765 379 | 1 966 882 | (7 828) | **7 724 433** |

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

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**2020**

| NOK 1000 | Road Safety | Road Infrastructure | Other/Holding/ Eliminations | Total |
|---|---|---|---|---|
| **Underlying operating revenue** | 5 258 114 | 2 029 242 | (20 844) | **7 266 512** |
| Adjustments[1)] | 39 | 5 052 | 0 | **5 091** |
| **Reported operating revenue** | 5 258 153 | 2 034 294 | (20 844) | **7 271 604** |
| Rental income | 547 | 4 220 | 0 | **4 767** |
| **Revenue from contracts with customers** | 5 257 606 | 2 030 074 | (20 844) | **7 266 836** |

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

## Contract balances

| NOK 1000 | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Trade receivables | **967 709** | 943 255 |
| Contract assets | **228 642** | 145 702 |
| Contract liabilities | **67 921** | 39 437 |

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 2021 is NOK 56 million (NOK 147 million as at 31 December 2020), whereof NOK 30 million is expected to be recognised within one year (NOK 79 million were expected to be recognised within one year in 2020).

# **Note 8** Cost of goods sold and inventories

### Cost of goods sold

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Purchase of goods and changes in inventories | **4 257 429** | 4 027 686 |
| Write-down of inventories | **2 343** | 21 731 |
| Total cost of goods sold | **4 259 772** | 4 049 416 |

### Inventories

| NOK 1000 | Carrying value 31.12.2021 | Carrying value 31.12.2020 |
|---|---|---|
| Raw materials | **510 808** | 364 932 |
| Work in progress | **67 391** | 31 405 |
| Own produced goods | **438 491** | 275 335 |
| Goods purchased for resale | **246 710** | 199 203 |
| Total inventories | **1 263 401** | 870 875 |

## **Note 9** Other operating costs

### Other operating costs

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Rent | **18 679** | 16 417 |
| Other costs related to premises | **89 535** | 70 830 |
| Leases of machinery, equipment, vehicles, fixtures and office machines [1)] | **19 297** | 18 710 |
| Direct operating costs (incl. repairs and maintenance) | **245 221** | 226 580 |
| Selling and distribution costs | **240 492** | 248 718 |
| Administrative costs | **286 109** | 202 326 |
| Membership, insurance, license- and guarantee costs | **43 783** | 54 751 |
| Capital losses upon sales of fixed assets | **1 226** | 997 |
| Bad debts | **4 291** | 10 880 |
| Other operating costs | **42 022** | 32 240 |
| Total other operating costs | **990 656** | 882 450 |

[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 | 2021 | 2020 |
|---|---|---|
| Proposed fee for audit | **12 618** | 12 320 |
| Fee for audit previous year | **1 478** | 1 003 |
| Fee for attestation services | **370** | 783 |
| Fee for tax services | **2 718** | 3 176 |
| Fee for other services | **2 367** | 1 123 |
| Total fees | **19 550** | 18 406 |
| Of which is auditing fees to Ernst & Young | **10 970** | 11 848 |
| Of which is other fees to Ernst & Young | **5 027** | 5 041 |

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** Personnel costs, employees and management remuneration

### Salaries and remuneration

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Salary | **1 369 946** | 1 295 058 |
| Social security tax on salaries, pensions, bonuses etc. | **204 553** | 185 344 |
| Other personnel expenses | **28 606** | 24 102 |
| Pension expenses | **75 387** | 71 622 |
| Bonuses | **56 457** | 50 503 |
| Total salaries and remuneration | **1 734 948** | 1 626 630 |

There are 3 314 employees in the Group per 31 December 2021 (2 979 last year).

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**Whereof salaries and remuneration for Board of Directors and Group management**
The Board of Directors in SRH BridgeCo AS received no remuneration in 2021 or 2020.

None of the members of the Board of Directors owned shares in SRH BridgeCo Group in 2021 or 2020. 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 BridgeCo 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 BridgeCo AS does not have a CEO, but necessary management functions are provided by management in Saferoad Group and ViaCon Group.

The table below sets out the remuneration for the Saferoad Group management which consisted of eight persons (nine in 2020).

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Salary [1] | **24 046** | 24 191 |
| Bonus [2] | **11 229** | 9 309 |
| Other benefits [3] | **1 004** | 1 337 |
| Pension benefits | **1 665** | 1 664 |
| Total | **37 944** | 36 501 |

[1] Salary consists of base salary and holiday payment
[2] Bonus earned in 2019 and 2020, paid in 2021
[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

The table below sets out the remuneration for the ViaCon Group management which consisted of seven persons (seven in 2020).

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Salary [1] | **16 406** | 14 698 |
| Bonus [2] | **10 805** | 11 734 |
| Other benefits [3] | **544** | 612 |
| Pension benefits | **4 172** | 3 025 |
| Total | **31 928** | 30 069 |

[1] Salary consists of base salary and holiday payment
[2] Bonus earned in 2021, paid in 2021
[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 2021.

| | 31.12.2021 | 31.12.2020 |
|---|---|---|
| MgmtCo RI AS - Class A shares (common shares) | **52 500** | 52 500 |
| MgmtCo RI AS - Class B1 shares (preference shares) | **52 500** | 52 500 |
| MgmtCo Saferoad AS - Class A shares (common shares) | **168 668** | 231 168 |
| MgmtCo Saferoad AS - Class B1 shares (preference shares) | **168 668** | 231 168 |
| Total | **442 336** | 567 336 |

The table below sets out the number of shares in subsidiaries owned by the ViaCon Group management per 31 December 2021.

| | 31.12.2021 | 31.12.2020 |
|---|---|---|
| MgmtCo RI AS - Class A shares (common shares) | 669 950 | 682 681 |
| MgmtCo RI AS - Class B1 shares (preference shares) | 395 394 | 408 125 |
| MgmtCo Saferoad AS - Class A shares (common shares) | 0 | 0 |
| MgmtCo Saferoad AS - Class B1 shares (preference shares) | 0 | 0 |
| Total | 1 065 344 | 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 | 2021 | 2020 |
|---|---|---|
| Defined benefit expense | **3 531** | 1 818 |
| Defined contribution expense | **71 856** | 69 804 |
| Total pension expense | **75 387** | 71 622 |
| | | |
| **Defined benefit assets and liabilities** | | |
| Accrued pension obligations | **70 489** | 69 708 |
| Pension plan assets | **16 024** | 15 920 |
| Net benefit obligations | **54 465** | 53 788 |
| | | |
| **Plans with a surplus is recognised separately from plans with a deficit** | | |
| Recognised pension assets | **101** | 143 |
| Recognised pension obligations | **(54 566)** | (53 931) |

**Actuarial and financial assumptions (defined benefit plans):**

| | 2021 | | |
|---|---|---|---|
| | **Norway** | **Sweden** | **Germany** |
| Discount rates | 1.5 % | 1.8 % | 1.1 % |
| Salary increase | 2.5 % | 2.4 % | 0.0 % |

| | 2020 | | |
|---|---|---|---|
| | **Norway** | **Sweden** | **Germany** |
| Discount rates | 1.5 % | 1.1 % | 0.6 % |
| Salary increase | 2.0 % | 2.5 % | 0.0 % |

Actuarial gain of NOK 0.7 million in 2021 (gain of NOK 0.2 million in 2020) have been recognised in other comprehensive income.

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# **Note 12** Financial items

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Interest income | **22 409** | 10 779 |
| Fair value gains on derivatives | **21** | 0 |
| Other financial income | **1 660** | 216 |
| Total financial income | **24 090** | 10 995 |
| | | |
| Interest expenses | **191 689** | 179 825 |
| Interest expenses on lease liabilities | **27 501** | 29 456 |
| Other financial expenses | **135 813** | 37 223 |
| Total financial expenses | **355 003** | 246 504 |
| | | |
| Currency exchange gain | **682 039** | 338 576 |
| Currency exchange loss | **730 536** | 399 284 |
| Net exchange rate gain/(loss) | **(48 498)** | (60 709) |
| | | |
| Share of profit/(loss) of associated companies | **123** | 148 |
| Net financial income/(expenses) | **(379 288)** | (296 069) |

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

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.

# **Note 13** Income tax

**Tax income/(expense)**

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Tax payable | **(53 983)** | (67 473) |
| Changes in deferred tax | **29 750** | 51 990 |
| Tax income/(expense) recognised in the consolidated statement of comprehensive income | **(24 233)** | (15 484) |
| | | |
| Prepaid tax (included in other receivables) | **42 116** | 24 442 |
| Current tax liabilities | **(12 568)** | (31 072) |
| Total (net) tax payable 31 December, receivable/(liability) | **29 548** | (6 630) |

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

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Profit/(loss) before tax | **(1 272)** | 62 127 |
| Expected income taxes according to income tax rate in Norway 22% | **280** | (13 668) |
| Adjustment in respect of current income tax of previous years | **(389)** | 2 745 |
| Deferred tax assets not recognised current year | **(64 129)** | (29 742) |
| Use of previously unrecognised loss carried forward | **33 234** | 29 079 |
| Effect of redused valuation allowance regarding deferred tax asset [1)] | **1 165** | 29 058 |
| Non deductible expenses [2)] | **(42 818)** | (37 180) |
| Non-taxable income | **10 657** | 12 650 |
| Tax rate outside Norway other than 22% | **5 934** | 2 243 |
| Change in deferred tax assets/liabilities due to change in tax rates [3)] | **(128)** | (432) |
| Other | **31 961** | (10 236) |
| Tax income/(expense) recognised in the consolidated statement of comprehensive income | **(24 233)** | (15 484) |
| | | |
| **Tax income/(expense) reported in other comprehensive income** | | |
| Pensions | **(309)** | 43 |
| Exchange differences on loans treated as net investments | **121** | (23 826) |
| Exchange differences on hedge instruments of net investments in foreign operations | **3 466** | 0 |
| Income tax on other comprehensive income | **3 277** | (23 783) |

[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 mainly include non-deductible interest expenses.
[3)] Other mainly consist of recognition of deferred tax asset in connection to special economic zone tax credit in Poland.

