Annual Report
Saferoad Group

2021

The Atlantic Ocean Road, Hustadvika, Norway

SAFEROAD®

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1 Group Overview

Saferoad Group in Brief

Saferoad Group 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 road infrastructure related 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.

The Group employs 2 500 across 13 countries.

Saferoad 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.

2 500 employees in 2021

ESG as a driver of growth and competitive strength

Underlying revenue of NOK 5 751 million, representing a growth of 9.4 per cent

5 per cent EBITDA growth and 10.3 percent EBITDA margin in 2021

19 production facilities with sustainable operations ensuring fast response and delivery time

Around 30 sales offices across Europe. Ensuring strong local presence and deep customer understanding

0

We are dedicated to Vision Zero and develop road safety solutions that actively reduce the number of people seriously injured and killed in traffic accidents

Saferoad Group was founded in Norway in 2007, as a merger between Ørsta Group and the Euroskilt Group. Our roots go back to 1947 when Ørsta Stålindustri was founded

We work for a safer life on the road

Our values define our corporate culture, what we believe in and what we consider important. They strengthen our team spirit, our development and our belief in the future. These values remind us of our mission to contribute to a safer life on the road.

Care

Caring is the engine in our mission of making life on the road safer. We care for people on the move, our customers, our employees, and the environment.

Drive

Our employees are the energy that drives our engine. With our motivating, driving corporate culture, we are constantly moving forward and working to be the front runner in our markets.

Integrity

Integrity is the compass we navigate our actions by. We are professional, reliable and eager to share knowledge with each other and our surroundings.

Our Business

Our core business is road infrastructure related products and services that provide guidance and safety. We provide a broad range of solu-tions within road restraint systems, light poles, masts, signs, work zone protection, road ser-vices, noise protection and street furniture. What they all have in common is that they con-tribute to a safer life on the road, whether you go by foot, bike, car or public transportation. We offer sustainable and high-quality solutions that can be customised to provide optimum solutions for infrastructure projects.

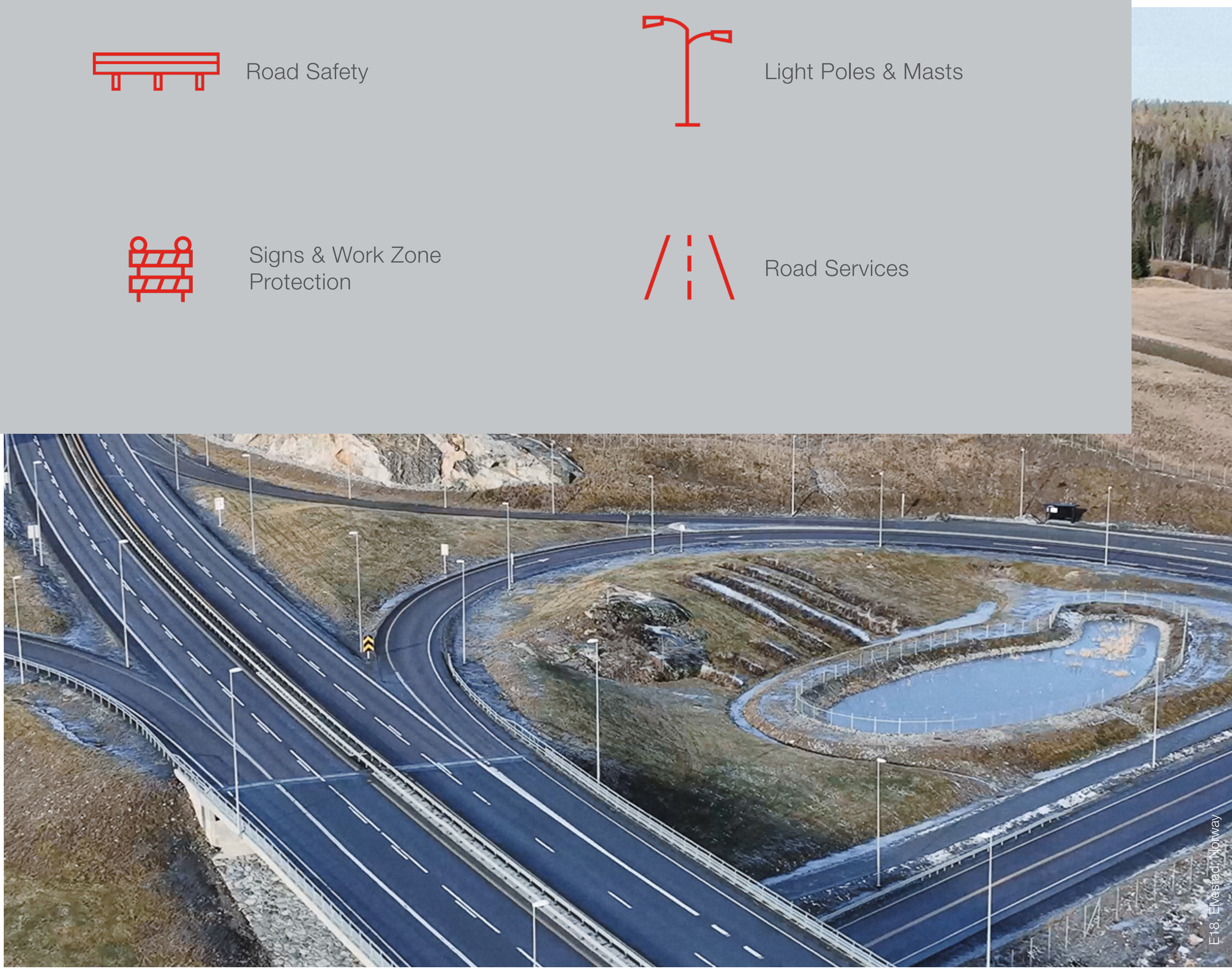
The products and services are divided into four main business areas, so that the experts with-in each field can benefit from working closely together and drive development across our markets.

Road Safety

Light Poles & Masts

Signs & Work Zone Protection

Road Services



E18, Elvestad, Norway

Road Safety

Guardrails, bridge parapets, rails, energy absorbing systems and noise protection barriers.

We offer a comprehensive and innovative range of road restraint systems and noise protection barriers which covers all areas of use on roads, highways and along railways. Saferoad's offering includes design, manufacturing, delivery, installation and repair. The products are designed and tested according to European and national standards. Our team of experts helps customise your solution to meet local conditions and requirements.

With leading brands such as MegaRail, SafeStar, Safeline, Vik and Birsta, we cover a wide range of containment levels on our guardrails. In end terminals, we offer SafeEnd, as one of the firstend-terminals that has been tested in accordance with the coming standard per EN 1317-7. Hence, it represents the next generation of energy absorbing terminals.

Crash cushions prevent lethal damage to car passengers when crashing into static objects. Our own CrashGuard series have the highest level of certification and offers a wide range of sizes, depending on the area it should secure. Our bridge parapets combine modern design with a high level of safety and are well suited for use in areas with high demands for aesthetics. The modular structure of the parapets contributes to quick installation and low cost.

Saferoad's highly absorbent noise barriers are used where traffic or work zone noise has become a nagging nuisance. Our noise protection elements can be delivered with a variety of specifications and are designed to effectively reduce noise from roads, railways and construction sites.

1100 employees in 2021

Norway, Sweden, Germany, Poland, UK, Finland, Netherlands, Baltics and export to other markets

NOK 2 881 m revenue in 2021

A3 Medenbach, Germany

Light Poles & Masts

Crash-friendly, safe, decorative and functional light poles. High quality masts and towers for telecom, rail traffic and power grid.

We design and manufacture a complete range of light poles and masts for all application areas. The main purpose of street lighting is to improve the safety of the travelling public and to improve the sense of security in the areas where residents live and work.

The use of passive safe light poles is becoming increasingly important and required by local regulations on both highways and rural roads. Our columns absorb the movement energy of the colliding vehicles and reduce speed in a controlled manner to a safe level.

Our products are available in all crash test categories, High energy absorbing (HE), Low energy absorbing (LE) and Non energy absorbing (NE).

To ensure a long lifespan, we offer various cor-rosion protections, such as hot dip galvanizing, powder coating, wet paint or thermoplastic. Our methods are of the highest corrosion pro-tection standards (C5M) and all products are available in all colours of the RAL and NCS scale.

We also deliver towers and hardware for 1-420 kV power grid, catenary poles for rail traffic and antenna towers for telecommunications and offer a wide range of standardised and cus-tomised solutions.

~370 employees in 2021

Norway, Sweden, Romania

NOK 786 m revenue[1)] in 2021

1) Includes revenue from marina and rock support products in addition to core products.

Älvsborgsbron, Gothenburg, Sweden

Signs & Work Zone Protection

We offer a complete range of traffic signs, technical solutions, variable message signs, LED, gantries, posts and work zone protection services.

Our solutions are designed to roads and communities safer fo people on the move and workers in construction areas. We take great pride in offering our customers a turnkey solution where we take care of every step to ensure a safe environment for road and construction work.

We offer a wide range of technical solutions that can display real-time information to road users, signs and traffic lights. SafeTech consists of technical commodity products, technical solutions and traffic management systems to enable smarter and safer traffic flow.

We design and produce our own range of signposts and gantries in aluminium and steel. Our passive safe signposts are tested and approved in accordance with EN 12767. All signs are manufactured according to national rules and regulations.

In our depots we offer a wide range of high-quality products for sale and rental and our safety specialistst can take care of the complete installation and decommissioning for your work zone area. This includes inner city solutions such as mobile noise barriers and gates and access control systems.

Among our services we also offer education of road workers and we are happy to assist our customers with area access and accomodaton planning.

721 employees
in 2021

Norway, Sweden, Denmark

NOK 1 303 m
revenue in 2021

Road Services

We offer a wide range of road services, including application of road marking for guidance and safety purposes and complex road maintenance services.

Our road marking range is customised to meet our customers' requirements concerning durability, quality and safety. Rumble strips and Type II, structured road marking on highways and country roads are one of our most efficient measures to reduce accidents and improve visibility at night. Our thermoplastic, cold plastic or paint products are made of high-quality materials.

All types of material are applied with state-of-the-art machines and equipment, utilising the latest available technology for highest possible precision, quality and capacity. We put high focus on eco-friendly products to reduce environmental impact.

In Central and Eastern Europe, we provide complex road maintenance services including winter maintenance, greenery, road patrolling, traffic safety and work zone protection services to secure durability and safety of highways, expressways, and country roads 365 days a year.

We strive to meet your requirements for safety and durability, and our staff will ensure a professional and efficient service.

~ 310 employees in 2021

Norway, Sweden, Denmark, Poland

NOK 795 m revenue in 2021

Other Products

Street Furniture

Urban environments are changing, the green shift aims to reduce the use of cars, which will require well-functioning public spaces and an increase in the number of cyclists, pedestrians and the use of public transportation. We offer an intelligent, sustainable and aesthetic range of products that create safe and functional urban areas through street furniture.

Rock Protection Equipment

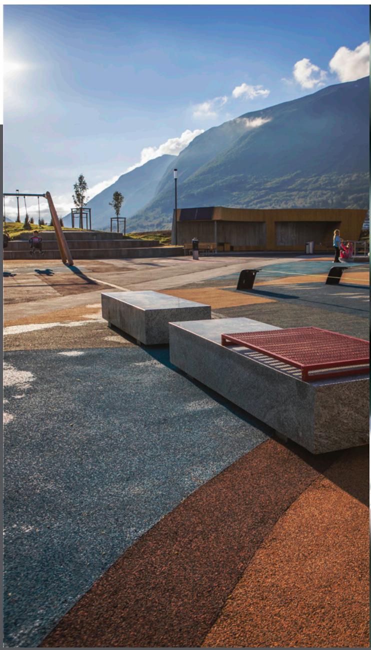
When building tunnels and roads near rock formations, safety is crucial. We offer rock protection equipment for stabilising rocks in tunnels and cuts. The main components are bolts, belts, washers and anchoring components. We also supply components for water and frost protection of tunnels.

Marina Products

A marina facility should be a safe place for boats and people. We offer a wide range of high-quality products and solutions for marina facilities, such as landings, gateways, fenders, wave attenuators and gangways for small boat harbors and fishing ports. Our customised solutions can be adapted to most conditions.

Road marking tapes

We distribute and supply market leading type I and type II road marking tapes for all traffic classes. All the tapes in our product range, which includes both temporary and permanent tapes, can be used anywhere in Europe and are available in various sizes and colours.




Overview of Saferoad Group Management

Espen Asheim
Chief Executive Officer

Espen was appointed Group CEO effective September 2018.

Espen has an undergraduate degree in Finance and Marketing from University of Oregon and a Master in Business Administration (MBA) from Mays Business at Texas A&M University.

He has previously held similar positions Egmont Publishing AS, VIA Travel Group ASA, Elektroskandia AS and Canal Digital AS.

Thomas Røkke
Chief Financial Officer

Thomas was appointed Group CFO effective December 2018.

Thomas holds a Bachelor and master's degree (lic.oec.) as well as a PhD (dr.oec.) in Finance & Accounting from the University of St. Gallen in Switzerland.