| **Deferred tax liabilities/(deferred tax assets)**<br>NOK 1000 | **Statement of financial position 2021** | Statement of financial position 2020 | **Statement of profit or loss 2021** | Statement of profit or loss 2020 |
|---|---|---|---|---|
| **Non-current assets and liabilities** | | | | |
| Intangible assets | **50 159** | 48 292 | **(1 867)** | 5 573 |
| Tangible fixed assets | **26 019** | 30 051 | **4 032** | 7 327 |
| Pensions | **(5 973)** | (5 723) | **560** | (31) |
| Other non-current items | **(3 064)** | 17 362 | **20 425** | (296) |
| Total non-current assets and liabilities | **67 141** | 89 981 | **23 150** | 12 573 |
| | | | | |
| **Current assets and liabilities** | | | | |
| Inventory | **(4 019)** | (4 474) | **(455)** | 2 393 |
| Liabilities | **(2 434)** | (2 461) | **(27)** | 543 |
| Trade receivables | **(4 730)** | (6 814) | **(2 084)** | 2 761 |
| Other investments at fair value | **0** | (111) | **(111)** | 14 |
| Other current items | **(12 395)** | (11 050) | **1 345** | 1 593 |
| Total current assets and liabilities | **(23 578)** | (24 909) | **(1 332)** | 7 304 |
| | | | | |
| Tax losses carried forward | **(295 362)** | (257 381) | **33 420** | 15 373 |
| Of which assets not recognised (valuation allowance) | **(221 809)** | (193 052) | **28 757** | (16 247) |
| Net recognised deferred tax liabilities/(deferred tax assets) | **(29 990)** | 743 | **26 481** | 51 496 |

**Tax loss carried forward**

The Group has a total tax loss carried forward of NOK 1 358.8 million which expires as follows:

| NOK 1000 | **Sweden** | **United Kingdom** | **Norway** | **Other** | **2021** | **2020** |
|---|---|---|---|---|---|---|
| Current year + 1 year | | | | 30 343 | **30 343** | 20 353 |
| Current year + 2 years | | | | 9 143 | **9 143** | 25 427 |
| Current year + 3 years | | | | 7 311 | **7 311** | 17 442 |
| Current year + 4 years | | | | 158 | **158** | 7 419 |
| Current year + 5 years or later | | | | 2 332 | **2 332** | 2 |
| No due date | 245 579 | 118 317 | 841 516 | 104 060 | **1 309 472** | 1 142 301 |
| Total tax loss carried forward | 245 579 | 118 317 | 841 516 | 153 346 | **1 358 758** | 1 212 945 |
| | | | | | | |
| On which deferred tax assets have not been recognised | 182 107 | 118 317 | 732 494 | 41 209 | **1 074 127** | 909 687 |
| Total tax loss on which deferred tax assets have been recognised | 63 473 | 0 | 109 022 | 112 137 | **284 631** | 303 258 |

**Changes in net deferred tax liabilities/(deferred tax assets)**

| NOK 1000 | **2021** | **2020** |
|---|---|---|
| Opening balance as of 1 January | **743** | 28 455 |
| Recognised in profit and loss | **(29 750)** | (52 049) |
| Recognised as other comprehensive income | **(4 252)** | 23 783 |
| Acquistions and disposals | **428** | 77 |
| Translation differences | **2 840** | 476 |
| Closing balance as of 31 December | **(29 990)** | 743 |
| | | |
| Of which deferred tax assets | **61 540** | 55 012 |
| Of which deferred tax liabilities | **(31 550)** | (55 755) |

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# **Note 14** Property, plant and equipment

**2021**

| NOK 1000 | Land | Buildings | Machines / equipment | Construction in progress | Rental equipment/ furniture/ vehicles [1)] | Total |
|---|---|---|---|---|---|---|
| Accumulated cost 31 December 2020 | 48 980 | 454 017 | 675 116 | 706 | 266 278 | 1 445 097 |
| Reclassifications | 405 | 92 543 | (40 949) | (456) | 10 350 | 61 893 |
| Additions, acquisition of subsidiaries | 9 602 | 29 592 | 16 120 | 0 | 1 504 | 56 818 |
| Additions, other | 36 | 13 253 | 150 763 | 462 | 48 075 | 212 589 |
| Disposals | (2 003) | (23 620) | (51 679) | (273) | (16 628) | (94 203) |
| Translation differences | (2 162) | (25 403) | (46 680) | (22) | (14 657) | (88 924) |
| Accumulated cost 31 December 2021 | 54 858 | 540 382 | 702 692 | 416 | 294 922 | 1 593 270 |

**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 2020 | 0 | 113 891 | 198 904 | 0 | 113 981 | 426 776 |
| Reclassifications | 131 | 8 371 | 43 944 | 0 | 6 410 | 58 856 |
| Disposals | 0 | (19 652) | (49 147) | 0 | (14 148) | (82 948) |
| Depreciations | 0 | 41 579 | 74 503 | 0 | 45 323 | 161 405 |
| Impairments | 0 | 0 | 1 167 | 0 | 55 | 1 222 |
| Translation differences | (72) | (10 601) | (27 088) | 0 | (9 881) | (47 641) |
| Accumulated depreciations and impairments 31 December 2021 | 59 | 133 587 | 242 283 | 0 | 141 740 | 517 669 |
| Carrying value 31 December 2020 | 48 980 | 340 127 | 476 212 | 706 | 152 298 | 1 018 321 |
| Carrying value 31 December 2021 | 54 799 | 406 795 | 460 409 | 416 | 153 182 | 1 075 601 |

**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.

There is no material capitalised interest cost on property, plant and equipment per 31 December 2021 or per 31 December 2020.

## **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:

**2021**

| NOK 1000 | Leased premises | Leased machinery/ tools/ vehicles | Leased company cars | Leased furniture/ fixtures/ office machines | Total |
|---|---|---|---|---|---|
| Accumulated cost 31 December 2020 | 371 206 | 210 876 | 106 479 | 3 925 | 692 487 |
| Reclassifications | 0 | (6 290) | (4 081) | 0 | (10 371) |
| Additions, acquisition of subsidiaries | 1 270 | 648 | 0 | 0 | 1 919 |
| Additions, other | 107 383 | 25 977 | 38 888 | 638 | 172 887 |
| Disposals | (51 619) | (19 452) | (20 731) | (525) | (92 326) |
| Translation differences | (16 379) | (6 983) | (6 092) | (183) | (29 637) |
| Accumulated cost 31 December 2021 | 411 862 | 204 776 | 114 464 | 3 856 | 734 958 |
| | | | | | |
| Accumulated depreciations and impairments 31 December 2020 | 108 882 | 83 684 | 45 606 | 1 779 | 239 951 |
| Reclassifications | 0 | (5 109) | (1 576) | 0 | (6 685) |
| Disposals | (25 057) | (18 772) | (19 392) | (525) | (63 746) |
| Depreciations | 68 133 | 43 961 | 26 349 | 1 031 | 139 474 |
| Translation differences | (5 248) | (3 233) | (2 398) | (91) | (10 970) |
| Accumulated depreciations and impairments 31 December 2021 | 146 710 | 100 531 | 48 588 | 2 195 | 298 023 |
| | | | | | |
| Carrying value 31 December 2020 | 262 325 | 127 192 | 60 873 | 2 146 | 452 536 |
| Carrying value 31 December 2021 | 265 152 | 104 246 | 65 876 | 1 661 | 436 934 |

**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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The lease liabilities are secured by the related underlying assets. See note 23 regarding the maturity profile of the lease liabilities at 31 December 2021 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 | 2021 | 2020 |
|---|---|---|
| Expenses related to short-term leases, low-value asset leases and variable lease payments not included in lease liabilities | **36 679** | 37 384 |

# **Note 16** Intangible assets

**2021**

| NOK 1000 | Licenses, product rights etc | Development | Goodwill | Customer relationships | Other intangible assets | Total |
|---|---|---|---|---|---|---|
| Accumulated cost 31 December 2020 | 25 525 | 128 389 | 585 972 | 292 095 | 35 426 | 1 067 406 |
| Reclassifications | 0 | 748 | 0 | 0 | 420 | 1 168 |
| Additions, acquisition of subsidiaries | 204 | 2 305 | 69 093 | 0 | 999 | 72 601 |
| Additions, other | 438 | 24 720 | 0 | (4) | 5 437 | 30 591 |
| Derecognition | 0 | (306) | 0 | 0 | (3 829) | (4 136) |
| Translation differences | (2 101) | (6 508) | (3 226) | (7 597) | (3 081) | (22 513) |
| Accumulated cost 31 December 2021 | 24 066 | 149 347 | 651 839 | 284 494 | 35 371 | 1 145 117 |

**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 31 December 2020 | 2 393 | 42 821 | 0 | 75 820 | 18 338 | 139 372 |
| Reclassifications | 0 | 0 | 0 | 0 | 520 | 520 |
| Amortisations | 471 | 21 443 | 0 | 33 582 | 6 710 | 62 206 |
| Derecognition | 0 | (51) | 0 | 0 | (3 829) | (3 880) |
| Translation differences | (603) | (4 052) | 0 | (2 430) | (2 275) | (9 359) |
| Accumulated amortisations and impairments December 2021 | 2 262 | 60 161 | 0 | 106 972 | 19 463 | 188 859 |
| | | | | | | |
| Carrying value 31 December 2020 | 23 131 | 85 568 | 585 972 | 216 275 | 17 088 | 928 034 |
| Carrying value 31 December 2021 | 21 804 | 89 186 | 651 839 | 177 521 | 15 908 | 956 258 |

**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 |

Total spending in research and development in 2021 amounted to NOK 24.7 million (NOK 19.4 million in 2020).

## Groups of cash-generating unit composition

The Group comprises of the cash-generating units (CGUs) Road Safety 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.

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

| NOK 1000 | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Road Safety | **412 610** | 416 054 |
| Road Infrastructure | **239 229** | 169 917 |
| **Total** | **651 840** | 585 972 |

## 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 2021 is NOK 651.8 million and is derived from CGUs Road Safety 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 2026 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.