He has previously held similar positions in FristadsKansas (SE) and Løgismose Meyers (DK), and has broad international experience from both operational management positions and strategy consulting.

Oscar Sandell
Group Chief HR Officer

Oscar was appointed Group Chief HR Officer in January 2019.

Oscar holds a bachelor's degree from Stockholm University and an MBA from Bond University, Australia.

Oscar has consulting background from Accenture and before joining Saferoad Group, he held several senior HR positions in multinational companies and has led HR functions in Europe, Asia, and Americas for +15 years.

Espen Samuelsen
SVP Operations

Espen was appointed SVP Operations in February 2019.

Espen holds a MSc. from Norwegian University of Science and Technology and an MBA from Ecole Supérieur de Commerce de Paris – Ecole d'Administration de Paris, and BI Norwegian School of Management, Oslo. Espen has broad international experience from operational roles in Aker Solutions, ExxonMobil and Nycomed, as well as management consulting experience from AT Kearney.

Overview of Saferoad Group Management

Peter Lind
SVP Road Restraint Systems

Peter was appointed Senior Vice President, Road Restraint Systems in March 2011.

Peter has been employed by the Group since 2011. Peter holds a Master of Science in Economics (Diplom Kaufmann) from the University of Trier. Peter started in road safety business in 1997 and joined Saferoad in 2011 after the German road restraint system company named Lind Verkehrstechnik, which he founded in 2006, merged with competitor to Bongard & Lind and later was acquired by the Saferoad Group.

Kjetil Nesset
SVP Saferoad Light Poles & Masts

Kjetil was appointed SVP Saferoad Light Poles effective April 2019. Since joining Saferoad in 2012, Kjetil has been managing director of Vik Ørsta.

Kjetil holds a bachelor degree in Construction and an degree in Finance & Management. He has previously held several managing positions and came to Saferoad from the position as COO in Spenncon Group.

Erik Kocken Wennerholm
SVP Saferoad Signs and Work Zone Protection

Erik joined Saferoad in May 2020 as SVP Saferoad *Signs and Work Zone Protection.*

Prior to his role in Saferoad, Erik has broad experience from several management positions, most recent as CEO of Avarn Security. Erik has a Master of Science in Business Administration form Stockholm School of Business and an Executive Management Program from Stockholm School of Economics.

Grzegorz Baginski
SVP Road Services

Grzegorz was appointed SVP Road Services in January 2022. Grzegorz joined Saferoad in 2008 in the position as Business Development Manager Poland and Central and Eastern Europe. The past 12 years he has been the General Manager for the Saferoad companies in Poland and Central and Eastern Europe. Prior to Saferoad he held a sales manager role in Cleanosol Polska (Geveko).

Grzegorz holds a Master of Civil Engineering from the Gdansk University of Technology and an Executive MBA from GFKM /RSM Erasmus University.

Message from the CEO

2021 was another year of transition and change. In a year influenced by the global pandemic, skyrocketing raw material prices, and a strong winter, we are proud of how our 2500 employees have continued to stay able and agile to adapt to the circumstances along the way. Our strong values have guided us through the challenges, and we can look back at great results delivered in 2021.

What drives us in Saferoad is that you arrive safely whenever you travel on the road. We work hard with customers, suppliers and partners to meet the future needs of mobility to improve the infrastructure quality for all travellers. These efforts contribute to a safer life on the road and to reducing the number of people seriously injured or killed in traffic accidents. We are proud of our vision zero, and we believe that our people and our culture are our strongest tools to safeguard the responsible and sustainable business we are known for.

We are pleased to see the progress we have made in our ESG journey the past year. Some highlights are that 80 per cent of our production facilities now are ISO 14001 certified, we have joined the UN Global Compact and committed to the UN principles for sustainable businesses, we have increased ESG awareness among employees through continuous training and communication initiatives, we have established a stand-alone Code of Conduct towards suppliers, and we have several circular initiatives in progress in our operations and environmental product lines under development in our R&D.

We will always challenge ourselves to do better. We will continue to strive to lower emissions across our operations, to shrink our carbon footprint, and to accelerate innovations that enable travellers to be safer on and alongside the road. We will do so while working hard to keep our employees safe at work.

In 2021 we delivered no less than 27 000 kilometres of road marking, 105 000 light poles, 457 000 hours of road service and 3 800 kilometres of guardrails. The financial results for 2021 illustrate our strong position in a resilient industry. Overall, the company delivered record high results growing our revenues 9.4 per cent to NOK 5.8bn and EBITDA 5.0 per cent to NOK 591m.

In 2021 we also opened our new state-of-the-art hot dip galvanizing plant with the capacity of galvanizing over 100 000 tons of steel per year. The plant has increased the effectiveness of our guardrail operations significantly, replacing a dozen outside third-party suppliers and reduced transportation needs by 3500 trucks per year. The building project was delivered on time and budget in a very uncertain time of a pandemic. This investment will continue to have a positive impact on our operational costs for many years to come.

The new structure, strategy, and operational efficiency we have established in the recent years also made us eligible to a full refinancing of the Group realised in 2021. This provides us with a solid funding and financial platform for further growth with local presence throughout Europe the coming years.

In early 2022 we are still managing the ongoing pandemic and raw material price adjustments together with an increasingly unstable political situation. The ability to adapt and transform in an agil manner continues to be critical, but we feel confident that we have the right capacities to excel from these challenges. What we have accomplished as a company in 2021 proves that we have a unique position to continue to lead the way within our industry.

Espen Asheim
Group CEO Saferoad

The new HDG plant in Inowroclaw, Poland

Short Review of Underlying Figures 2021

9.4%
Underlying revenue
NOK 5 751 million

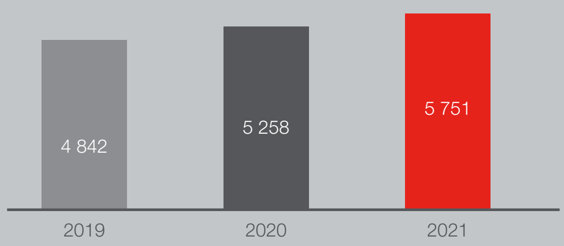
5.0%
Underlying EBITDA
NOK 591 million

7.2%
Underlying EBITA
NOK 344 million

6.2%
Revenue organic growth

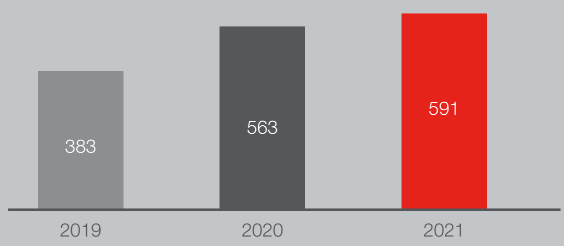
-0.4%
Underlying EBITDA
margin of 10.3 %

-0.1%
Underlying EBITA
margin of 6.0 %



Full year underlying revenue [1) 2)]

Underlying revenue increased by 9.4 per cent in 2021 to NOK 5 751 million, showing strong demand and growth in all business areas. This was also supported by the new strategic direction, sales initiatives as well an attractive market with stable growth due to increased focus on road safety across Europe.



Full year underlying EBITDA [1) 2)]

Underlying EBITDA increased by 5.0 per cent in 2021 to NOK 591 million. Restructuring and optimisation have enabled increased EBITDA and the business stands out as robust, actively overcoming challenges ranging from unprecedented price increases on the raw material side to continued Covid related restrictions.

1. The figures for 2019 are based on continued operations, reflecting the transfer of the ViaCon business in December 2019
2. The figures are adjusted for non-recurring effects, such as transaction costs and restructuring costs. See APM-table in Financial statements, page 114

Key Figures
Saferoad Group

NOK 1000	2021	2020
Underlying operating revenue		
Road Safety	**2 880 709**	2 570 665
Signs & Work Zone Protection	**1 303 465**	1 213 931
Light Poles & Masts	**786 440**	735 498
Road Services	**794 807**	710 928
Other businesses	**202 505**	214 677
Holding/Eliminations	**(216 998)**	(187 584)
Underlying operating revenue [1)]	**5 750 927**	5 258 114
Underlying EBITDA		
Road Safety	**269 293**	245 842
Signs & Work Zone Protection	**148 405**	141 804
Light Poles & Masts	**128 609**	121 677
Road Services	**84 735**	95 672
Other businesses	**29 992**	32 320
Holding/Eliminations	**(70 071)**	(74 209)
Underlying EBITDA [1)]	**590 962**	563 106
Underlying EBITDA %	**10.3 %**	10.7 %
Items excluded from EBITDA (APMs) [1)]	**(35 639)**	(21 083)
Reported EBITDA [1)]	**555 323**	542 023
Reported EBITDA %	**9.6 %**	10.3 %
Underlying EBITA [1)]	**343 727**	320 826
Underlying EBITA %	**6.0 %**	6.1 %
Reported EBITA [1)]	**308 087**	299 744
Reported EBITA %	**5.3 %**	5.7 %

1) See Alternative performance measures on page 113

Board of Directors' Report

Strategy and financial targets

2021 was another good year for the Saferoad Group, seeing growth in sales of 9.4 per cent to NOK 5 751 million, while underlying EBITDA advanced a further NOK 28 million to NOK 591 million for the year. This development was supported by the continued positive development in the underlying markets, but also by actively overcoming challenges ranging from unprecedented price increases on the raw material side to continued Covid related restrictions. The strong results should be seen as a result of both the robustness of the business as well as the dedicated work in recent years on focusing the activities and companies around units delivering high quality products and services that customers demand in a cost-efficient way. To this end, the Group could also celebrate the opening of its large new galvanisation facility in Poland, which was completed on time and on budget, and that is expected to provide substantial benefits going forward. The strategic development programmes have during 2021 been reinforced by a refinancing of the Group, extending the previously existing facilities significantly in scope and duration, which now provide a secure long-term foundation for further growth. This financing arrangement is now directly with the finance providers and separate from the now independent company Viacon, which was carved out in 2019.

Saferoad's 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.

2021 yielded a significant increase in raw material prices, in which an unprecedented increase of the price of steel in terms of both magnitude and duration, was the most dominating factor. This naturally affected the parts of the business with a high steel content, but the joint effects of business resilience as well as agile counter measures, enabled also these business areas to improve their financial results compared to last year. The price increases during the year led to an unavoidable increase in the value of the working capital despite numerous mitigating actions, which is likely to persists for some time. The available steel price projections, albeit currently highly uncertain considering ongoing events in Ukraine, foresee a normalisation of prices towards historical levels in the coming years.

Saferoad remains strongly committed to becoming a leading company in the field of ESG (Environment, Social, Governance) and continued in 2021 to increase its efforts throughout the organisation as part of a comprehensive ESG Improvement Programme. The need to comply with ESG requirements, which is both at the heart and the core of the company, has been addressed proactively and based on our continuously evolving ESG platform. We are both improving our own internal processes, but also being able to deliver on the now increasing customer requirements to products and solutions. Saferoad has taken an active role in this with an ambition to help raise the bar for the entire industry. Some of these activities and achievements are outlined further in section 2 of this annual report.

As most companies, Saferoad has continued to be affected by the Covid-19 pandemic during 2021, however, avoided any severe cases of illness among our employees. Based on a resilient market and the numerous undertaken actions, the Group has not seen any material positive nor negative effects from operations or market caused by the pandemic during the year. Saferoad maintains it monitoring and measures to safeguard employees and operations according to local requirements.

The company generally expects a continued increase in sales and profitability in the coming year, also supported by the new galvanisation plant in Poland now operating at full scale, receding effects of high steel prices on legacy contracts, as well as the effects of an improved order stock across most businesses. This is further supported by operational improvement measures and the pursuit of synergies within the four core business areas of the business.

Following Russia's invasion of Ukraine in the end of February 2022, Saferoad 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. The Group has initiated actions to minimise the impact on operations of these events.

Market developments and outlook

Saferoad operates in the European road safety market and delivers products and solutions to those who own, build and maintain roads.

Saferoad's primary geographical markets are the Nordics, Western Europe and Central and Eastern Europe (CEE), of which the largest part of revenue comes from Norway, Sweden, Denmark, Germany, UK and Poland. The outlook for Saferoad's main markets remains promising for the years ahead, driven by increased government spending to build, maintain and upgrade the road infrastructure, with a continued strong commitment by both EU and national governments to focus on road safety.

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 as well as government efforts to reduce the existing maintenance and investment lag on the road networks across Europe. Not accidentally, the UN in August 2020 called 2021-2030 internationally for the "Decade for Action for Road Safety".

Governments across Europe have accordingly developed targets for reducing traffic injury and accident reductions, e.g. EU's Vision Zero aiming for zero fatalities or serious injuries by 2050. Road safety equipment is well recognized as a critical tool to achieve these goals, with EU Vision Zero recommending specific performance measures on barriers/restraints, signs, and road marking. An additional support of markets is coming from 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.

The Group 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 Group has a comprehensive set of tangible operational improvement initiatives ongoing to further improve competitiveness as well as financial performance.

Financial development Saferoad

NOK 1000	2021	2020
Underlying operating revenue	**5 750 927**	5 258 114
Reported operating revenue	**5 765 915**	5 258 153
Underlying EBITDA	**590 962**	563 106
Reported EBITDA	**555 323**	542 023
Underlying EBITDA margin %	**10.3 %**	10.7 %
Reported EBITDA margin %	**9.6 %**	10.3 %

Saferoad had underlying revenues of NOK 5 751 million in 2021, while underlying EBITDA was NOK 591 million. The underlying EBITDA margin was 10.3 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 (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 28 million to NOK 591 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.

The reported EBITDA of NOK 555 million includes non-operational costs of NOK 36 million, up from NOK 21 million last year, which reflects the costs associated with renewing and extending the Group's financial facilities, but that also contains restructuring charges and closedown costs across the various business areas as part of the strategic improvement activities. These costs are categorised under the principles of Alternative performance measures (APMs), which is used by Saferoad 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 (EBIT) amounted to NOK 264 million. The Group had a net currency loss of NOK (15) million, financial income of NOK 7 million and financial expenses of NOK (155) million in 2021. The financial expenses consist of Interest expenses to Group companies outside the Saferoad Group of NOK (85) million as part of the previous financing arrangements, interest expenses to financial institutions of NOK (32) million, interest expenses on lease liabilities of NOK (22) million and other financial expenses of NOK (16) million.

A net tax income of NOK 8 million was reported in 2021.

The Group reported a profit of NOK 110 million.

Parent Company

Saferoad Holding AS is the parent company in the Saferoad Group and supplies and performs services for the Group's other companies. In 2021, the two companies Saferoad AS and Saferoad Holding Norway AS merged with Saferoad Holding AS. Saferoad Holding AS reported a net loss of NOK (43) million in 2021, compared to a net profit of NOK 262 million in 2020 explained by net reduction in financial income from subsidiaries. At year end, Saferoad Holding AS had total assets of NOK 3 333 million compared to NOK 3 181 million in 2020.

The loss for the year for Saferoad Holding AS of NOK (43) million is allocated to other equity.

Financial development by Business Area:

Road Safety

In the Road Safety business revenues were NOK 2 881 million in 2021. The business experienced continued good market demand and was able to manage a challenging raw material environment, including unprecedent steel price increases, to grow underlying EBITDA 9.5% YoY. This was partly supported by acquisitions, aimed at strengthening its position in the Nordics. The business also opened its large new galvanisation facility at main manufacturing location in Poland, which is expected to provide significant benefits going forward.

NOK 1000	2021	2020
Underlying operating revenue	**2 880 709**	2 570 665
Reported operating revenue	**2 895 697**	2 570 704
Underlying EBITDA	**269 293**	245 842
Reported EBITDA	**281 530**	236 583
Underlying EBITDA margin %	**9.3 %**	9.6 %
Reported EBITDA margin %	**9.7 %**	9.2 %

Signs & Work Zone Protection

The Signs & Work Zone Protection (SWZP) business area continued its positive trend from the previous year, lifting sales by 7.4% and underlying EBITDA by 4.7%. The development was supported by good market demand for products and services, albeit delay of larger road construction projects in Norway, as well as the expansion of the depot footprint, with several new openings during the year. Significant efforts went into strengthening core product and service areas, while the loss-making light construction business in Sweden is being gradually discontinued.

NOK 1000	2021	2020
Underlying operating revenue	**1 303 465**	1 213 931
Reported operating revenue	**1 303 465**	1 213 931
Underlying EBITDA	**148 405**	141 804
Reported EBITDA	**145 780**	134 350
Underlying EBITDA margin %	**11.4 %**	11.7 %
Reported EBITDA margin %	**11.2 %**	11.1 %

Light Poles & Masts

The Light Poles and Masts business area, which primarily focus on light poles for various applications as well as masts, experienced further sales growth of 7.0% and an uplift in underlying EBITDA of 5.7%. The business benefited from a continued strong development in the light poles business, while the mast segment was held back by slowdown in one of its major segments. Improvements in manufacturing and several non-core product lines contributed further to the positive results for the year.

NOK 1000	2021	2020
Underlying operating revenue	**786 440**	735 498
Reported operating revenue	**786 440**	735 498
Underlying EBITDA	**128 609**	121 677
Reported EBITDA	**128 609**	121 677
Underlying EBITDA margin %	**16.4 %**	16.5 %
Reported EBITDA margin %	**16.4 %**	16.5 %

Road Services

The Road Service business area, focusing on road marking in the Nordic countries but also including road maintenance services in Poland, saw a continued solid growth in revenues of 11.8%, but a decline in underlying EBITDA of NOK 11 million. The latter mainly driven by operational start-up difficulties on a renewed Norwegian contract portfolio, as well as weather related issues affecting the early and late season in some of the Nordic countries. The business is having substantial focus on improving operational processes and systems, which is expected to yield substantial benefits.

NOK 1000	2021	2020
Underlying operating revenue	**794 807**	710 928
Reported operating revenue	**794 807**	710 928
Underlying EBITDA	**84 735**	95 672
Reported EBITDA	**83 529**	95 672
Underlying EBITDA margin %	**10.7 %**	13.5 %
Reported EBITDA margin %	**10.5 %**	13.5 %

Other businesses

The other businesses segment, with a focus on city furniture and barriers, continued the positive development throughout the year, but experienced shifts in some of larger projects into 2022 during the last quarter. This led to an improved order stock going out of the year, but also slight decline in revenues of 5.7% as well as underlying EBITDA of 7.2% respectively. The last quarter was hence used to maintain and upgrade manufacturing facilities. Significantly increasing raw material prices were successfully managed throughout the year.

NOK 1000	2021	2020
Underlying operating revenue	**202 505**	214 677
Reported operating revenue	**202 505**	214 677
Underlying EBITDA	**29 992**	32 320
Reported EBITDA	**29 992**	32 320
Underlying EBITDA margin %	**14.8 %**	15.1 %
Reported EBITDA margin %	**14.8 %**	15.1 %

Financial development

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) million, which represents a slight decline of 5.6 per cent. The reduction from 2020 was mainly caused by temporary effects last year.

Financial situation and capital structure

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

In November 2021 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. This financing arrangement is now directly with the finance providers and separate from the former Viacon division, which was carved out into a separate company in 2019.

Saferoad Group hence now has a Revolving Credit Facility of NOK 510 million and a Bank Guarantee Facility of EUR 40 million provided by DNB per December 2021.

Saferoad Group also entered a Senior Term Facilities Agreement with funds managed by Blackstone Alternative Credit of EUR 240 million with tranches in NOK, SEK and EUR, renewing and taking over the debt financing initially drawn by the parent company SRH Investco AS, while adding an additional currently unused dedicated M&A facility.

The solid financial development of the Group over the last years combined with the renewed and extended long-term financing arrangements enabled a payment of a dividend of NOK 1 138 million in November 2021.

The overall financial situation of the Group is projected to remain stable with a continued acceptable level of liquidity and is being monitored through structured forecast and management processes.

The Group's total assets at year-end 2021 was NOK 4 530 million compared to NOK 4 235 million in 2020. Increased raw material prices caused a build-up in stocks mainly explaining the overall increase in total assets compared to last year. Non-current liabilities ended at NOK 3 027 million in 2021 compared to NOK 1 637 in 2020, with the increase explained by new debt financing. Total equity was NOK 403 million at the end of 2021.

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

Cash flow

The cash flow for the Group was NOK (55) million in 2021 compared to NOK 76 million in 2020, reflecting a combination of higher EBITDA and lower Capex, with the need to finance substantial working capital as a result of the significant increase in steel prices throughout the year.

Net cash flow from Operations for the Group was NOK 103 million 2021 compared to NOK 586 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 (177) million for the year compared to NOK (252) million in 2020, with the difference mainly caused by less payments in relation to buy-out of minority interests. FY21 figures were also influenced by the sale of a property in Sweden in December 2021 as a result of structural changes in the business area of Road Safety.

Net cash flow from financing activities was NOK 19 million in 2021 compared to NOK (258) 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 internal loan to SR RI AS and the distribution to shareholders of NOK 1 138 million.

In accordance with section 4-5 of the Norwegian Accounting Act, the Board of Directors confirms that the financial statements have been prepared on the assumption of going concern.

Risk factors and risk management

Saferoad is subject to several operational and financial risks, which may affect parts or all its activities. Through the Group's risk management and internal control framework, Saferoad aims to systematically identify, assess, and manage risk throughout the Group. A Group-wide risk assessment was previously concluded in cooperation with Willis Towers Watson. The identified key risks were incorporated in our operating plans and defined mitigating actions are either implemented or in progress, which has significantly reduced the identified exposures. The responsibility for the risk management and internal control in these aspects rests primarily with the first-line management, meaning the CEO, all managers, and employees in the operational units, 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. A more detailed description may be found in section 2 of this report.

Given the continued evolution of the global Covid-19 pandemic, Saferoad 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

Saferoad operates in a market that is primarily funded by public authorities, and the end customers are typically road authorities and local municipalities.

The company can therefore 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 road infrastructure and maintenance may impact the Group's business, revenue, profit and financial position.

The Group is mitigating general industry and competitive risk by diversification, both geographically and by products. The Group has a sizable footprint in more than 13 European countries and exports selected products further outside this perimeter. Saferoad 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

Saferoad's operations consist of production and delivery to a large series of individual orders and projects, and the individual orders vary in terms of complexity, size, duration and risk. Consequently, systematic risk management in all parts of the business is important. The Group usually undertakes to complete projects by a scheduled date and ensure that the delivered products and solutions meet specified performance standards. Failure to meet required performance standards, to deliver on time or to calculate offers accurately may impact earnings, capacity utilisation of the workforce and/or production sites and may result in reputational damage. Saferoad aims to analyse and assesses risk in the tendering stage and manage risk systematically by the businesses 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 with 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 Saferoad Group reports its financial results in Norwegian kroner (NOK). With the exception of subsidiaries in Norway and Sweden, which purchase goods and ser-vices in other currencies than their revenues, the foreign subsidiaries in the Group primarily have their revenues and cost base in their local currencies. The transaction risk related to cur-rency exchange fluctuations is limited, given op-erational factors, while the Group is affected by changes in key currencies regarding translation of assets and liabilities. Nevertheless, subsidiar-ies 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. Financial covenants exist for both loan facilities, see note 19 in the financial statements for a more detailed description.

Environment

Decreasing the negative impact on environment and contributing to more sustainable use of resources has a high priority for the company. Saferoad monitors its emissions, and work actively to reduce these. During 2021 Saferoad established a full Scope 1 and Scope 2 reporting of GHG emissions.

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

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. In 2021 the Group has defined a uniform EPD (environmental product declaration) solution for the business areas Road Safety and Light Poles and Masts in Norway and Sweden.

Personnel and Organisation

The Group had 2 500 employees at 31 December 2021, a net increase of 300 from 1 January 2021. Saferoad'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 industry is low. At year-end 2021, 84 per cent of the total employees in the Group were male and 16 per cent female. The number of female employees has remained stable compared to 2020.
The Group works actively to reduce the sick absence rate and has established routines to closely follow-up employees on sick leave to facilitate their prompt return to work. In 2021, the sick absence rate was 5.2 per cent, an increase from previous year, mainly attributed to a spike in sick absence related to local and national restrictions due to Covid-19.

A group-wide Health & Safety program that consists of tools and routines to help managers and employees identify risks in their daily work is established and together with an increased focus on HSE in the production facilities as well as on site working environment, the Group has seen a reduction of incidents resulting in absence from work (LTI). LTI for 2021 was 48 (T<55), a decrease by 10 accidents compared to 2020. The H1 rate (absence related to actual work hours) for 2021 was 10 (T<13), decreasing from 13 in 2020.
Through an annual eNPS (Employee Net Promoter Score) survey the Group tracks employee satisfaction to identify work environment improvement areas. The overall eNPS score was 23.5 in 2021, compared to 24.9 in 2020. The follow-up process has resulted in specific action plans that will be followed up throughout the year.

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.

Business

The Saferoad Group is a leading supplier of high-quality road safety products and solutions in Europe, with a mission to make life on the road safer.

The Group employs 2 500 across 13 countries in Europe and is headquartered in Oslo, Norway.

Saferoad's business purpose is stated in §2 of its Articles of Association: "The company's objective is to conduct business related to products and services for roads or which improve road safety, as well as other business operations that are naturally related therewith. The business can also be conducted through participation in or in cooperation with other companies".

Equity and dividends

Total equity was NOK 403 million at the end of 2021. A dividend payment in the amount of NOK 1 138 million was made in November 2021. The Group's financial position is sound, with sufficient financial capacity to execute current projects and initiatives. There can be no assurance that a dividend will be proposed or declared in any given year.

Freely negotiable shares

All shares in the company are freely negotiable.

General meetings

The annual general meeting was held 27 May 2021. An extraordinary general meeting was held 8 November 2021 adopting a resolution to pay dividends to the shareholders as described above under the heading "Equity and dividends".