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| | 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 | 3.1 % | 10%-17% | (3.5%)-4.0% | 7.63% |
| Road Infrastructure | 4.9 % | 9%-13% | (0.9%)-4.0% | 10.64% |

**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 | (5.8%-points) | 12.6%-points | (22.7%) |
| Road Infrastructure | (18.3%-points) | 26.2%-points | (45.5%) |

The sensitivity analysis indicates that the conclusion is robust to changes in assumptions for the two 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.

## **Note 17** Other provisions

**Non-current**

| NOK 1000 | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Warranty provision | **11 175** | 10 109 |
| Other provisions | **5 420** | 31 059 |
| Total non-current provisions | **16 594** | 41 168 |

**Current**

| NOK 1000 | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Restructuring provisions | **1 694** | 1 670 |
| Total current provisions | **1 694** | 1 670 |

Other provisions mainly include royalty provisions for suppliers. Restructuring provisions are mainly related to personnel costs.

**Changes in provisions in 2021**

| NOK 1000 | Warranty provisions | Other provisions | Total non-current provisions | Restructuring provisions | Total current provisions |
|---|---|---|---|---|---|
| Opening balance 01.01.2021 | 10 109 | 31 059 | **41 168** | 1 670 | **1 670** |
| Additions | 2 015 | 6 835 | **8 850** | 1 742 | **1 742** |
| Used (amount charged against provision) | (1 676) | (18 971) | **(20 647)** | (1 559) | **(1 559)** |
| Unused amounts reversed | 1 175 | (11 798) | **(10 623)** | (0) | **(0)** |
| Translation differences | (448) | (1 706) | **(2 154)** | (158) | **(158)** |
| Total provisions 31.12.2021 | 11 175 | 5 420 | **16 594** | 1 694 | **1 694** |

**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** |

## **Note 18** Earn outs on acquired shares

### Future payments for acquired shares

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

| NOK 1000 | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Schalltec GmbH & Co. KG | **0** | 4 551 |
| AWK GmbH | **5 908** | 9 507 |
| Total estimated future payments | **5 908** | 14 058 |
| | | |
| **Classified as** | | |
| Other non-current liabilities | **5 908** | 6 193 |
| Other current liabilities | **0** | 7 865 |
| Total estimated future payments | **5 908** | 14 058 |

**Acquired shares in the reporting period**

On 31 December 2020, the Group acquired AWK GmbH in Germany, which is included in the Road Safety segment. The first tranche of the estimated total consideration was paid 28 December 2020. The second tranche was 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

SRH Bridgeco Group consists of two separate Groups, Saferoad Group and ViaCon Group, which are monitored and managed independently of each other. Hence, the two Groups has its own financial strategy and associated financial risks.

## Capital management

***Saferoad Group:***

Saferoad 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 Saferoad's business strategy.

In November 2021, Saferoad Group refinanced and replaced internal loan from sister company SR RI AS of NOK 1 235.0 million with long-term Senior Term Facility Agreements with certain GSO - funds managed by Blackstone Alternative Credit Advisors LP. The Senior Term Facility Agreements committed are for NOK 869.1 million, EUR 96.0 million and SEK 610.7 million which mature in September 2028.

In addition, working capital financing was secured through a revolving facility agreement between Saferoad Holding AS and DNB BANK ASA as Original Lender. The revolving facility agreement amounts to NOK 510.0 million and matures in March 2028. By year end 2021, there were drawn NOK 400.0 million on the revolving facility agreement.

Saferoad Group has sufficient financial capacity for current operations and further expansion, after the refinancing.

There is a leverage covenant in the DNB facility with which Saferoad Group must be compliant, in case 40 per cent or more of the revolving facility is drawn. As of 31 December 2021 there is sufficient headroom to the leverage covenant. The only financial covenant in the Senior Term Facility Agreements is a limitation on capital expenditure per annum. Saferoad's 2022 capital expenditure budget is well below the 2022 capex covenant level.

***ViaCon Group:***

At the beginning of 2021, ViaCon established its own cash pool and in November new financing was set up by means of ViaCon issuing senior secured bonds of EUR 100 million and a separate financing agreement with a total credit of EUR 24 million, which represented the last step in its separation from Saferoad. The bond mature in 2025 and the interest on the new bond loan was set at EURIBOR +6.25%. ViaCon Group has special loan terms (covenants) to fulfil that include ratios such as EBITDA and net debt. All covenants were fulfilled at the end of the year.

**Net interest-bearing debt**

| NOK 1000 | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Facility loans (including revolving credit facility) | **2 710 007** | 1 969 048 |
| Leasing | **434 127** | 445 293 |
| Other interest-bearing debt | **1 005 375** | 47 933 |
| Total interest-bearing debt (note 23) | **4 149 510** | 2 462 274 |
| | | |
| Cash and cash equivalents (note 22) | **735 307** | 870 702 |
| Net interest-bearing debt | **3 414 203** | 1 591 572 |

## Financial risk management

The SRH Bridgeco 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 Saferoad's and ViaCon'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 Saferoad's and Viacon Group Treasury functions.

## Liquidity risk

***Saferoad Group:***

Liquidity risk is the risk that the Group will be unable to perform 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 any time. Sufficient liquidity shall be attained without risking unacceptable losses, or at the expense of the reputation of the Group. Saferoad 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. Saferoad is targeting a minimum liquidity reserve between 3 to 5 per cent of Saferoad'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 510.0 million from November 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, Saferoad'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.

Saferoad operates two 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.

***ViaCon Group:***
Liquidity risk is the risk that the company cannot make its payments due to insufficient liquidity and/or difficulty in obtaining credit from external lenders. In order to be able to finance its operations and mitigate the effects of fluctuations in cash flows, the Group must ensure that adequate cash and cash equivalents are readily available by entering into financing arrangements. Liquidity risk is managed by the Group having sufficient cash and cash equivalents and investments in securities etc. with a liquid market plus sufficient financing through agreed credit facilities. The management closely monitors rolling forecasts of the Group's liquidity reserve, which consists of unused loan commitments and cash and cash equivalents, based on expected cash flows. This occurs at two levels in the Group: at a local level in the Group's operating companies and at Group level.

Cash and cash equivalents ensure financial capacity to manage seasonal working capital fluctuations. Use of liquidity increases throughout the spring, and the lowest level is during early autumn when the operations' activity is at its highest. During late autumn and the wintertime, the harsher weather conditions usually reduce the operations' activity, and thereby the working capital requirement.

Furthermore, the existing growth strategy will also draw on the liquidity reserves, either through acquisitions or capital expenditures. Large changes in production flows will also increase working capital needs.

The Group uses a cash pool which facilitates an efficient exploitation of available cash and cash equivalents within the Group. The cash pool helps to reduce the use of existing loan commitments. In addition, continuous cash flow forecasting helps to reduce external financing and thereby also financing costs.

The Group has primarily financed its operations through the corporate bonds of EUR 100 million issued in November. In addition, the Group has a new financing agreement with EUR 24 million of credit in total. The credit is associated with certain terms, known as covenants.

## Credit risk

***Saferoad Group:***
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.

***ViaCon Group:***
The credit risk assessment of a customer is done locally, 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 a credit assessment has been carried out. If a contract is large, the credit risk is normally covered through a prepayment from the customer of around 30% of the contract value. The Group's diversified customer base in different countries and from different industries helps to spread and thereby reduce its credit risks regarding accounts receivable

For the SRH BridgeCo Group, 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 2021 totalled NOK 4.3 million (NOK 10.9 million in 2020). The total provision for bad debt is NOK 43.1 million as of 31 December 2021 (NOK 50.0 million as of 31 December 2020).

**Aging analysis trade receivables, 31 December 2021**

| NOK 1000 | Total | Not due | < 30d | 30-60d | 60-90d | >90d |
|---|---|---|---|---|---|---|
| Trade receivables | 1 034 887 | 706 552 | 165 591 | 27 095 | 37 601 | 98 047 |
| Provision for bad debt | (43 115) | (1 246) | (612) | (576) | (537) | (40 144) |
| Total trade receivables | 991 772 | 705 307 | 164 979 | 26 519 | 37 064 | 57 903 |

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**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 |

## 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

***Hedge accounting***

Hedge accounting is applied to hedge net investments in foreign operations. Gains and losses in hedging instruments that fulfil the requirements for hedging net investments are recognised directly in equity via other comprehensive income.

ViaCon Group has identified EUR 50 million (0 million) of the bond loan as a hedging instrument to mitigate the translation risk of net investments in EUR. The result of the hedging before tax amounted to NOK -16.8 million (0 million) and was recognised in equity via other comprehensive income. No ineffectiveness has affected the income statement for 2021 or 2020.

## Interest rate risk

The interest rates on the financing agreements and bond loans are affected by changes in market rates, as both Saferoad and ViaCon is being charged floating interest rates. Saferoad has bought protection via interest rate caps to mitigate the exposure to market rates.

The sensitivity analysis illustrates the annual impact on financial expenses and after-tax result 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 external financial agreements, which will become effective in EUR and SEK in case we experience a drop of 1 per centage point in market rates. The interest rate caps bought will become effective for all currencies if the current interest rate levels increase by 100 basis points.

As a consequence of the interest rate floors being effective, the impact from a further 1 per cent interest rate decrease will be lower than a 1 per cent increase in interest rates.

**Sensitivity analysis interest rates, 31 December 2021**

| NOK million | Change Financial expences | Change after tax profit and loss |
|---|---|---|
| 100 basis points increase | 28.1 | 22.4 |
| 100 basis points decrease | (30.6) | (24.5) |

Assumes effective tax rate of 20 per cent agreements.

The interest rate cost is to some extend exposed to risk related to changes in the credit margin on the Revolving Facility Agreement with DNB, because the credit margin is leverage dependent.

## 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. In some cases, the Group has the possibility to hedge the commodity price risk by applying financial instruments. No financial hedging contracts were open at the end 2021.

## 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 2021 the Group had no forward currency contracts or interest swaps.