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. See section 2, Governance and transparency for a more detailed description.

SRH BridgeCo AS have purchased and maintain a Directors and Officers Liability Insurance on behalf of the members of the Board of Directors and CEO. 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.

Oslo, 26. April 2022

The Board of Saferoad Holding AS

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Patrik Nolåker
Chairman

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Elke Elfriede Eckstein
Board member

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Ulrik Smith
Board member

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Niclas Thiel
Board member

DocuSigned by:
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Moritz Madlener
Board member

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Knut Brevik
Board member

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Jan Torgeir Hovden
Board member

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Espen Asheim
CEO

The Board of Saferoad Holding AS

Patrik Nolåker, Chairman

Patrik Nolåker became Chairman of the Saferoad Board of Directors in 2018 and has a broad international experience from over 30 years in various industrial companies. His last operational position was as Group CEO for Dywidag-Systems International (DSI). Prior to DSI he worked as Group CEO for the elevator manufacturer Alimak Hek and previously held various leading management positions within Atlas Copco and ABB. Patrik holds a B.Sc from Karlstad University and a MBA from Maastricht School of Management.

Elke Elfriede Eckstein, Board Member

Elke Elfriede Eckstein became member of the Saferoad Board of Directors in 2018. She has an extensive career and background in electronics, lighting and semiconductor industries. Currently she holds a role as President and CEO Enics Group. Previous to that she has held various executive management positions in Weidmueller Group OSRAM, AMD, Altis Semiconductors and Siemens. Elke is educated through Siemens Academy for Electrical Engineering, Munich, Germany.

Ulrik Smith, Board Member

Ulrik Smith became member of the Saferoad Board of Directors in 2018. Ulrik holds a position as Co-Managing Partner in FSN, which he joined in 2005. He has experience from McKinsey & Company Inc., Venturepark Incubator, Goldman Sachs International, and Citigroup Inc. Ulrik holds a Bachelor in Economics and Management with Great Distinction, ranked 1 in his class from McGill University Montreal, Canada and an MBA from the Harvard Business School

Niclas Thiel, Board Member

Niclas Thiel became member of the Saferoad Board of Directors in 2018. Niclas holds a position as Principal in FSN Capital, which he joined in 2016. He has in total more than 11 years of experience from investment roles, including from Bain Capital in London and Investor AB in Stockholm before FSN Capital. Before becoming an investment professional, he started his professional career in investment banking at Carnegie in Stockholm. He holds an MSc. in Economics and Business Administration from the Stockholm School of Economics in Sweden.

The Board of Saferoad Holding AS

Moritz Madlener, Board Member

Moritz Madlener became member of the Saferoad Board of Directors in 2021. He joined FSN Capital in 2021. Prior to this, he spent over 3 years in the investment banking division at Goldman Sachs, most recently as associate in the firm's New York office. Moritz holds a B.Sc. in Accounting from the University of Denver (DU).

Knut Brevik, Board Member

Knut Brevik is a representative elected by the employees in the Saferoad Board of Directors. He became member of the Saferoad board in 2008. Knut has been employed in Euroskilt AS since 1986 as foreman for the mechanical production.

Jan Torgeir Hovden, Board Member

Jan Torgeir Hovden is a representative elected by the employees in the Saferoad Board of Directors. He became member of the board in 2008. He has been employed in Vik Ørsta AS since 1986 and now works as responsible for the outdoor furniture warehouse.

Fv156, Nesodden, Norway

2 Environment, Social and Governance

Introduction

About this report

As a responsible business, we are committed to transparent reporting. For the year of 2021, we are publishing two corporate reports.

Our Annual Report includes a description of our approach to and 2021 performance on our most material ESG priorities serving as our statutory statement on corporate social responsibility and governance compliant with laws and regulations set forth by IFRS.

Our ESG report will in addition to the above cover long-term ESG ambitions and case studies. The ESG report serves as our annual communication on progress to the UN Global Compact.

The scope for both reports includes 47 companies across 13 countries. Both reports can be found on saferoad.com.

Vision zero

We are dedicated to Vision Zero – Zero fatalities and serious injuries in road traffic. Doing business responsibly and sustainably supports our vision – and drives our efforts to deliver value for shareholders and the society.

As a leading supplier of road safety products and solutions, Saferoad relies on the trust of customers, authorities, owners, employees and society in general. The Group has built that trust over 70 years of operation, through reliable delivery of high-quality products and services, and by setting and maintaining high ethical standards for all our business dealings. Our ambition is to be recognized by our external and internal stakeholders as an industry leader where our ESG efforts are clear, consistent, and tangible.

0 | **We are dedicated to Vision Zero – Zero fatalities and serious injuries in road traffic**

UN Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) are an ambitious set of 17 goals, including 169 underlying targets, designed to alleviate many pervasive social, economic, and environmental problems by the year 2030, especially those that may form an existential threat to this planet, and our ability to live peacefully upon it.

We contribute to the SDGs through our business activities and have chosen the four goals where we can contribute the most. These are SDG 3; Good Health and Well-being, SDG 8; Decent Work and Economic Growth, SDG 9; Industry Innovation and Infrastructure, and SDG 12; Responsible Consumption and Production.

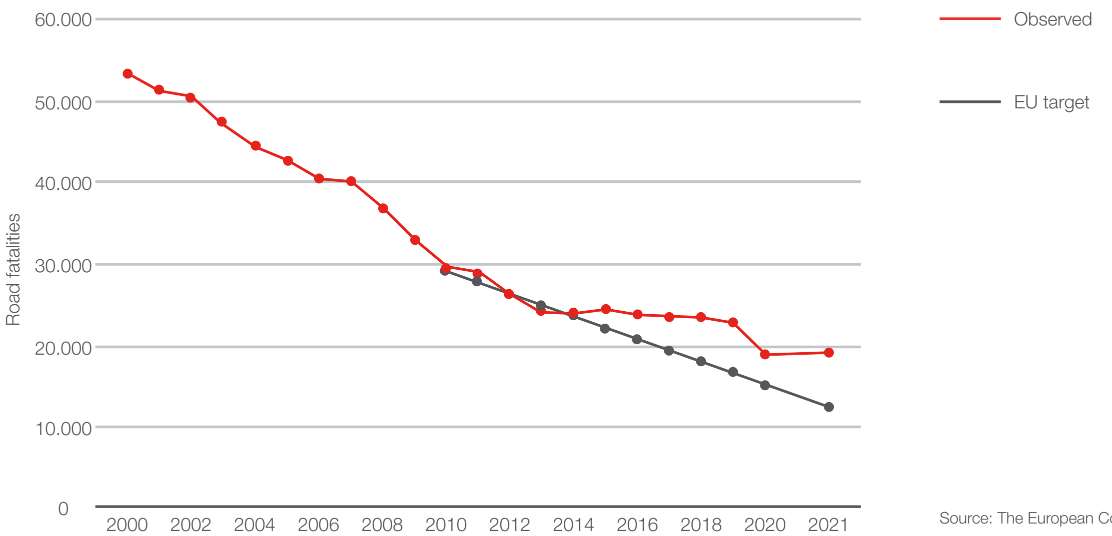
Our identity
For a safer life on the road

Our main ESG goal is making life on the road safer.

By developing and delivering high-quality road safety products and sharing our industry knowledge we aim to contribute to the development of safer roads across all Saferoad's markets. With that ambition we are dedicated to Vision Zero, a multi-national road traffic safety project that aims to achieve a highway system with no fatalities and serious injuries in road traffic by 2050. Road safety equipment is critical in achieving that goal, the EU is tracking improvements of equipment and infrastructure such as guardrails, signs, and road marking towards along with the development in accident reduction.

Road safety development in Europe

The interim EU target is reducing the number of fatalities and serious injuries by 50 per cent within 2030. EU-wide, the last decade saw a fall of 36%. Road fatalities in the EU during 2021 increased +5% on 2020, but still represents almost -13% fewer fatalities compared to the pre-pandemic period in 2019. Although the development is moving in the right direction, there is still room for improvement. Saferoad's focused work for a safer life on the road continues.



Source: The European Commission

ESG leadership

We aim to be an ESG leader in our industry. In 2021 we joined as participants in the world's largest sustainability initiative, UN Global Compact. By joining UN Global Compact we are committed to the ten principles for responsible businesses set by the UN. More information about how we act on these in our ESG Report for 2021. In the year past we have also had several communication activities to increase awareness and set ESG on the agenda. An example of such an activity is the #taketheball initiative, where the Sustainable Development Goals (SDG) ball was passed on to several of our companies, with the aim to spur engagement across the Group. The communication initiatives also serve as part of our internal training on ESG, together with standardised ESG onboarding training for all employees. More about this in our ESG Report for 2021.

Risks and opportunities

Our ESG priorities are based on relevant risk assessments, opportunities for competitive advantages, and aligned with our current and long-term business priorities.

Based on the climate impact analysis of our value chain below, the use of raw material, energy as well as chemicals in its production process are identified to have an environmental impact. Furthermore, transportation of raw materials and distribution of its products to customers results in increased emissions levels. As a manufacturing and installation company our employees are exposed to risks during the production process as well as on constructions sites on roads. Therefore, health and safety as well as labor conditions are of highest priority to us, assuring that all its employees come home safe from work every day. Governance impacts mainly relate to corporate social responsibility, including anti-corruption, trade sanctions and competition rules.

Raw material supply

- GHG emission from production (zinc, aluminum, steel) (SDG 9.4, SDG 12.2)
- Business ethics in procurement practices
- Energy consumption in raw material production (steel, aluminum, plastic, recycled alternatives)
- Labour conditions and human rights in raw material production
- Workers' health and safety (SDG 8.7)
- Supply chain transparency
- Business ethics in procurement practices

Own operations

- Health and safety of own employees (production sites, maintenance, installation) (SDG 8.8)
- Traceability of raw materials (e.g., risk of counterfeit)
- GHG efficiency at production sites (SDG 9.4)
- Water consumption and waste-water management at production sites (SDG 9.4, SDG 12.2)
- Management of hazardous substances and waste (SDG 12.4)
- Environmental legacy risk at production sites
- Material utilisation and recycling (SDG 8.4, SDG 12.2)
- Chemical use and pollution
- Labour and human rights (production sites, maintenance, installation)
- Traceability of raw materi-als (e.g. risk of counterfeit)

Management and marketing

- Anti-corruption and bribery
- Product innovation: climate resilient products (e.g., extreme weather) (SDG 9.1)
- Product innovation: product longevity and ease of maintenance (SDG 9.1, SDG 12.2)
- Transportation of products to market
- Product innovation: product quality and safety (e.g., can sustain impact of heavier vehicles) (SDG 3.6)
- Diversity and anti-discrimination (SDG 8.5)
- Employee education and development
- Employee benefits
- Anti-competitive behaviour
- Integrity and realistic advice (SDG 9.1)

Customer / end user

- End-of-life product management (SDG 12.2)
- Road accidents and safety (SDG 3.6)
- Product reliability (quality and safety throughout product lifetime) (SDG 3.6)
- Environmental impact of products during use-phase
- Improved site working conditions
- Public and customer health and safety
- Integrity of partners and customers

The climate impact analysis also identified opportunities for climate adaption projects, increased reconstruction and maintenance due to physical impacts on infrastructure. These opportunities will be considered to ensure our ability to offer climate resilient products based on new or changed market demand.

Corporate governance is of paramount importance to us and we follow a zero-tolerance approach in areas such as anti-corruption and anti-bribery. We analyse the risks of climate change to our business in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Opportunitites	Risks
Increased demand for road rehabilitation and infrastructure resilient against extreme weather events	High cost and climate impact of of raw material sourcing, transportation, and production
Increased demand for products with a low environmental footprint	Health and safety of workers in own production and supply chain
Increased investments in infrastructure projects in societal crisis/turbulence (e.g public stimulus packages due to the pandemic)	Scrutiny of human rights and labor conditions in the full supply chain

Stakeholders and materiality

Understanding our stakeholders´ preferences and expectations on ESG aspects, sustainability is a core part of our management approach.

The stakeholders are the people who affect our business or who are affected by it.

A mapping of our stakeholders helps us to understand what ESG aspects are most material to them and guide us in prioritising issues effectively.

In 2021 we have updated our analysis of our stakeholders ESG issues and identified risks and opportunities connected to those. This has informed our overall sustainability approach, our ability to deliver on sustainability targets, and to create value with our ESG work.

We focus on six stakeholder groups that are of primary importance to our sustainability approach:

- Customers
- Suppliers
- Employees
- Investors
- Regulators
- NGOs

We engage with them in various ways to ensure that our work remains focused on the topics that are most significant to our business and our stakeholders – our most material issues.

Photo: Frank Stake Vik Ørsta

Our strategic areas of ESG

In the table below we summarise the progress we have made within our defined strategic areas for ESG in 2021. Our ESG efforts aims to increase circularity and reduce our climate impact, to produce and deliver sustainable products, to ensure health safety satisfaction of our employees, to achieve a transparent supply chain and to ensure ethical business conduct.

We are using the standards of the Global Reporting Initiative (GRI) as guidance for our sustainability work. For this 2021 report, the GRI Sustainability Reporting Guidelines have inspired the underlying data and reporting principles; however, we do not apply GRI-specific disclosures in accordance with the standard.

	STRATEGIC AREA	KPIs	PERFORMANCE 2021
ENVIRONMENT	Increase circularity and reduce climate impact	Reduce GHG emissions	Full scope 1 and 2 reporting, started scope 3 reporting
		Circular operations	Circular initiatives in process: beam recycling in Netherlands; heat recycling in HDG-plant in Vik Ørsta. Read more in ESG our ESG report.
		ISO 14001 certification	80% of production units ISO 14001 certified
	Sustainable products	Environmental product lines	Initiated development of environmental product line in RRS, with EU subsidies
		EPDs	Uniform EPD solution for BA's RRS and Lightpoles in Norway and Sweden
SOCIAL	Ensure health, safety and satisfaction of own employees	ESG leadership	Joined UN Global Compact, Communication Functional Team completed #taketheball initiative from BU to BU to spur employee engagement around ESG
		Lost time incident rate (LTI)	48
		eNPS score	23.5
		Business Units with negative eNPS scores	4 – Implemented quarterly follow-up process for units with negative scores
GOVERNANCE	A transparent and sustainable supply chain	Supply chain management	Completed risk-based analysis as a basis for further implementation, screened all major suppliers
		Business units implemented supplier Code of Conduct	Established stand-alone supplier CoC
		Digital Supplier Self Assessment	Developed digital supplier self assessment proccess
		Mitigating plans agreed with critical suppliers with low score on Supplier Self Assessment	Developed follow-up process for defining mitigating action plans for low scoring suppliers
	Ensure ethical business conduct	ESG training	Awareness training through #taketheball campaign, standardized ESG onboarding training for all employees
		Cyber awareness training	50% of employees completed cyber awareness training
		Electronic whistleblower	Prepared for adaption of WB-channels to comply with new EU directives

Environment
Reducing our carbon footprint

We must play our part in tackling the climate emergency for the future of our business and our planet.

The COP26 climate conference and the latest report from the Intergovernmental Panel on Climate Change have reinforced the urgent need for collective action to tackle the climate crisis.

We aim to make our processes and products as environmentally friendly as possible and strive 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 to actively contribute to the environment and be a role model to our partners.

Compliance is a minimum

We are committed to complying with all applicable laws, rules, and regulations in the countries in which we operate. We monitor compliance and assess risk to fully adhere to changing and stricter environmental laws and regulations and we engage with stakeholders to find new solutions to satisfy their needs. In 2021, we had no noncompliance cases or fines related to environmental regulations in our companies.

Our ambitions goes further than to comply with environmental legislation and, we aim to create value for our internal and external stakeholders by conducting our business in the most sustainable way.

Our actions are guided by our Environmental Policy (to be found on saferoad.com), which commits us to setting high environmental requirements on our suppliers as on ourselves and promoting open and transparent dialogue with all stakeholders affected by our operations.

Environment

Increase circularity and reduce climate impact

We aim 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.

KPIs	Performance 2021
Reduce GHG Emissions	Full scope 1 and 2 reporting, started scope 3 reporting
Circular operations	Circular initiatives in process: - Beam recycling in Saferoad Holland - Heat recycling in HDG-plant in Vik Ørsta
ISO 14001 certification	80% of production units ISO 14001 certified

Reduce GHG emissions

By monitoring our emissions, we will work to actively reduce our emissions through identifying emission reduction potential and setting targeted initiatives in our business units. In 2020 we started quarterly reporting of GHG emissions data on our production facilities. During 2021 we have established full Scope 1 and Scope 2 reporting of GHG emissions across the Group.

In 2021, the CO2 emissions was somewhat increased, mainly due to increased operational activity, improved reporting process which increased the data collection across the Group, as well as acquisition of new companies in 2021.

GHG emissions (tCO2e yearly)	2021	2020
Scope 1	12 388	11 488
Scope 2	3 667	2 922
Total	16 055	14 410

Circular operations

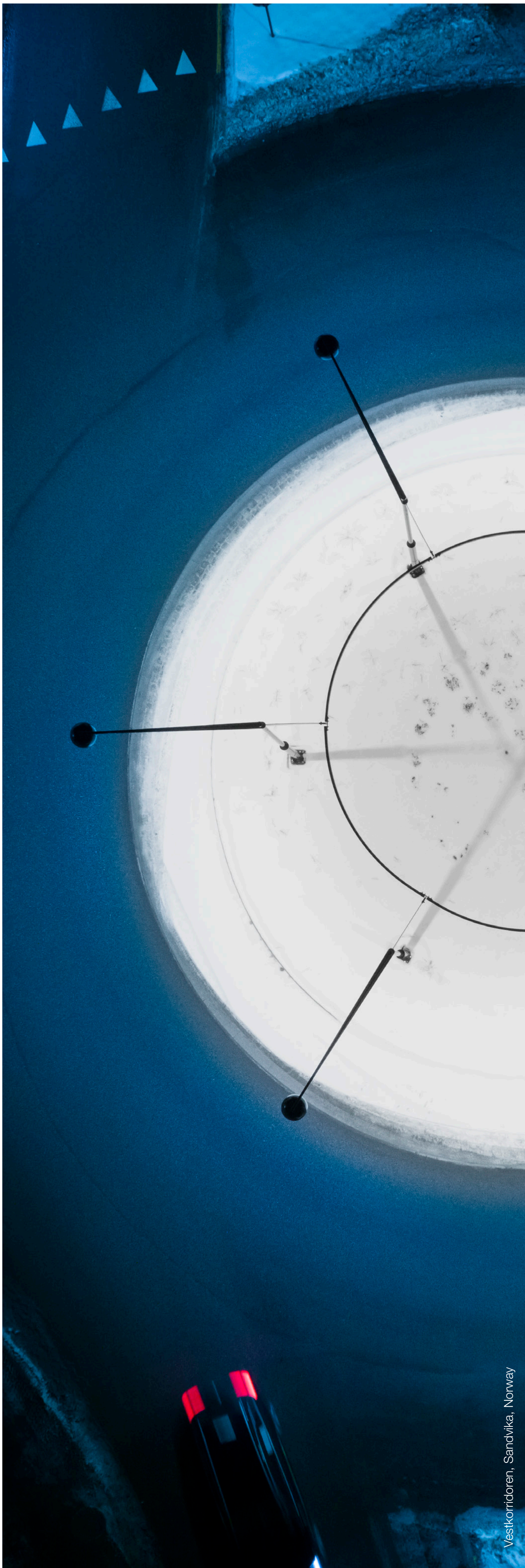
We aim to handle, transport and sort hazardous goods and waste in a secure manner. Our main production sites have activities that require environmental permits. These permits are strictly monitored, and reports are furnished to the relevant public authorities.

Circular initiatives in process:
- Beam recycling in Saferoad Holland
- Heat recycling in HDG-plant in Vik Ørsta

Read more about these in the ESG report for 2021.

ISO 14001 certification

We drive continuous improvement using best practice environmental management systems. To measure immediate and long-term environmental impacts of products, services and processes, we implement environmental management systems according to ISO 14001 on our production facilities. In 2021 two facilities was certified, resulting in a total of 13 and 80 per cent of our production units being ISO 14001 certified. This secures continuous improvement and follow-up of environmental issues in our production.


Vestkorridoren, Sandvika, Norway

Environment
Sustainable products

KPIs	Performance 2021
Environmental product lines	Initiated development of environmental product line in RRS, with EU subsidies
EPDs	Uniform EPD solution for BA's RRS and Lightpoles in Norway and Sweden

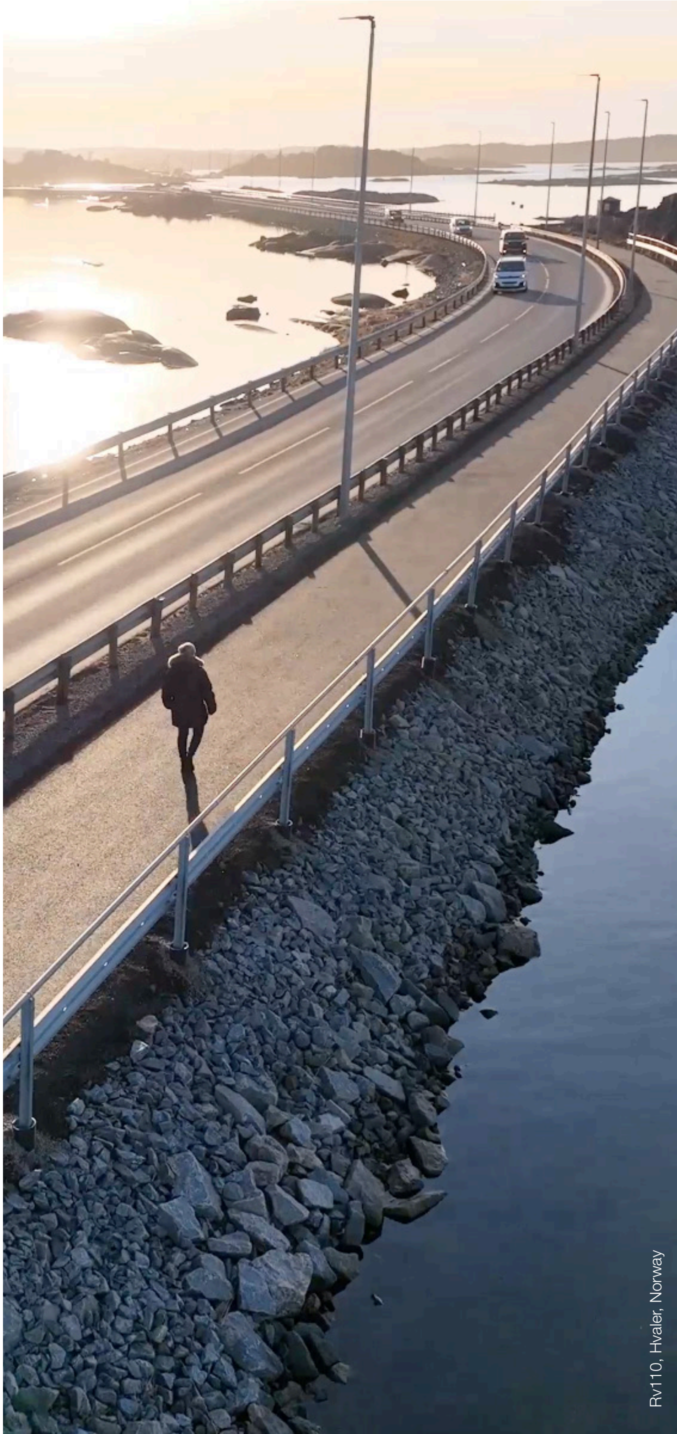
Environmental product lines

To meet the increased demand for products with a low environmental footprint we aim to develop and offer a range of environmental product lines. During 2021 the development of an environmentally friendly guardrail product family was initiated. The project is supported by EU subsidies. Over the next years, we will identify the products and services that make a measurable positive impact to our priority SDGs and set goals to increase our impact.

Read more about the project in our ESG report.

Environmental Product Declarations

EPD declarations are increasingly requested by customers, and we are working to have EPDs on as many products as possible. In 2021 we have defined a uniform EPD solution for the business areas Road Restraint Systems and Light Poles and Masts in Norway and Sweden.



Rv110, Hvaler, Norway

Social

Safety at the core of the company culture

We do not compromise on safety. All our employees should come safe home every day. In Saferoad we have a zero accidents culture, meaning our "vision zero" mindset is applied to work related accidents and injuries.

We do not compromise on safety. Our aim is that all employees comes home safely every day and we work to maintain a strong safety culture, with a "vision zero" mindset towards work related accidents and injuries.

Therefore, we have a group-wide Health & Safety program. The 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.

In 2021, the numbers of incidents resulting in absence from work were reduced both in absolute terms (LTI) as well as relative to the actual work hours (H1rate) involved. The Group has further strengthened its efforts to implement preventive mitigating measures to continue decreasing the number of incidents in the future. Read more about the efforts in our ESG Report for 2021.Our KPIs are guided by the GRI standards for sustainability reporting.