# **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.

**2021**

| NOK 1000 | Notes | Financial assets and liabilities at amortised cost | Financial liabilities at fair value | Total |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Non-current receivables | | 24 790 | | **24 790** |
| Other investments | | 777 | | **777** |
| **Current assets** | | | | |
| Trade receivables | 19 | 991 772 | | **991 772** |
| Other receivables | 21 | 291 612 | | **291 612** |
| Total | | 1 308 951 | 0 | **1 308 951** |
| Fair value | | 1 308 951 | 0 | **1 308 951** |
| **Non-current liabilities** | | | | |
| Non-current liabilities to credit institutions | 23 | 2 710 007 | | **2 710 007** |
| Non-current liabilities related to acquisitions | 18 | | 5 908 | **5 908** |
| Other non-current liabilities | 23 | 1 290 463 | | **1 290 463** |
| **Current liabilities** | | | | |
| Accounts payables | | 716 307 | | **716 307** |
| Other current liabilities | 25 | 492 270 | | **492 270** |
| Current portion of non-current liabilities | 23 | 122 244 | | **122 244** |
| Current liabilities to credit institutions | 23 | 27 387 | | **27 387** |
| Total | | 5 358 680 | 5 908 | **5 364 587** |
| Fair value | | 5 358 680 | 5 908 | **5 364 587** |

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## 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 | 215 972 | | **215 972** |
| Financial derivatives | 19 | | | **0** |
| Total | | 1 212 992 | 0 | **1 212 992** |
| Fair value | | 1 212 992 | 0 | **1 212 992** |
| 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 | 342 998 | | **342 998** |
| Contingent consideration | | | | **0** |
| | | | | |
| **Current liabilities** | | | | |
| Accounts payables | | 598 454 | | **598 454** |
| Current liabilities related to acquisitions | 18, 25 | | 7 865 | **7 865** |
| Other current liabilities | 25 | 405 813 | | **405 813** |
| 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 | | 3 467 190 | 14 058 | **3 481 247** |
| Fair value | | 3 467 190 | 14 058 | **3 481 247** |
| 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 2021 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.

**Liabilities measured at fair value**

| NOK 1000 | Total 31.12.2021 | Level 3 2021 | Total 31.12.2020 | Level 3 2020 |
|---|---|---|---|---|
| **Financial liabilities at fair value through profit or loss** | | | | |
| Liabilities related to acquisitions | **5 908** | **5 908** | 14 058 | 14 058 |
| Total liabilities measured at fair value | **5 908** | **5 908** | 14 058 | 14 058 |

There were no assets measured at fair value per 31 December 2021 or 31 December 2020.

| NOK 1000 | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Closing balance liabilities measured at level 3 | **14 058** | 80 638 |
| Change in estimate existing obligations | **0** | 1 161 |
| Acquisitions in the year | **0** | 9 507 |
| Payments | **(7 690)** | (88 205) |
| Translation differences | **(459)** | 10 958 |
| Closing balance liabilities measured at level 3 | **5 908** | 14 058 |

There are no items in level 1 and 2.

There were no transfers in 2021 or 2020 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.

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## **Note 21** Other current receivables

| NOK 1000 | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Unbilled revenue | **228 659** | 146 239 |
| Prepayments to suppliers | **47 174** | 26 446 |
| Prepaid taxes | **42 116** | 24 442 |
| Other prepayments | **72 188** | 77 256 |
| Receivables on employees, associated- and related parties | **2 876** | 3 073 |
| Other receivables | **60 269** | 66 907 |
| Total other current receivables | **453 282** | 344 363 |

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 | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Cash and bank deposits | **727 105** | 868 369 |
| Restricted cash | **8 202** | 2 333 |
| Total cash and cash equivalents | **735 307** | 870 702 |

See note 19 for description of cash pool systems.

## **Note 23** Interest-bearing liabilities

In November 2021, the financing agreement held in SRH Investco AS was replaced with separate funding, split on Saferoad- and ViaCon Group. Saferoad Group refinanced and replaced the joint financing agreement with long-term Senior Term Facility Agreements with certain GSO - funds managed by Blackstone Alternative Credit Advisors LP. The Senior Term Facility Agreements committed are for NOK 869.1 million, EUR 96.0 million and SEK 610.7 million which mature in September 2028.

In addition, working capital financing was secured through a revolving facility agreement between Saferoad Holding AS and DNB BANK ASA as Original Lender. The revolving facility agreement amounts to NOK 510.0 million and matures in March 2028. By year end 2021, there were drawn NOK 400.0 million on the revolving facility agreement.

ViaCon established its own cashpool and in November new financing was set up by means of ViaCon issuing a senior secured bonds of EUR 100.0 million and a separate financing agreement with a total credit of EUR 24 million.

***Interest***
Interest on the revolving facility agreement 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 Saferoad's leverage ratio. There are interest rate floors in the financial agreements with DNB and the Facilities originally lent by funds managed by Blackstone Alternative Credit Advisors LP. The interest rate floors have become effective for the loans denominated in SEK and EUR.

ViaCon's senior secured bond, maturing in 2025, has an interest rate of EURIBOR + 6.25%.

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

***Financial covenant***
There is a leverage covenant in the DNB facility with which Saferoad Group must be compliant, in case 40 per cent or more of the revolving facility is drawn. As of 31 December 2021 here is sufficient headroom to the leverage covenant. The only financial covenant in the Senior Term Facility Agreements is a limitation on capital expenditure per annum. Saferoad's 2022 capital expenditure budget is well below the 2022 capex covenant level.

ViaCon Group has special loan terms (covenants) to fulfil on the bond loan that include ratios such as EBITDA and net debt. All covenants were fulfilled at the end of the year.

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

**Liabilities to credit institutions 31 December 2021**

| NOK 1000 | Currency | Interest rate | Due date | Amount |
|---|---|---|---|---|
| Liabilites to credit institutions - Term loan | SEK | STIBOR + Margin | 30.09.2028 | 572 862 |
| Liabilites to credit institutions - Term loan | NOK | NIBOR + Margin | 30.09.2028 | 836 626 |
| Liabilites to credit institutions - Term loan | EUR | EURIBOR + Margin | 30.09.2028 | 923 070 |
| Liabilites to credit institutions - Revolving credit facility | NOK | NIBOR + Margin | 31.03.2028 | 377 450 |
| Total | | | | 2 710 007 |
| Less current part | | | | 0 |
| Non-current | | | | 2 710 007 |

**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 |

**Other non-current liabilities 31 December 2021**

| NOK 1000 | Amount |
|---|---|
| Financial leasing | 434 127 |
| Other non-current liabilities interest bearing | 977 988 |
| Estimated future payments for acquired shares (note 18) | 5 909 |
| Other non-current liabilities non interest bearing | 592 |
| Total | 1 418 616 |
| Less current part | (122 245) |
| Non-current | 1 296 371 |

**Other non-current liabilities 31 December 2020**

| NOK 1000 | Amount |
|---|---|
| Financial leasing | 445 293 |
| 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 | 479 043 |
| Less current part | (129 852) |
| Non-current | 349 191 |

The Group has the following current liabilities to credit institutions:

| | Carrying value | |
|---|---|---|
| NOK 1000 | 31.12.2021 | 31.12.2020 |
| Other current liabilities to credit institutions | 27 387 | 28 889 |
| Total current liabilities to credit institutions | 27 387 | 28 889 |

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

**2021**

| 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 | 4 537 | 647 | 169 | 0 | 0 | 2 423 161 | **2 428 513** |
| Revolving credit facility | 0 | 0 | 0 | 0 | 0 | 400 000 | **400 000** |
| Liabilities to credit institutions - interest | 159 996 | 159 873 | 159 824 | 159 791 | 159 791 | 279 634 | **1 078 909** |
| Bond | 64 309 | 62 604 | 62 604 | 1 061 486 | 0 | 0 | **1 251 003** |
| Leasing | 164 773 | 109 831 | 82 895 | 56 967 | 39 491 | 96 998 | **550 956** |
| Estimated future payments for acquired shares (note 18) | 0 | 5 908 | 0 | 0 | 0 | 0 | **5 908** |
| Other loans | 32 177 | 1 318 | 792 | 0 | 0 | 5 669 | **39 956** |
| Total | 425 792 | 340 180 | 306 284 | 1 278 244 | 199 283 | 3 205 463 | **5 755 246** |

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### 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** |

## **Note 24** Changes in liabilities arising from financing activities

### 2021

| NOK 1000 | Notes | 31.12.2020 | Cash flows | Acquisition of subsidiaries and other businesses | Sale of subsidiaries | Changes in foreign exchange rates | Changes in fair values | Other changes | 31.12.2021 |
|---|---|---|---|---|---|---|---|---|---|
| **Non-current liabilities** | | | | | | | | | |
| Non-current liabilities to credit institutions | 23 | 1 969 048 | 740 368 | 0 | 0 | 591 | 0 | 0 | **2 710 007** |
| Financial leasing | 23 | 326 251 | (20 705) | 2 356 | 0 | (14 383) | 0 | 24 223 | **317 742** |
| Future payments for acquired shares | 18, 23 | 6 193 | 0 | 0 | 0 | 0 | 0 | (285) | **5 908** |
| Other non-current liabilities | 23 | 16 747 | 967 379 | (117) | 0 | (9 877) | 0 | (811) | **973 321** |
| Total other non-current liabilities | 23 | 349 191 | 946 674 | 2 238 | 0 | (24 259) | 0 | 23 127 | **1 296 971** |
| **Current liabilities** | | | | | | | | | |
| Other current liabilities to credit institutions | 23 | 27 055 | 1 860 | 1 954 | 0 | (8 505) | 0 | 0 | **22 364** |
| Total current liabilities to credit institutions arising from financing activities | 23 | 27 055 | 1 860 | 1 954 | 0 | (8 505) | 0 | 0 | **22 364** |
| Bank overdrafts included as cash and cash equivaler | 23 | 1 835 | 0 | 0 | 0 | (24) | 0 | 3 212 | **5 023** |
| Total current liabilities to credit institutions | 23 | 28 889 | 1 860 | 1 954 | 0 | (8 529) | 0 | 3 212 | **27 387** |
| Dividends to non-controlling interests | | 0 | (1 264 251) | 0 | 0 | 0 | 0 | 1 264 270 | **19** |
| Accrued interest | | 1 604 | (325 920) | 0 | 0 | 0 | 0 | 334 829 | **10 512** |
| Current portion of financial leasing | | 119 042 | (119 042) | 0 | 0 | (5 344) | 0 | 123 018 | **117 674** |
| Current portion of other non-current liabilities | | 2 945 | 1 642 | 0 | 0 | (49) | 0 | 32 | **4 570** |
| Other current liabilities | | 123 591 | (1 707 571) | 0 | 0 | (5 393) | 0 | 1 722 148 | **132 776** |
| Total liabilities from financing activities | | 2 470 720 | (18 669) | 4 192 | 0 | (37 590) | 0 | 1 748 488 | **4 167 141** |

### 2020

| NOK 1000 | Notes | 31.12.2019 | Cash flows | Non-cash changes: Acquisition of subsidiaries and other businesses | Non-cash changes: Sale of subsidiaries | Non-cash changes: Changes in foreign exchange rates | Non-cash changes: Changes in fair values | Non-cash changes: Other changes | 31.12.2020 |
|---|---|---|---|---|---|---|---|---|---|
| **Non-current liabilities** | | | | | | | | | |
| Non-current liabilities to credit institutions | 23 | 1 896 257 | 0 | 0 | 0 | 60 953 | 0 | 11 839 | **1 969 048** |
| Financial leasing | 23 | 328 526 | (35 461) | 0 | 0 | 17 454 | 0 | 15 732 | **326 251** |
| Options on shares and estimated future payments | 18, 23 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Future payments for acquired shares | 18, 23 | 794 | 0 | 6 193 | 0 | 0 | 0 | (794) | **6 193** |
| Other non-current liabilities | 23 | 10 893 | (3 052) | 6 252 | 0 | 9 171 | 0 | (6 517) | **16 747** |
| Total other non-current liabilities | 23 | 340 213 | (38 513) | 12 445 | 0 | 26 624 | 0 | 8 421 | **349 191** |
| **Current liabilities** | | | | | | | | | |
| Other current liabilities to credit institutions | 23 | 27 726 | 2 342 | 2 618 | 0 | (5 631) | 0 | 0 | **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 | 0 | 0 | 0 | (45) | 0 | 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) | 0 | 0 | 0 | 0 | 1 787 | **0** |
| Accrued interest | | 4 339 | (208 518) | 0 | 0 | 0 | 0 | 205 783 | **1 604** |
| Current portion of financial leasing | | 135 774 | (135 774) | 0 | 0 | 5 554 | 0 | 113 488 | **119 042** |
| Current portion of other non-current liabilities | | 4 237 | (1 292) | 0 | 0 | 184 | 0 | (184) | **2 945** |
| Other current liabilities | | 144 349 | (347 371) | 0 | 0 | 5 738 | 0 | 320 874 | **123 591** |
| Total liabilities from financing activities | | 2 408 545 | (383 542) | 15 063 | 0 | 87 639 | 0 | 343 014 | **2 470 720** |

Net cash flows arising from liabilities from financing activities are NOK (18.7) million in 2021. Proceeds from shareholders are NOK 0 million, which give a total cash flow from financing activities of NOK (18.7) million in 2021.

## **Note 25** Other current liabilities

| NOK 1000 | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Salary | **62 763** | 59 357 |
| Bonuses | **41 740** | 42 811 |
| Holiday pay | **105 708** | 101 021 |
| Other liabilities to employees | **12 953** | 10 545 |
| Prepayment from customers | **71 892** | 47 158 |
| Accrued interest | **10 512** | 1 604 |
| Estimated future payments acquired shares (note 18) | **0** | 7 865 |
| Other current liabilities | **186 701** | 143 317 |
| Total other current liabilities | **492 270** | 413 678 |

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

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

| | | Number of shares | Share capital | Share premium |
|---|---|---|---|---|
| 14.11.2016 | Incorporation | 30 000 | 30 | 0 |
| 06.09.2018 | Repayment | (30 000) | (30) | 0 |
| 06.09.2018 | Capital contribution | 41 036 800 | 4 104 | 406 264 |
| 02.09.2019 | Share capital increase | 0 | 4 104 | 745 880 |
| 08.11.2021 | Dividend | 0 | 0 | (763 084) |
| 08.12.2021 | Repayment | 0 | 0 | (33 000) |
| 31.12.2021 | Total | 41 036 800 | 8 207 | 356 060 |

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

SRH BridgeCo AS was incorporated 14 November 2016. 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 4 103 680 from NOK 0 by issuance of 41 036 800 shares. The subscription price was NOK 10 per share, of which NOK 0.10 was share capital and NOK 9.90 was share premium.

On 2 September 2019, a share capital increase in SRH BridgeCo AS was conducted. The share capital increased by NOK 4 103 680 from NOK 4 103 680 to NOK 8 207 360 by increasing the face value of the shares from NOK 0.10 with NOK 0.10 to NOK 0.20.

On 8 November 2021, a dividend distribution by NOK 763.1 million was made to FSN Capital GP V Limited.

On 8 December 2021, a dividend distribution by NOK 33.0 million was made to FSN Capital GP V Limited.

### Number of shares and shareholders

Shareholders in SRH BridgeCo AS 31 December 2021:

| Shareholders | Ordinary shares | Percentage |
|---|---|---|
| FSN Capital GP V Limited | 41 036 800 | 100 % |
| Total | 41 036 800 | 100 % |

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## Non-controlling interests

2021

| NOK 1000 | Accumulated non-controlling interests | Non-controlling interests share of profit/(loss) | Dividends to non-controlling interests | Financial information (100% basis) Assets | Liabilities | Revenue | Profit/(loss) |
|---|---|---|---|---|---|---|---|
| Brite Line Europe GmbH | 6 781 | 1 267 | 0 | 37 386 | 10 663 | 68 004 | 5 026 |
| Road Infrastructure Poland subsidaries | 0 | 1 023 | 1 844 | 0 | 0 | 0 | 0 |
| SRH Holding Group | 156 965 | (11 101) | 499 583 | 5 965 442 | 5 638 859 | 7 726 430 | (26 226) |
| Total non-controlling interests | 163 746 | (8 811) | 501 427 | | | | |

2020

| NOK 1000 | Accumulated non-controlling interests | Non-controlling interests share of profit/(loss) | Dividends to non-controlling interests | Financial information (100% basis) Assets | Liabilities | Revenue | Profit/(loss) |
|---|---|---|---|---|---|---|---|
| Road Infrastructure Poland subsidaries | 1 937 | 660 | 433 | 8 570 | 2 402 | 20 927 | 2 658 |
| ViaCon France | 0 | 946 | 0 | 0 | 0 | 0 | 0 |
| Other minorities | 5 803 | 2 351 | 1 262 | 34 397 | 11 564 | 76 567 | 5 169 |
| SRH Holding Group | 676 129 | 17 775 | 91 | 5 508 990 | 3 862 396 | 7 270 870 | 48 928 |
| Total non-controlling interests | 683 869 | 21 732 | 1 787 | | | | |

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 non-controlling interests 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).

## **Note 27** Pledged assets and guarantees

Saferoad Holding AS refinanced in November 2021 by entering a Senior Term Facilities Agreement with GSO ESDF II (Luxembourg) Holdco S.à r.l., GSO ESDF II (Luxembourg) Levered Holdco I S.à r.l., GSO ESDF II (Luxembourg) Levered Holdco II S.à r.l., G QCM (Luxembourg) Holdco S.à r.l. as Original Lenders (all funds managed by Blackstone Alternative Credit Advisors LP) of NOK 869.1 million, EUR 96.0 million and SEK 610.7 million. The Facilities mature in September 2028.

In addition, working capital financing was secured through a revolving facility agreement between Saferoad Holding AS and DNB BANK ASA as Original Lender. The revolving facility agreement amounts to NOK 510.0 million and matures in March 2028.

Wilmington Trust (London) Limited is acting as Security Agent for all Facilities.

### Security

**Saferoad Group:**

The following Saferoad Group companies have acceded the Facility Agreements with DNB and the GSO Funds as Guarantors from February 2022.

| Company | Jurisdiction | Corporate Identity Number |
|---|---|---|
| Bongard & Lind Noise Protection GmbH & Co KG | Germany | HRB 21196 |
| Bongard & Lind Verwaltungs GmbH | Germany | HRB 21973 |
| Brødrene Berntsen AS | Norway | 810547472 |
| EKC Sverige AB | Sweden | 556520-7478 |
| Euroskilt AS | Norway | 890729142 |
| Eurostar AS | Norway | 976962699 |
| Eurostar Danmark A/S | Denmark | 26994896 |
| Inter Metal Sp. zo.o. | Poland | 0000189130 |
| Moramast AB | Sweden | 556179-2598 |
| 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 Pomerania Sp. z o.o. | Poland | 0000154679 |
| Saferoad RRS GmbH | Germany | HRB 22479 |
| Saferoad RRS Polska Sp. zo.o. | Poland | 0000265582 |
| Saferoad Smekab AB | Sweden | 556099-6869 |
| Saferoad Sverige AB | Sweden | 556030-8073 |
| Saferoad Treasury AB | Sweden | 556493-1573 |
| TrafikkDirigering AS | Norway | 991821902 |
| Vik Ørsta AS | Norway | 985001952 |

In addition to the guarantees, the following securities are given in favour of the Security Agent, acting in the interest of the lenders:

a) pledge granted by SRH Investco AS and MgmtCo Saferoad AS of all shares issued by Saferoad Holding AS and held by either SRH Investco AS or MgmtCo Saferoad AS
b) pledge granted by the Holding company of each guarantor listed above of all shares owned in the guarantor by the respective Holding company
c) pledge over all intra-group loan agreements exceeding a value of NOK 10.0 million, or similar value in other currencies
d) Saferoad Holding AS' bank accounts

**ViaCon Group:**

As collateral for the bond and the new credit agreement the ViaCon Group pledged its shares in all material subsidiaries (guarantors). The guarantor's aggregated EBITDA shall not represent less than 80 percent of consolidated EBITDA of the ViaCon Group. According to the bond agreement, there is a processing time for registration of mortgages and the registration was executed in January 2022.