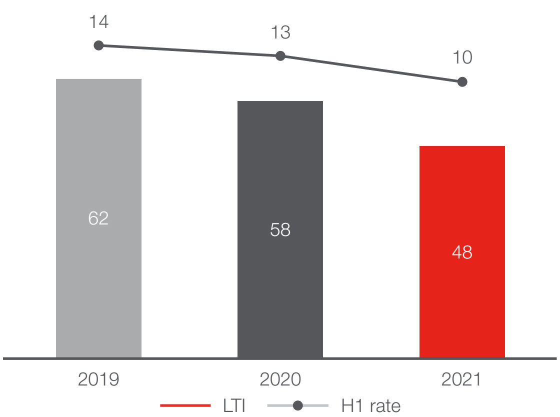
KPIs	2021
H1	48 (T<55)
LTI	10 (T<13)
Sick absence	5.2 %
eNPS score	23.5
eNPS negative BUs	4
ESG leadership	Several initiatives. See page 35

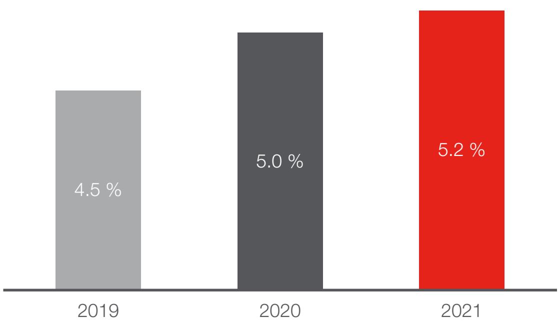
Development H1 and LTI

The H1 rate for 2021 was 10 (T<13), decreasing from 13 in 2020. LTI for 2021 was 48 (T<55), a decrease by 10 accidents compared to 2020, due to increased focus on HSE in the production facilities as well as on site working environments.

Sick absence rate

The Group works actively to reduce the sick absence rate and has established routines to closely follow-up employees on sick leave to facilitate their prompt return to work. In 2021, the sick absence rate was 5.2 per cent, an increase from previous year, mainly attributed to a spike in sick absence related to local and national restrictions due to Covid-19.





Annual Employee Net Promoter Score Survey (eNPS)

Through our annual eNPS survey we keep track of the employee satisfaction and collect feedback to identify areas of improvement. Based on the results of the survey, action plans are created and followed-up in dialogue with the employees on all levels of the company.

The overall eNPS score was 23.5 in 2021, compared to 24.9 in 2020. There were four units in the Group with negative scores in 2021. These have been addressed with a thorough follow-up process following the survey to help identify improvement areas jointly between management and employees. This has resulted in specific action plans that will be followed up through the year. Read more about this in our ESG report for 2021.

Equal opportunities

Saferoad'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 industry is low. At year end 2021, 84 per cent of the total employees in the Group were male and 16 per cent female. The number of female employees has remained stable compared to 2020. There were no female members in the Group management team.

At year end 2021, the Board of Directors of Saferoad Holding AS had eight members, of which one female.

Saferoad believes in diversity and continuously work to increase this in our recruitment processes as well as ensuring an including and open work culture and opportunities for all. In 2021 the Group and several of the companies actively communicated the support to LGBTQ rights during a campaign connected to Pride. Read more about this in the ESG report for 2021.

Labour relations

The knowledge, competence and capacity of Saferoad's employees make them the Group's most important asset. Therefore, Saferoad takes its employees' interests seriously and respect the rights of individuals. Saferoad respects the UN Declaration of Human Rights and International Labour Organization (ILO) standards.

Employees are entitled to be represented on the company's governing bodies. Representatives are elected by and from the employees. The co-operation between the company's management and the employees' labour unions is systematic and good, and it is based on a well-established structure, where various committees meet regularly. Rules have been adopted for what processes and decisions representatives elected by the employees shall be involved in. The representatives are paid by the company. In 2021, two of the members of the board of Saferoad Holding AS were representatives elected by the employees.

Customer satisfaction

Strong customer relationships are essential to our success and our vision is to be a trusted voice to tackle global transformations. We work towards our vision by delivering services that meet our customers' needs, helping them solve problems, make the most of their opportunities and, ultimately, enhance their own business success. We believe that a customer-centred approach – one that delivers excellent customer experiences and creates close, value-adding relationships – leads to competitive advantage. Each of our business areas are tasked with strengthening customer relationships and maintaining high customer satisfaction. To measure the satisfaction and loyalty of the customers, an annual Customer Net Promoter Score Survey (cNPS) is carried out in all business units. In 2021 we expanded the execution of this survey to a broader customer base across the companies within the Group. The overall cNPS score for the Group was 46.1 2021. An increase from 29 in the year before.

Governance and transparency
Ensuring ethical business conduct

The Group considers good corporate governance a prerequisite for value creation, trust and access to capital. Our corporate governance policy is built on our core values of care, drive and integrity, and is designed to establish the fundamental basis for a management model that supports the achievement of the Group's objectives. This lays the foundation for how we realise our commitment to being a responsible business that benefits our employees, customers, and the wider society. Saferoad is incorporated and registered in Norway and is subject to Norwegian law.

We have ambitious targets for our ESG efforts, and this requires giving it continuous attention and improvement. In this context, we keep ourselves and our employees updated, conduct live trainings on ethics and anti-bribery with our management teams, in addition to an online training programme that has been made available to all employees and is an integrated part of our Corporate Compliance Program.

Corporate Compliance Program

Our values form the basis for Saferoad's code of conduct, which outlines the key principles for Saferoad's operations with regards to business ethics and the impact on environment and society overall.

The Code of Conduct, together with Saferoad's policy for anti-bribery, competition compliance, data protection, trade sanctions and whistleblowing form Saferoad Corporate Compliance Program. The Corporate Compliance Program applies to all employees, contracted consultants and board members. The aim of the program is to assist Group companies and individual employees to comply with applicable law and business ethics.

Should an employee become aware of any circumstance that may violate the Code of Conduct, they are expected to report the issue to their closest manager or through the Group's whistleblowing system. Violation of the Code of Conduct will not be tolerated and may result in internal disciplinary proceedings, dismissal or even prosecution.

Anti-bribery

Saferoad has a zero-tolerance approach to bribery and corruption in any shape or form and is committed to act professionally, with high ethical standards. All companies shall make active efforts to prevent undesirable conduct and ensure that the employees are capable of dealing with difficult situations.

Vestkorridoren, Sandvika, Norway

A transparent and sustainable supply chain

We work to build good partnerships with suppliers through fair trading in line with laws and regulations on procurement and with the highest international ethical business standards. Therefore, we ask suppliers to consider ESG carefully in accordance with international standards and principles for responsible businesses. In 2021, we have increased our focus on the supply chain by rolling out a new follow-up process towards all critical suppliers across the Group.

The Group's policy is to pre-qualify all potential suppliers in accordance with established evaluation criteria. The relations are to be based on mutual respect, sound ethical business practices and credibility. We will provide correct, clear and credible information and treat suppliers impartially.

Efforts to influence suppliers should be based on an ambition of continuous improvement and should focus on the suppliers and product categories where the risk is deemed to be greatest. Procurement activities are to be conducted within the framework of Saferoad's code of conduct and within applicable laws and regulations. Our suppliers must confirm that they meet the regulations put forward by the UN, the ILO conventions and other relevant organisations. In 2021, all suppliers with an annual spend exceeding NOK 100 thousand was screened. Saferoad acknowledges human rights in all areas.

KPI	2021
Supply chain management	Completed risk-based analysis as a basis for further implementation, screened all major suppliers
Business units implemented supplier Code of Conduct	Established stand-alone supplier CoC
Digital Supplier Self-Assessment	Developed digital supplier self-assessment process
Mitigating plans agreed with critical suppliers with low score on Supplier Self-Assessment	Developed follow-up process for defining mitigating action plans for low scoring suppliers

Competition

We believe in free and fair competition and do not tolerate any agreement on price fixing, market sharing, abuse of dominant positions or other activities that limit free competition. The Group supports the principles stipulated by the TFEU and EEA agreement and aims to comply fully with national and international law.

Trade sanctions

Trade sanctions and embargoes restrict dealings with specific individuals, entities, and governments, and are usually related to foreign affairs, national security, or human rights objectives. We aim to comply with trade sanction laws and regulations published by the United Nations, the USA, and the European Union. The Group has developed a Trade Sanctions Manual, containing specific instructions and action points, as well as updated lists of countries that could present issues, and recommendations with regards to risk-based due diligence.

Ensure ethical business conduct

In 2021 an increased focus on ethical busines conduct has been rolled out through awareness trainings within ESG, cyber security and new requirements for whistleblower channels.

For more information about the training programmes, see our ESG Report for 2021.

KPIs	Achievements 2021
ESG training	Awareness training through #taketheball campaign, standardized ESG onboarding training for all employees
Cyber awareness training	50% of employees completed cyber awareness training
Electronic whistleblower	Prepared for adaption of WB-channels to comply with new EU directives

Data protection/GDPR

The Group process personal data on a daily basis and individuals' privacy and the security of personal data is important for us. Our data protection manual outlines the main aspects of handling, collecting and storing personal data in line with national and international legislations, including the GDPR directive.

The Group offer employees introduction courses to the corporate compliance program. Business ethics and compliance is also a recurring topic in our Group management meetings.

Whistleblowing

Employees are encouraged to raise their concerns if they discover matters that negatively affect the company's vital interests or the health and safety of individuals. To ensure that concerns can be reported without a threat of retaliation or discrimination, an encrypted reporting tool from an independent external provider are available to all employees and external parties. An own compliance group is responsible for acting on issues reported through the whistleblowing system.

Details of the various policies can be downloaded from www.saferoad.com.

The corporate governance framework

Our values – care, drive and integrity – express the Group's shared expectations to its employees, beliefs and the Group's code of conduct. In sum, the values shape the character of the organisation, guide decisions and actions and provide a framework for our interaction and communication with customers and stakeholders.

To ensure compliance with legislations and regulations across the Group, we have defined a corporate compliance programme that includes guidelines and policies on competition compliance, anti-bribery, trade sanctions, data protection and whistleblowing. The corporate compliance programme and code of conduct apply to all employees and representatives, including contracted consultants and board members.

The programme, which is considered an integral part of day-to-day operations, has been developed over several years, and the current version of the programme was mainly adopted by the Board of Saferoad Holding AS in 2018 and some amendments following 2018 which were implemented in 2019. The revised Whistleblower policy was adopted and implemented in 2020. The code of conduct and the related policies set the standard for what type of behaviour is expected – internally among colleagues, and externally towards partners and suppliers, customers and other stakeholders. The common approach and integrity of conduct are considered vital to inspire trust, loyalty, and responsible behaviour in the company.

In addition, it should prevent any legal violations or other negative financial, legal or reputational consequences for Saferoad. Employees are requested to report any concerns and complaints through the chain of command, directly to members of the company's compliance team, or via the external whistleblowing channel.

Violation of the code of conduct will be subject to disciplinary proceedings, including possible dismissal, as well as potential criminal prosecution. We strive to make our code of conduct known to its customers, suppliers, competitors and partners. The Group's code of conduct, CSR Guidelines and corporate compliance programme are available on www.saferoad.com. In 2020, a corporate governance e-learning was rolled out towards key employees and had a completion rate of 93 per cent. This is part of the onboarding of new employees.

The Board of Directors; Composition and independence

The Board of Directors should represent a diversity in expertise and capacity appropriate to attend to our goals and main challenges. The chairman of the Board of Directors is elected by the general meeting. The board members are elected for a period of two years and board members can be re-elected.

The work of the Board of Directors

The overall management of the company is vested with the Board of Directors and management. In accordance with Norwegian law, the Board of Directors is responsible for, e.g., supervising the general and day-to-day management of the company's business, ensuring proper organisation, preparing plans and financial targets for its activities, ensuring that the company's activities, accounts and asset management are subject to adequate control, and for undertaking investigations necessary to perform its duties.

Furthermore, the Board of Directors determines the Group's overall objectives and strategy, in addition to hiring the leading employees and determining the terms and conditions of their employment. CEO instructions are revised on an annual basis. The Board of Saferoad Holding AS conducted 11 meetings in 2021.

Remuneration of the Board of Directors

The Board of Directors of Saferoad Holding AS received remuneration for their work in the Board in 2021. The Board of Directors own shares in other companies in the ultimate parent SRH BridgeCo Group. The Chairman and the members of the Board have no agreements for further compensation due to termination or changes in the position. Please refer to note 10 in the financial statements for more information on remuneration and share ownership of the Board of Directors.

Remuneration of Executive Management

The Group's executive management is paid a fixed salary that reflects the education, experience, geography, responsibility and qualifications of each individual. In addition to their fixed salary, some executive personnel can receive a variable bonus. The Board of Directors set the targets for the Group CEO and the Group CEO establish targets for executive management. Please refer to note 10 in the financial statements for more information.

Management Incentive Program

The expertise and knowledge of our employees are important for our development. In connection to the take-over by FSN Capital in 2018, a Management Incentive Program was introduced, that enable employees to invest in the company.

Risk management and internal control

The Board of Directors is responsible for ensuring that the company's risk management and internal control systems are adequate to ensure compliance with the regulations and legal frameworks governing the business. The Board of Directors reviews the company's main risk areas and internal control systems on an annual basis, including our values, Code of Conduct, and corporate responsibility.

To provide a true and fair view of the company's and Group's assets, liabilities, financial position, and results from operations, we prepare our consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). In 2021, the Board of Directors received reports on the Group's business and financial results on a monthly basis. The reports provided a good overview of the company's strategic and operational performance, as well as plans for the upcoming period.