The calculation of the value of the pledged shares, in cases where they had been registered at year-end 2021, amounted to NOK 533.8 million (NOK 347.5 million as of 31 December 2020).

The following ViaCon Group companies are guarantors:

| Company | Jurisdiction | Corporate Identity Number |
|---|---|---|
| ViaCon Holding AB | Sweden | 556661-6099 |
| ViaCon Invest AB | Sweden | 559228-2437 |
| ViaCon International AB | Sweden | 556619-6159 |
| ViaCon AB | Sweden | 556620-7519 |
| ViaCon Production AB | Sweden | 556457-4472 |
| FLA Geoprodukter AB | Sweden | 556187-7357 |
| Oy ViaCon AB | Finland | 0969082-9 |
| UAB ViaCon Baltic | Lithuania | 110788621 |
| UAB ViaCon Baltic Pipe | Lithuania | 301670782 |
| ViaCon Polska Sp. z o.o. | Poland | 0000093391 |
| ViaCon Romania SRL | Romania | J08/1323/2012 |
| ViaCon İnşaat Müh. San. Tic. A.Ş. | Turkey | ITO-910795 |
| ViaCon France SAS | France | 340740745 |

In addition, ViaCon Polska Sp.z.o.o has provided accounts receivables amounting to NOK 65.2 million (42.9 million as of 31 December 2020) as collateral for bank guarantees.

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### Guarantees

Guarantee obligations for the Saferoad Group amounts to NOK 390.6 million at year end 2021 (NOK 331.0 million at year end 2020) 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 A/S 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. The case in front of Copenhagen District Court related to the determination of the fine was completed in January 2022. On 11 February 2022, the Copenhagen District Court acquitted the companies and individuals which were subject to charges, including Eurostar Danmark A/S and its CEO, concluding that neither acted gross negligent when engaging in the joint bidding consortium. The decision has been appealed and its therefore not yet final. 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.

| NOK 1000 | **2021** | **2020** |
|---|---|---|
| **Profit and loss** | | |
| Sales to related parties | **531** | 934 |
| Purchases from related parties [1)] | **55 693** | 51 091 |

| NOK 1000 | **31.12.2021** | **31.12.2020** |
|---|---|---|
| **Balance sheet** | | |
| Receivables [2)] | **1 104** | 103 |
| Payables [3)] | **16 325** | 1 515 |
| Other transactions with related parties | **350** | 350 |

[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 is 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 | 2,53 % |
| Lars Patrik Nolåker | Saferoad Holding AS/ViaCon Holding AB | 105 000 | 105 000 | 210 000 | 7,59 % |

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

| Name | | Ordinary shares | Preference shares | Total number of shares | Percentage |
|---|---|---|---|---|---|
| Elke Elfriede Eckstein | Saferoad Holding AS | 15 000 | 15 000 | 30 000 | 1,09 % |
| Lars Patrik Nolåker | Saferoad Holding AS/ViaCon Holding AB | 116 294 | 45 000 | 161 294 | 5,84 % |
| Krzysztof Andrulewicz | ViaCon Holding AB | 33 526 | 33 526 | 67 052 | 2,43 % |
| Gunilla Spongh | ViaCon Holding AB | 4 755 | 4 755 | 9 510 | 0,34 % |

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

## **Note 30** Events after the balance sheet date

On 24 January 2022, the Swedish Financial Supervisory Authority (Sw: Finansinspektionen) approved ViaCon's prospectus for admission to trading of the company's bonds on the Nasdaq Stockholm.

On 11 February 2022, the Copenhagen District Court acquitted Eurostar Danmark A/S, concluding that the company neither acted gross negligent when engaging in the joint bidding consortium. The decision has been appealed and is therefore not yet final. See note 28 for a further description.

On 5 April 2022, the newly established company Viacon Netherlands B.V entered into an agreement to acquire assets from Bergschenhoek Civiele Techniek B.V (BCT) related to the product ranges Multiplate, SuperCor. HelCor/Spirosol and plastic pipes at an estimated purchase price of approximately EUR 3.7 million. On 2 May the Group completed the transaction.

Following a change in the Group's legal structure in December 2016, which may have constituted an event triggering German real estate transfer tax ("RETT"), Saferoad Holding AS has been requested to provide information towards the German tax authorities. The real estate transfer tax only relates to properties owned by more than 95% and it is the company's interpretation that only a small part of its German real estate holding would be affected, as the majority was held by companies below this threshold at the time of the legal reorganisation. Financial consequence for the Company is considered small. The Group has not recognised any provision as of 31 December 2021.

ViaCon has on 16 December 2021, entered into an agreement to divest its operations in Belarus. With the divestment, ViaCon continues to implement its strategy of focusing ViaCon Group's operations on selected product solutions and main markets. The transaction was planned to be completed by end of April 2022, but due to delayed approval from the Belarusian Ministry of Trade and Antimonopoly Regulation, closing has been postponed. Approval from the Belarusian Ministry of Trade and Antimonopoly Regulation is a requirement for the transaction to be completed.

Following Russia's invasion of Ukraine in the end of February 2022, Saferoad Group and ViaCon Group has analysed its own exposure to risks concerning the conflict that inflicts significant potential for human, political, economic and legal consequences. There is uncertainty about how and to what extent's operations will be affected by the ongoing conflict in Ukraine. The conflict does however influence prices on a number of critical inputs in the production process and consequently working capital requirements, which needs to be mitigated. The Group has initiated actions to minimise the impact on operations of these events.

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

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## **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 2021.

The amendments to IAS 1 Presentation of Financial Statements are considered most relevant for the Group.

In January 2020, the IASB issued Classification of Liabilities as Current or Non-Current as an amendment to IAS 1 Presentation of Financial Statements. The amendments clarified how an entity classifies debt and other financial liabilities as current or non-current. The amendments clarify

- that the classification should be based on rights that are in existence at the end of the reporting period.
- that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement; and
- that settlement refers to the transfers to counterparty of cash, equity instruments, other assets or services.

In February 2021, the IASB issued Disclosure of Accounting Policies as an amendment to IAS 1. The amendment provides guidance and example to help entities apply materiality judgements to accounting policy disclosures. The amendments require an entity to disclose its material accounting policies instead of its significant accounting policies and adding guidance on how to apply the concept of materiality in making decisions about accounting policy disclosure.

The amendments are effective for annual reporting beginning on or after 1 January 2023. Based on our preliminary assessments neither amendment to IAS 1 or other new and amended standards not yet effective (and not approved by the EU), will have a material impact on the Group's financial statements.

# Financial Statements SRH BridgeCo AS

## Statement of comprehensive income

| NOK 1000 | Notes | 2021 | 2020 |
|---|---|---|---|
| **Total operating revenue** | | **0** | **0** |
| Other operating costs | 3 | **1 670** | **3 079** |
| Total operating costs | | **1 670** | **3 079** |
| Operating profit/(loss) | | **(1 670)** | **(3 079)** |
| Financial income | 6 | **2 502** | **790** |
| Financial income from group companies | 6, 8 | **18** | **3** |
| Financial expenses | 6 | **3** | **0** |
| Net exchange rate gain/(loss) | 6 | **(46)** | **0** |
| Net financial income/(expenses) | | **2 472** | **794** |
| Profit/(loss) before tax | | **802** | **(2 285)** |
| Tax | 7 | **0** | **0** |
| Profit /(loss) for the year | | **802** | **(2 285)** |
| Other comprehensive income for the year, net of tax | | **0** | **0** |
| Total comprehensive income for the year | | **802** | **(2 285)** |

# Statement of financial position (assets)

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| NOK 1000 | Notes | 31.12.2021 | 31.12.2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| **Financial non-current assets** | | | |
| Shares in subsidiaries | 5 | **334 208** | **1 097 292** |
| Loans to group companies | 8 | **600** | **600** |
| Other investments | 12 | **7 126** | **13 234** |
| Total financial assets | | **341 934** | **1 111 126** |
| Deferred tax assets | 7 | **0** | **0** |
| Total non-current assets | | **341 934** | **1 111 126** |
| **CURRENT ASSETS** | | | |
| **Receivables** | | | |
| Receivables on group companies | 8 | **18** | **30** |
| Total receivables | | **18** | **30** |
| Cash and cash equivalents | 9 | **35 588** | **29 276** |
| Total current assets | | **35 606** | **29 306** |
| Total assets | | **377 540** | **1 140 432** |

# Statement of financial position (shareholders' equity and liabilities)

| NOK 1000 | Notes | 31.12.2021 | 31.12.2020 |
|---|---|---|---|
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | |
| **SHAREHOLDERS' EQUITY** | | | |
| Share capital | | **8 207** | **8 207** |
| Share premium | | **356 060** | **1 152 144** |
| Other equity | | **(19 828)** | **(20 630)** |
| Total shareholders' equity | | **344 439** | **1 139 722** |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Accounts payables | | **0** | **550** |
| Liabilities to group companies | 8 | **0** | **60** |
| Other current liabilities | 11 | **33 100** | **100** |
| Total current liabilities | | **33 100** | **710** |
| Total liabilities | | **33 100** | **710** |
| Total shareholders' equity and liabilities | | **377 540** | **1 140 432** |

Oslo, 27 June 2022

The Board of SRH BridgeCo AS

DocuSigned by:
Ulrik Smith
F1C97198EE9D46A...
Ulrik Smith
Chairman of the Board

DocuSigned by:
Andreas Niclas Bengt-Ingvar Thiel
3036E66003F04A8...
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 31.12.2019 | 8 207 | 1 152 144 | (18 345) | **1 142 006** |
| Profit/(loss) for the year | | | (2 285) | **(2 285)** |
| Total comprehensive income | 0 | 0 | (2 285) | **(2 285)** |
| Shareholders' equity at 31.12.2020 | 8 207 | 1 152 144 | (20 630) | **1 139 722** |
| Dividends to shareholders | | (763 084) | | **(763 084)** |
| Repayment of capital to shareholders | | (33 000) | | **(33 000)** |
| Profit/(loss) for the year | | | 802 | **802** |
| Total comprehensive income | 0 | 0 | 802 | **802** |
| Shareholders' equity at 31.12.2021 | 8 207 | 356 060 | **(19 828)** | **344 439** |

The share capital in SRH BridgeCo AS as of 31 December 2021 consists of 41 036 800 ordinary shares with nominal value of NOK 0.20 per share.

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

On 8 November 2021, a dividend distribution of NOK 763.084 thousand was made to the shareholders of the company.

On 8 December 2021, a repayment of capital of NOK 33.000 thousand was made to the shareholders of the company.

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

# Cash flow statement

| NOK 1000 | Notes | 2021 | 2020 |
|---|---|---|---|
| **Cash flow from operations** | | | |
| Profit/(loss) before tax | | **802** | **(2 285)** |
| Interest income and other financial income | 6 | **(2 521)** | **(794)** |
| Changes in receivables/liabilities on group companies | | **(48)** | **(30)** |
| Changes in accounts payable | | **(550)** | **175** |
| Net cash flow from operations | | **(2 317)** | **(2 934)** |
| **Cash flow from investment activities** | | | |
| Interest received | | **26** | **70** |
| Repayment of capital from SRH Holding AS | | **763 084** | **3 952** |
| Loans to subsidiaries | | **0** | **(498)** |
| Payments for acquired shares | | **(663)** | **0** |
| Sale of shares | | **3 062** | **8 500** |
| Dividends received | | **6 204** | **0** |
| Net cash flow from investment activities | | **771 713** | **12 024** |
| **Cash flow from financing activities** | | | |
| Dividends to shareholders | | **(763 084)** | **0** |
| Net cash flow from financing activities | | **(763 084)** | **0** |
| Net increase/(decrease) in cash and cash equivalents | | **6 312** | **9 090** |
| Cash and cash equivalents at beginning of the year | | **29 276** | **20 186** |
| Cash and cash equivalents at the end of the year | **9** | **35 588** | **29 276** |

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# Notes to the financial statements for SRH BridgeCo AS

## **Note 1** Company information

SRH BridgeCo AS is a limited liability company and the ultimate parent company of Saferoad and ViaCon Group. The Company is incorporated and domiciled in Oslo with its registered office, c/o FSN Capital Partners AS, Dronning Mauds gate 11, 0250 Oslo, Norway.

SRH BridgeCo AS owns 61.18 per cent of the shares in SRH Holding AS. The company had no other activities in 2021.

The financial statements of SRH BridgeCo AS for the fiscal year 2021 were approved in the board meeting at 27 June 2022.

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 annual accounts for SRH BridgeCo 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 BridgeCo AS's 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 statement of comprehensive income. 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 annual accounts. 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.

## **Note 3** Other operating costs

### Other operating costs

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Fee for audit, legal and consultancy assistance | **1 670** | 3 076 |
| Other operating costs | **0** | 2 |
| Total other operating costs | **1 670** | 3 079 |

### Fees to auditors

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Proposed fee for audit | **506** | 2 173 |
| Fees for audit previous year | **12** | 0 |
| Fees for attestation services | **50** | 191 |
| Fees for tax services | **266** | 226 |
| Fees for other services | **6** | 0 |
| Total fees | **840** | 2 591 |

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 BridgeCo AS has not received any remunerations in 2021 or 2020.

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 | Registered office | Ownership | Voting rights | NOK 1000 Carrying value |
|---|---|---|---|---|---|
| SRH Holding AS | 919 999 896 | Oslo, Norway | 61,18 % | 61,18 % | 334 208 |

| NOK 1000 | Equity 31.12.2021 | Equity 31.12.2020 | Profit/(loss) 2021 | Profit/(loss) 2020 |
|---|---|---|---|---|
| SRH Holding AS | 1 842 980 | 1 843 401 | 1 249 535 | (79) |

The table below sets forth SRH BridgeCo AS's ownership in subsidiaries through its ownership in SRH Holding AS. Several of the subsidiary's own shares in other subsidiaries.

In 2021 the investment in SRH Holding AS was reduced due to a repayment of capital of NOK 763.1 million.

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| Shares in subsidiaries owned through subsidiaries | Country | Ownership |
|---|---|---|
| **SRH Holding AS** | | |
| SRH Investco AS | Norway | 100 % |
| **SRH Investco AS** | | |
| SR RI AS | Norway | 100 % |
| MgmtCo RI AS | Norway | 1.7 % |
| MgmtCo Saferoad AS | Norway | 1.6 % |
| Saferoad Holding AS | Norway | 97.9 % |
| RI Holding AS | Norway | 95.1 % |
| **Saferoad Holding AS** | | |
| Saferoad Holding AB | Sweden | 100 % |
| Saferoad Holding Denmark Aps | Denmark | 100 % |
| Saferoad Holding Germany GmbH | Germany | 100 % |
| Brödrene Berntsen AB | Sweden | 100 % |
| Brødrene Berntsen AS | Norway | 100 % |
| Saferoad UK Limited | United Kingdom | 100 % |
| EKC Production AB | Sweden | 100 % |
| EKC Sverige AB | Sweden | 100 % |
| Euroskilt AS | Norway | 100 % |
| Eurostar AS | Norway | 100 % |
| Saferoad Czech Republic s.r.o. | Czechia | 100 % |
| Saferoad Sverige AB | Sweden | 100 % |
| Saferoad Finland Oy | Finland | 100 % |
| Moramast AB | Sweden | 100 % |
| Saferoad RRS Polska Sp. z o.o. | Poland | 100 % |
| Saferoad Holland BV | Netherlands | 100 % |
| Saferoad Smekab AB | Sweden | 100 % |
| Saferoad Sp. z o.o. | Poland | 100 % |
| Saferoad Trading AS | Norway | 100 % |
| TrafikkDirigering AS | Norway | 100 % |
| Trafikksikring AS | Norway | 100 % |
| Vik Ørsta AS | Norway | 100 % |
| Vik Ørsta Design AS | Norway | 100 % |
| **Saferoad Holding AB** | | |
| Saferoad Treasury AB | Sweden | 100 % |
| **Saferoad Holding Denmark Aps** | | |
| Saferoad Dalulso A/S | Denmark | 100 % |
| Eurostar Danmark A/S | Denmark | 100 % |
| **Saferoad Holding Germany GmbH** | | |
| Saferoad Europe GmbH Germany | Germany | 100 % |
| Hausneindorfer Metallbau und Montage GmbH | Germany | 100 % |
| Schalltec Beteiligungs GmbH | Germany | 100 % |
| Schalltec GmbH & Co. KG | Germany | 100 % |
| Saferoad SES GmbH | Germany | 100 % |
| Bongard & Lind Verwaltungs GmbH | Germany | 100 % |
| Bongard & Lind Noise Protection GmbH & Co KG | Germany | 100 % |
| Inter Metal Sp. z o.o. | Poland | 100 % |
| Brite Line Europe GmbH | Germany | 74.8 % |
| Saferoad RRS GmbH | Germany | 100 % |
| Saferoad Romania SRL | Romania | 100 % |
| AWK GmbH | Germany | 100 % |
| HMS Montage GmbH | Germany | 100 % |
| **Saferoad UK Limited** | | |
| Saferoad VRS Limited | United Kingdom | 100 % |
| **Saferoad Finland Oy** | | |
| KaideKanerva OY | Finland | 100 % |
| Kanerva Oy Kaide ja Kuljetuse | Finland | 100 % |
| Teedemeister Oy Suomi | Finland | 100 % |
| **Saferoad RRS Polska Sp. z o.o.** | | |
| Saferoad Baltic UAB | Lithuania | 100 % |

| | | |
|---|---|---|
| **Saferoad Sp. z o.o.** | | |
| Saferoad Kabex Sp. z o.o. | Poland | 100 % |
| Signaroad Sp. z o.o. | Poland | 100 % |
| Saferoad Pomerania Sp. z o.o. | Poland | 100 % |
| Saferoad Grawil Sp. z o.o. | Poland | 100 % |
| **Vik Ørsta AS** | | |
| Saferoad Lightpoles Brasov S.R.L. | Romania | 100 % |
| **RI Holding AS** | | |
| ViaCon Group AB (publ) | Sweden | 100 % |
| **ViaCon Group AB (publ)** | | |
| ViaCon Holding AB | Sweden | 100 % |
| **ViaCon Holding AB** | | |
| FLA Geoprodukter AB | Sweden | 100 % |
| ViaCon Invest AB | Sweden | 100 % |
| **ViaCon Invest AB** | | |
| ViaCon International AB | Sweden | 100 % |
| **ViaCon International AB** | | |
| Nordic Culvert AB | Sweden | 100 % |
| SIA ViaCon Latvija | Latvia | 100 % |
| ViaCon France SAS | France | 100 % |
| Tubosider UK Ltd | United Kingdom | 100 % |
| ViaCon AB | Sweden | 100 % |
| ViaCon AS | Norway | 100 % |
| UAB ViaCon Baltic | Lithuania | 100 % |
| AS ViaCon Eesti | Estonia | 100 % |
| ViaCon Germany GmbH | Germany | 100 % |
| ViaCon Polska Sp. z o.o. | Poland | 100 % |
| ViaCon Technologies COOO | Belarus | 100 % |
| Oy ViaCon AB | Finland | 100 % |
| **Tubosider UK Ltd** | | |
| Tubosider CSP Limited | United Kingdom | 100 % |
| **ViaCon AB** | | |
| ViaCon Production AB | Sweden | 100 % |
| **UAB ViaCon Baltic** | | |
| UAB ViaCon Baltic Pipe | Lithuania | 100 % |
| **ViaCon Germany GmbH** | | |
| HaKu Service GmbH | Germany | 100 % |
| ViaCon Hamco GmbH | Germany | 100 % |
| **ViaCon Polska Sp. z o.o.** | | |
| Geotex Sp. z o.o. | Poland | 100 % |
| ViaCon Austria GmbH | Austria | 100 % |
| ViaCon Bulgaria EOOD | Bulgaria | 100 % |
| ViaCon ČR s.r.o. | Czech Republic | 100 % |
| ViaCon Romania SRL | Romania | 100 % |
| ViaCon İnşaat Müh. San. Tic. A.Ş. | Turkey | 100 % |
| **Oy ViaCon AB** | | |
| Kiinteistö Oy Rumtikli | Finland | 100 % |
| Solcon Oy | Finland | 100 % |
| ViaCon A/S Denmark | Denmark | 100 % |
| **Geotex Sp. z o.o.** | | |
| Elikopol BK Sp. z o.o. | Poland | 100 % |
| Steel-System Sp. z o.o. | Poland | 100 % |
| ViaCon Hungary Kft. | Hungary | 100 % |
| **ViaCon ČR s.r.o.** | | |
| ViaCon SK s.r.o. | Slovakia | 100 % |
| **ViaCon Romania SRL** | | |
| ViaCon Geotechnical Solutions S.R.L. | Romania | 100 % |
| **ViaCon İnşaat Müh. San. Tic. A.Ş.** | | |
| ViaCon Middle East FZE | United Arab Emirates | 100 % |