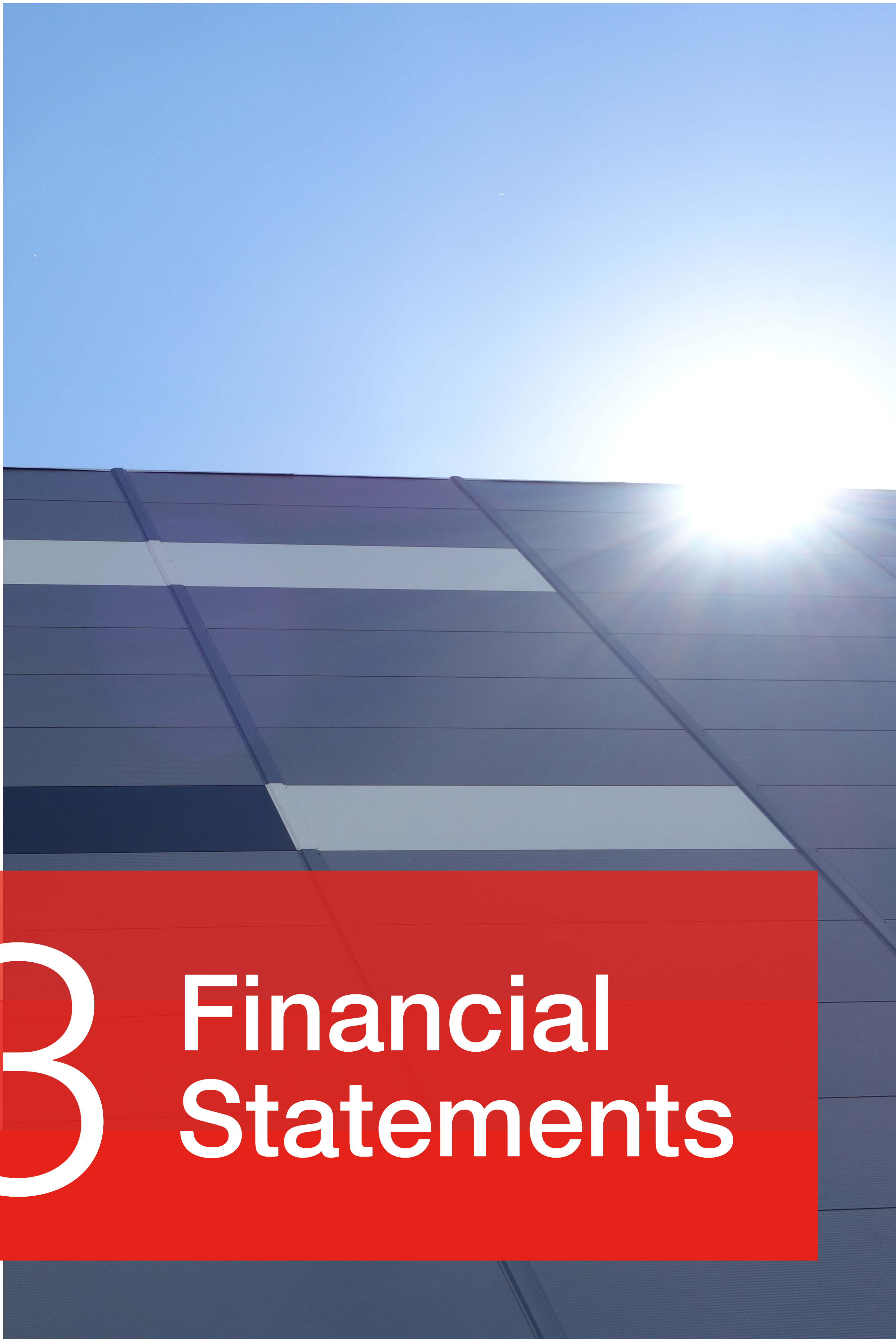
As a European supplier of road safety products and solutions, we are exposed to a range of financial and operational risks, which may adversely affect the company's business. Further information regarding risk management is disclosed in the Board of Directors' report on the pages 23 to 24.

With their knowledge, competence, and capacity, our employees are the company's most important asset in our purpose to make life on the road safer. The Board of Directors strives to promote the health and wellbeing of its employees. Considerable part of the Group's activities places employees alongside roads or on production sites, and job-related injuries is therefore monitored closely.

Auditor

Ernst & Young is appointed as the Group's statutory auditor. The Board of Directors has received written confirmation from the auditor, which confirms that requirements with respect to independence and objectivity have been met. Each year, the statutory auditor presents a plan for their main auditing activities, including focus areas and audit scope for the coming year, to the Board of Directors. The presentation includes identification of weaknesses, and proposals for improvements.

The auditor also participates in the board meeting where the company's financial statements are addressed, to highlight any material changes to accounting principles and to comment on any material estimations or topics where there is a significant difference of opinion between the auditor and management.



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Consolidated statement of comprehensive income 1.1.-31.12.

NOK 1000	Notes	2021	2020
Revenue		**5 718 522**	5 224 771
Other operating revenue		**47 393**	33 382
Total operating revenue	6, 7	**5 765 915**	5 258 153
Cost of goods sold	8	**3 086 365**	2 772 165
Personnel costs	10, 11	**1 398 305**	1 314 163
Depreciation and impairment property, plant and equipment	14	**134 888**	123 734
Depreciation and impairment right of use assets	15	**112 347**	118 545
Amortisation and impairment	16	**43 776**	41 650
Other operating costs	9	**725 923**	629 802
Total operating costs		**5 501 604**	5 000 060
Operating profit/(loss)		**264 311**	258 094
Financial income	12	**6 814**	14 289
Financial expenses	12	**154 546**	167 575
Net exchange rate gain/(loss)	12	**(15 022)**	(3 215)
Share of profit/(loss) of associated companies	5, 12	**123**	148
Net financial income/(expenses)		**(162 631)**	(156 353)
Profit/(loss) before tax		**101 680**	101 741
Tax	13	**7 957**	2 554
Profit/(loss) for the year		**109 637**	104 295
OTHER COMPREHENSIVE INCOME			
Items to be reclassified to profit/loss in subsequent periods			
Exchange differences on translation of foreign operations		**(54 426)**	94 514
Exchange differences on loans treated as net investments		**(696)**	(27 495)
Items not to be reclassified to profit/loss in subsequent periods			
Remeasurement of net defined benefit liability	11, 13	**721**	177
Other comprehensive income for the year, net of tax		**(54 402)**	67 196
Total comprehensive income for the year		**55 235**	171 491
Profit/(loss) for the year attributable to:			
Equity holders of the parent company		**108 370**	101 944
Non-controlling interests		**1 267**	2 351
		109 637	104 295
Total comprehensive income attributable to:			
Equity holders of the parent company		**54 257**	170 371
Non-controlling interests		**978**	1 119
		55 235	171 491

Consolidated statement of financial position (assets)

NOK 1000	Notes	31.12.2021	31.12.2020
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Development	16	**84 562**	84 776
Licenses, product rights etc.	16	**1 332**	1 426
Goodwill	16	**412 610**	416 054
Customer relationships	16	**121 602**	140 875
Other intangible assets	16	**10 687**	10 484
Total intangible assets		**630 793**	653 616
Tangible assets			
Land	14	**33 308**	36 592
Buildings	14	**278 432**	235 531
Machines and equipment	14	**373 297**	427 546
Construction in progress	14	**12 001**	353
Rental equipment, furniture and vehicles	14	**130 301**	134 888
Right-of-use assets	15	**318 713**	373 507
Total fixed assets		**1 146 052**	1 208 418
Financial non-current assets			
Investment in associated companies	5	**1 367**	1 342
Other investments	5, 20	**717**	669
Non-current receivables		**17 022**	16 600
Total financial assets		**19 106**	18 611
Deferred tax assets	13	**55 761**	37 697
Total non-current assets		**1 851 713**	1 918 342
CURRENT ASSETS			
Inventories	8	**1 041 220**	705 611
Receivables			
Trade receivables	19	**729 630**	655 054
Other receivables	7, 21	**404 773**	381 323
Total receivables		**1 134 403**	1 036 376
Cash and cash equivalents	22	**502 378**	574 291
Total current assets		**2 678 001**	2 316 278
Total assets		**4 529 714**	4 234 620

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	**25 766**	25 766
Share premium	26	**385 469**	1 523 879
Currency translation reserve		**(11 591)**	43 242
Other equity		**(3 515)**	(112 606)
Total shareholders' equity attributable to the shareholders of the parent company		**396 129**	1 480 281
Non-controlling interests	26	**6 781**	5 803
Total equity		**402 910**	1 486 085
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	19, 20, 23, 27	**2 710 007**	0
Other non-current liabilities	18, 19, 20, 23, 27	**241 617**	1 526 891
Pension obligations	11	**46 452**	51 960
Deferred tax liabilities	13	**19 713**	27 750
Other provisions	17	**8 913**	30 434
Total non-current liabilities		**3 026 702**	1 637 035
Current liabilities			
Liabilities to credit institutions	23	**1 190**	4 596
Accounts payables		**526 948**	418 635
Current tax liabilities	13	**7 590**	15 849
Public duties (VAT, social benefits etc.)		**153 892**	153 771
Other current liabilities	7, 18, 25	**310 917**	418 841
Other provisions	17	**1 694**	1 670
Current portion of non-current liabilities	23	**97 868**	98 138
Total current liabilities		**1 100 101**	1 111 500
Total liabilities		**4 126 803**	2 748 535
Total shareholders' equity and liabilities		**4 529 714**	4 234 620

Oslo, 26 April 2022

The Board of Saferoad Holding AS

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Patrik Nolåker Chairman	Elke Elfriede Eckstein Board member	Ulrik Smith Board member
DocuSigned by: Niclas Thiel 3036E66003F94A8...	DocuSigned by: Moritz Madlener 2FFDAC52E0DF4DC...	DocuSigned by: Knut Brevik 08BF29E88B0A493...
Niclas Thiel Board member	Moritz Madlener Board member	Knut Brevik Board member
DocuSigned by: A0DAFE6005CC400...	DocuSigned by: Espen Asheim 550DAFE0CEB8444...	
Jan Torgeir Hovden Board member	Espen Asheim CEO	

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	13 333	1 512 054	(25 008)	(208 847)	1 291 532	17 269	1 308 802
Capital increase	12 433	11 825			24 258		24 258
Dividends to shareholders and non-controlling interests					0	(1 328)	(1 328)
Group contribution				(5 058)	(5 058)		(5 058)
Buy-out/transaction non-controlling interests				(822)	(822)	(11 258)	(12 080)
Profit/(loss) for the year				101 944	101 944	2 351	104 295
Other comprehensive income net of tax:							
Actuarial gain/(loss)				177	177		177
Exchange differences on translation of foreign operations			95 746		95 746	(1 232)	94 514
Exchange differences on loans treated as net investments			(27 495)		(27 495)		(27 495)
Total other comprehensive income net of tax	0	0	68 251	177	68 428	(1 232)	67 196
Total comprehensive income	0	0	68 251	102 121	170 371	1 119	171 491
Equity at 31.12.2020	25 766	1 523 879	43 242	(112 606)	1 480 281	5 803	1 486 085
Dividends to shareholders and non-controlling interests		(1 138 410)			(1 138 410)		(1 138 410)
Profit/(loss) for the year				108 370	108 370	1 267	109 637
Other comprehensive income net of tax:							
Actuarial gain/(loss)				721	721		721
Exchange differences on translation of foreign operations			(54 138)		(54 138)	(289)	(54 426)
Exchange differences on loans treated as net investments			(696)		(696)		(696)
Total other comprehensive income net of tax	0	0	(54 834)	721	(54 113)	(289)	(54 402)
Total comprehensive income	0	0	(54 834)	109 091	54 257	978	55 235
Equity at 31.12.2021	25 766	385 469	(11 591)	(3 515)	396 129	6 781	402 910

On 20 February 2020, a share split of Saferoad Holding AS's total 66 666 667 shares was adopted. Each share was split in 1.89 shares. The share capital after the split consisted of 126 107 798 shares at nominal value NOK 0.10572965 per share.

On 20 February 2020, a share capital increase by fund issue was adopted. The share capital was increased by NOK 11.9 million by increasing the face value per share from NOK 0.10572965 to NOK 0.20. The share capital after the capital increase was NOK 25.2 million divided by 126 107 798 shares at nominal value of NOK 0.20 per share.

On 20 February 2020, two classes of shares were established in Saferoad Holding AS. Class A shares consist of 25 313 719 common shares and class B shares consist of 100 794 079 preference shares. Each of the common shares and the preference shares carry one vote at the general meeting and have equal voting rights. However, unequal distributions may be made to the different share classes, and preference shares shall have a preferred right to distributions before distributions on the common shares. Further, preference shares shall have a preferred right to receive distributions in accordance with the Saferoad Holding AS's distribution policy.

On 20 February 2020, a share capital increase by conversion of a receivable held by MgmtCo Saferoad AS was adopted. The share capital was increased by NOK 0.5 million by the issuance of 1 361 790 class A shares (common shares) and 1 361 790 class B shares (preference shares), each with a nominal value of NOK 0.20 per share.

On 8 November 2021, a dividend distribution of NOK 1 138.4 million was made to the shareholders of the company.