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

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## **Note 6** Financial items

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Interest income | **8** | 56 |
| Interest income from group companies (note 8) | **18** | 3 |
| Other financial income | **2 495** | 734 |
| Total financial income | **2 521** | 794 |
| | | |
| Interest expenses | **1** | 0 |
| Other financial expenses | **2** | 0 |
| Total financial expenses | **3** | 0 |
| | | |
| Currency exchange gain | (46) | 0 |
| Net exchange rate gain/(loss) | **(46)** | 0 |
| | | |
| Net financial income/(expenses) | **2 472** | 794 |

# **Note 7** Income tax

**Tax income/(expense)**

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| 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**

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Profit/(loss) before tax | **802** | **(2 285)** |
| Expected income taxes according to income tax rate in Norway 22% | **(176)** | **503** |
| Deferred tax assets not recognised current year | **(372)** | **(664)** |
| Non-taxable income | **549** | **161** |
| Tax income/(expense) recognised in the statement of comprehensive income | **0** | 0 |

**Tax payable basis**

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Profit/(loss) before tax | **802** | **(2 285)** |
| Non deductible expenses | **1** | **0** |
| Non-taxable income | **(2 495)** | **(734)** |
| Tax loss carried forward | **1 692** | **3 019** |
| Tax payable basis | **0** | 0 |
| Tax payable (22% of tax payable basis) | **0** | 0 |

**Deferred tax liabilities/(deferred tax assets)**

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| Tax losses carried forward | **(4 913)** | (4 540) |
| Of which assets not recognised (valuation allowance) | **(4 913)** | (4 540) |
| Net recognised deferred tax liabilities | **0** | 0 |

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## **Note 8** Transactions with group companies

| NOK 1000 | 2021 | 2020 |
|---|---|---|
| **Internal financial income** | | |
| MgmtCo RI AS | **9** | 2 |
| MgmtCo Saferoad AS | **9** | 2 |
| Total internal financial income from group companies | **18** | 3 |

| NOK 1000 | 31.12.2021 | 31.12.2020 |
|---|---|---|
| **Loans to group companies** | | |
| MgmtCo RI AS | **304** | 304 |
| MgmtCo Saferoad AS | **296** | 296 |
| Total loans to group companies | **600** | 600 |
| | | |
| **Receivables on group companies** | | |
| SRH Investco AS | **0** | 30 |
| MgmtCo RI AS | **9** | 0 |
| MgmtCo Saferoad AS | **9** | 0 |
| Total receivables on group companies | **18** | 30 |
| | | |
| **Current liabilities to group companies** | | |
| SRH Investco AS | **0** | 60 |
| Total current liabilities to group companies | **0** | 60 |

## **Note 9** Cash and cash equivalents

| NOK 1000 | 31.12.2021 | 31.12.2020 |
|---|---|---|
| Cash and bank deposits | **35 588** | **29 276** |
| Restricted cash | **0** | 0 |
| Total cash and cash equivalents | **35 588** | 29 276 |

## **Note 10** Interest-bearing liabilities

SRH BridgeCo AS had no interest-bearing liabilities in 2021 and 2020.

## **Note 11** Other current liabilities

SRH BridgeCo AS other current liabilities consists of repayment of capital to shareholders of NOK 33 000 000 and other short-term liabilities related to its operations.

## **Note 12** Other investments

The following investments are controlled by SRH BridgeCo AS` subsidiary SRH Investco AS and consolidated in SRH BridgeCo AS`s consolidated accounts.

| Company | Corp ID No | Registered office | Ownership | Voting rights | NOK 1000 Carrying value |
|---|---|---|---|---|---|
| MgmtCo Saferoad AS | 923 008 888 | Oslo, Norway | 42,30 % | 0,00 % | 4 273 |
| MgmtCo RI AS | 923 009 027 | Oslo, Norway | 14,78 % | 0,00 % | 2 853 |
| Total value | | | | | 7 126 |

## **Note 13** Pledged assets and guarantees

SRH BridgeCo AS has no pledged assets or guarantees.

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# Alternative performance measures (APMs)

APMs are used by the Group for financial reporting to provide a better understanding of the company's underlying financial performance for the period. Underlying operating revenue, underlying EBITDA and EBITA is 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 operating revenue** is defined as operating revenue reported 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 profit/(loss) for the year before financial income and expense, tax, depreciation, amortisation and write-downs, including depreciation, amortisation and impairment of excess values in equity accounted investments.

**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 profit/(loss) for the year** is defined as profit/(loss) for the year 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.

# APM table

| NOK 1000 | 2112 | 2012 |
|---|---|---|
| **Reported operating revenue** | **7 727 692** | 7 271 604 |
| Items excluded from underlying operating revenue | **(14 987)** | (5 091) |
| **Underlying operating revenue** | **7 712 705** | 7 266 513 |
| | | |
| **Reported profit/(loss) for the year** | **(25 505)** | 46 643 |
| Net financial income and expenses | **379 288** | 296 069 |
| Tax | **24 233** | 15 484 |
| Depreciation and impairment | **302 094** | 293 692 |
| Amortisation and impairment | **62 206** | 61 220 |
| **Reported EBITDA** | **742 316** | 713 108 |
| Items excluded from underlying EBITDA | **85 689** | 54 529 |
| **Underlying EBITDA** | **828 005** | 767 637 |
| Depreciation and impairment | **(302 094)** | (293 692) |
| **Underlying EBITA** | **525 911** | 473 945 |
| | | |
| **Reported profit/(loss) for the year** | **(25 505)** | 46 643 |
| Items excluded from underlying profit/(loss) for the year | **58 163** | 32 400 |
| **Underlying profit/(loss) for the year** | **32 658** | 79 043 |

## Items excluded from underlying operating revenue, underlying EBITDA and underlying profit/(loss) for the year

| | | |
|---|---|---|
| Restructuring charges and closure costs | **(14 987)** | (39) |
| (Gain)/losses on divestments | **0** | (5 052) |
| **Items excluded from underlying operating revenue** | **(14 987)** | (5 091) |
| | | |
| Transaction and financing cost[1)] | **71 662** | -4 500 |
| (Gain)/losses on divestments[2)] | **0** | -4 602 |
| Implemention new strategy and restructuring charges[3)] | **7 602** | 39 169 |
| Other effects[4)] | **6 424** | 24 463 |
| **Items excluded from underlying EBITDA** | **85 689** | 54 529 |
| Amortisation and impairment | **0** | 1 532 |
| Net financial income/(expense)[5)] | **2 225** | 28 328 |
| Tax[6)] | **(29 750)** | (51 990) |
| **Items excluded from underlying profit/(loss) for the year** | **58 163** | 32 400 |

## Items excluded from underlying EBITDA, specified per operating segment

| | | |
|---|---|---|
| Road Safety | **35 639** | 21 083 |
| Road Infrastructure | **37 630** | 26 168 |
| Holding | **12 420** | 7 278 |
| **Items excluded from underlying EBITDA** | **85 689** | 54 529 |

1) **Transaction and financing costs** in 2021 relate to costs for external advisors in relation to financing of Saferoad Group and transaction costs in connection to acquisitions of companies. In 2020 transaction and financing costs related 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.
2) **(Gain)/losses on divestments** relates to the divestment of Oy Latium and the Road Restraint Systems business in ViaCon France.
3) **Restructuring charges and closure costs** relate to redundancy and other restructuring cost/(income).
4) **Other effects** in 2021 include adjustments for legal proceedings, as well as other less material effects. Other effects in 2020 include adjustments for extraordinary operational strategy and OPWC projects, as well as other less material effects
5) **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.
6) **Tax** relates to changes in deferred tax liabilities/assets.

Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6a, 0191 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

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# INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of SRH BridgeCo AS

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of SRH BridgeCo AS (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the statement of financial position as at 31 December 2021 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2021 and its financial performance and 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 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 requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors) 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 board of directors' report contains the information required by applicable legal requirements and 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

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this other information or that the information required by applicable legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contain the information required by applicable legal requirements.

## Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act and of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, 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 and the Group'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 the Group, 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 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 and the Group'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 and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 and the Group to cease to continue as a going concern.

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- 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 the board of directors 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.

Oslo, 28 June 2022
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*The auditor's report is signed electronically*

Tore Sørlie
State Authorised Public Accountant (Norway)

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**Tore Sørlie**
**Oppdragsansvarlig partner**
På vegne av: Ernst & Young AS
*Serienummer: 9578-5995-4-774812*
*IP: 145.62.xxx.xxx*
*2022-06-28 13:26:21 UTC*

bankID

**Tore Sørlie**
**Statsautorisert revisor**
På vegne av: Ernst & Young AS
*Serienummer: 9578-5995-4-774812*
*IP: 145.62.xxx.xxx*
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