The share capital of NOK 25.8 million in Saferoad Holding AS as of 31 December 2021 consists of 26 675 509 class A shares (common shares) and 102 155 869 class B shares (preference shares), in total 128 831 378 shares, with nominal value of NOK 0.20 per share.

Consolidated cash flow statement

NOK 1000	Notes	2021	2020
Cash flow from operations			
Profit/(loss) before tax		**101 680**	101 741
Income tax paid		**(48 435)**	(26 531)
Profit from sale and disposal of tangible assets		**(22 899)**	(11 473)
Loss on sale of tangible assets		**742**	626
Net depreciation, amortisation and impairment	14, 15, 16	**291 260**	283 929
Impairment of inventory	8	**2 918**	14 060
Net currency (gains)/losses not relating to operating activities		**33 290**	(19 467)
Interest income and other financial income	12	**(6 807)**	(14 289)
Interest costs and other financial expenses	12	**154 546**	167 575
Changes in inventory	8	**(343 213)**	101 504
Changes in trade receivable	19	**(92 622)**	(33 746)
Changes in accounts payable		**117 260**	18 309
Income from using equity method	5	**(123)**	(148)
Changes in other current receivables and liabilities		**(84 510)**	3 856
Net cash flow from operations		**103 087**	585 947
Cash flow from investment activities			
Interest received	12	**6 807**	13 495
Acquisition of subsidiaries	4	**(25 637)**	(22 399)
Buy-out of non-controlling interests and payments for acquired shares	18	**(7 690)**	(24 755)
Purchase/production of fixed and intangible assets	14, 15, 16	**(181 407)**	(235 803)
Proceeds from sale of fixed assets		**31 894**	15 607
Other changes		**(789)**	1 694
Net cash flow from investment activities		**(176 822)**	(252 160)
Cash flow from financing activities			
Proceeds from borrowings		**2 709 274**	250 625
Repayment of borrowings		**(1 238 412)**	(253 894)
Group contribution to group companies outside the Saferoad Group		**(5 058)**	0
Dividends to shareholders and non-controlling interests		**(1 138 410)**	(1 328)
Repayment of financial lease liabilities		**(131 857)**	(142 132)
Interest paid		**(176 660)**	(111 060)
Net cash flow from financing activities	24	**18 878**	(257 790)
Net increase/(decrease) in cash and cash equivalents		**(54 857)**	75 997
Effect of exchange rate differences on cash and cash equivalents		**(15 221)**	13 374
Cash and cash equivalents at beginning of the period		**572 456**	483 084
Cash and cash equivalents at the end of the period		**502 378**	572 456
Cash and cash equivalents at the end of the period in statement of financial position	22	**502 378**	574 291
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		**502 378**	572 456

Notes to the consolidated financial statements for Saferoad Group

Note 1 Company information

Saferoad Holding AS is a limited liability company, which is domiciled in Oslo with its registered office, Enebakkveien 150, 0680 Oslo, Norway.

Saferoad Holding AS is the holding company of the Saferoad Group. 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 10 in Saferoad Holding 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.

The ultimate parent of Saferoad Group is SRH BridgeCo AS, and Saferoad Group is part of SRH BridgeCo Group together with Viacon Group. Saferoad Group has transactions with other companies in SRH BridgeCo Group, including the sister group ViaCon, which is described in note 29. These transactions are called transactions with group companies in the Financial statements for Saferoad Group.

These consolidated financial statements have been approved for publication by the Board of Directors on 26 April 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, Saferoad Holding 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 Saferoad Holding AS for further details.

For effects related to future IFRS amendments reference is made to note 32.

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

Consolidation principles and business combinations

The consolidated financial statements include Saferoad Holding AS and all companies in which Saferoad Holding 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.

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 are 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 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, barriers, 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.) are 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.
The goods and services are combined into one performance obligation when the installation services are complex and modify or significantly customise the products and/or whether the Group is delivering goods and services which are highly integrated into one combined output. When this is not the case, the goods and services sold constitute separate performance obligations; e.g. goods and installation.
Revenue is recognised over time, provided that the Group's performance either creates or enhances an asset that the customer controls as the asset is created or enhanced, or the Group's performance does not create an asset with alternative use and the Group has an enforceable right to payment for performance completed to date, or the customer consumes the benefits of the work as the Group performs.

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 are 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 is 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.

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

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

Capitalised development cost is amortised over its expected useful life and tested for impairment annually. The expected useful life for 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.
The Group does not apply hedge accounting.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, which are the main part of the Group's financial assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group's provisions are based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

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

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

Segment information
Segment information is presented in line with the Groups internal reporting to the chief operating decision makers (Group Management). The 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.

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 412.6 million (NOK 416.1 million as of 31 December 2020). The Saferoad 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 30 April 2021, the Saferoad Finland Oy acquired the company KaideKanerv Oy and the subsidiary Kanerva Oy Kaide ja Kuljetus including the subsidiary Teedemeister Oy Suomi, all included in Road Safety segment.

Acquired company	**KaideKanerv Oy**	**Total** NOK 1000
Acquisition made by subsidiary	Saferoad Finland Oy	
Total consideration for the shares	39 813	**39 813**

KaideKanerv Oy was acquired for a total estimated consideration of EUR 4.0 million (NOK 39.8 million) for 100 per cent of the shares. KaideKanerv Group operates within the Road Safety segment, and the acquisitions are expected to strengthen further growth in the Road Safety segment and strengthen the Group's position in the Finnish market.

The consideration is mainly allocated into machinery and plant, inventories, trade accounts receivables, cash and current liabilities. The consideration for the shares acquired consisted of cash consideration.

The acquired business contributed revenues of NOK 90.2 million and profit/(loss) of NOK 7.8 million to the group for the period from 1 May to 31 December 2021.

If the acquisition had occurred on 1 January 2021, consolidated accounts for 2021 revenue and profit/(loss) would have increased with around NOK 104 million and NOK 6 million, respectively.

Acquisition cost of NOK 1.5 million are expensed in 2021.

Acquisitions in 2020

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

Acquired 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 Road Safety segment, 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 mainly 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 and NOK (1.7) million, respectively. Acquisition cost of NOK 0.5 million are expensed in 2020.

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

There were no material divestments in 2020.

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)

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%	

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	-	**10 832**
Profit/(loss) (01.01. - 31.12.)	376	(172)	**204**
Ownership	50%	49%	

Note 6 Segment information

Segment structure

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

- Road Safety
- Signs & Work Zone Protection
- Light Poles & Masts
- Road Services
- Other businesses
- Holding/Eliminations

The two reporting segments in 2020, Road Safety Europe and Road Restraint Systems Nordic were merged into Road Safety for internal reporting purposes in 2021.

The operating segments are unchanged in 2022, but some units are transferred between segments. The main changes are that the two entities Saferoad Grawil Sp.z.o.o and Saferoad Kabex Sp.z.o.o are transferred from Road Safety to Road Services, formerly Road Marking Nordic while Saferoad Pomerania Sp.z.o.o are transferred from Other businesses to Road Safety.

The descriptions and tables below follow the structure of internal reporting segment from 2022. Comparable figures are restated. See note 30 for segment reporting following the structure of internal reporting for 2021.

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. Saferoad's offering includes design, manufacturing, delivery, installation and repair. Road Safety consists of legal entities in Norway, Sweden, Finland, United Kingdom, Germany, Poland, Romania, the Netherlands, Slovakia and Czech Republic.

Signs & Work Zone Protection

Signs & Work Zone Protection offer a complete range of traffic signs, technical solutions, variable message signs, LED, gantries, posts and work zone protection services. Signs & Work Zone Protection consists of legal entities in Norway, Sweden and Denmark.

Light Poles & Masts

Light Poles, Masts & Other design and manufacture a complete range of light poles and masts for all application areas. The main purpose of street lighting is to improve the safety of the travelling public and to improve the sense of security in the areas where residents live and work. Rock Protection Equipment and Marina Products are also included in the Light Poles & Masts segment. Light Poles & Masts consists of legal entities in Norway, Sweden and Romania.

Road Services

Road Services offer a wide range of road services, including application of road marking for guidance and safety and road maintenance services. Our road marking range is customised to meet customers' requirements concerning durability, quality and safety. Road maintenance services includes winter maintenance, greenery, road patrolling and traffic safety. Road Services consists of legal entities in Norway, Sweden, Denmark and Poland.

Other businesses

Other businesses offer an intelligent, sustainable and aesthetic range of products that creates safe and functional urban areas through street furniture. Other businesses consist of legal entities in Norway and Sweden.

Holding/Eliminations

The Holding/Eliminations 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	**2 880 709**	2 570 665
Signs & Work Zone Protection	**1 303 465**	1 213 931
Light Poles & Masts	**786 440**	735 498
Road Services	**794 807**	710 928
Other businesses	**202 505**	214 677
Holding/Eliminations	**(216 998)**	(187 584)
Underlying operating revenue	**5 750 927**	5 258 114
Adjustments [1)]	**14 988**	39
Reported operating revenue	**5 765 915**	5 258 153

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

Underlying personnel costs

NOK 1000	2021	2020
Road Safety	**(468 278)**	(440 115)
Signs & Work Zone Protection	**(460 370)**	(402 340)
Light Poles & Masts	**(235 486)**	(222 762)
Road Services	**(162 911)**	(158 738)
Other businesses	**(71 644)**	(71 621)
Holding/Eliminations	**(33 317)**	(38 860)
Underlying personnel costs	**(1 432 007)**	(1 334 436)
Classification adjustments [2)]	**36 698**	28 712
Adjustments [1)]	**(2 996)**	(8 440)
Reported personnel costs	**(1 398 305)**	(1 314 163)

[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	**(188 068)**	(160 493)
Signs & Work Zone Protection	**(146 291)**	(124 851)
Light Poles & Masts	**(73 378)**	(65 908)
Road Services	**(74 002)**	(72 601)
Other businesses	**(24 013)**	(22 907)
Holding/Eliminations	**(25 941)**	(31 645)
Underlying other operating costs	**(531 693)**	(478 404)
Classification adjustments [2)]	**(146 598)**	(142 070)
Adjustments [1)]	**(47 631)**	(9 329)
Reported other operating costs	**(725 923)**	(629 802)

[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	**269 293**	245 842
Signs & Work Zone Protection	**148 405**	141 804
Light Poles & Masts	**128 609**	121 677
Road Services	**84 735**	95 672
Other businesses	**29 992**	32 320
Holding/Eliminations	**(70 071)**	(74 209)
Underlying EBITDA	**590 962**	563 106
Adjustments[1)]	**(35 639)**	(21 083)
Reported EBITDA	**555 323**	542 023
Depreciation and impairment	**(247 235)**	(242 279)
Amortisation and impairment	**(43 776)**	(41 650)
Reported operating profit/(loss)	**264 311**	258 094

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

Operating revenue split by geographical areas

NOK 1000	2021	2020
Norway	**1 576 949**	1 434 269
Sweden	**1 217 706**	1 087 402
Denmark	**332 032**	376 064
Poland	**593 418**	454 028
Germany	**974 732**	999 132
United Kingdom	**362 258**	311 351
Other	**708 820**	595 907
Total operating revenue	**5 765 915**	5 258 153

NOK 1000	2021	2020
Sales revenue - products	**4 240 476**	3 939 188
Sales revenue - services	**1 478 045**	1 285 584
Other revenue[1)]	**47 393**	33 382
Total operating revenue	**5 765 915**	5 258 153

[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

Saferoad offers a broad assortment of products and solutions to the road safety 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 reporting from 2022, see note 6 for a detailed description of the reporting segments. Comparable figures for 2020 have been restated accordingly. See note 30 for reporting following the structure of internal reporting for 2021.

2021

NOK 1000	Road Safety	Signs & Work Zone Protection	Light Poles & Masts	Road Services	Other businesses	Holding/ Eliminations	Total
Major product/service lines							
Road restraint systems	2 326 584	43 102	0	12 833	0	0	**2 382 519**
Signs & work zone protection	20 829	1 051 339	0	5 841	0	0	**1 078 010**
Light poles	0	54 045	421 909	0	0	0	**475 955**
Road marking	90 212	0	0	759 996	0	0	**850 208**
Other products/eliminations	457 909	154 898	364 297	16 077	202 505	(216 998)	**978 687**
Revenue from contracts with customers	2 895 534	1 303 385	786 207	794 747	202 505	(216 998)	**5 765 379**

2020

NOK 1000	Road Safety	Signs & Work Zone Protection	Light Poles & Masts	Road Services	Other businesses	Holding/ Eliminations	Total
Major product/service lines							
Road restraint systems	2 065 423	34 540	0	18 847	0	0	**2 118 810**
Signs & work zone protection	19 234	962 112	0	3 118	0	0	**984 463**
Light poles	0	77 716	390 831	0	0	0	**468 547**
Road marking	96 345	0	0	669 021	0	0	**765 366**
Other products/eliminations	389 457	139 531	344 454	19 885	214 677	(187 584)	**920 420**
Revenue from contracts with customers	2 570 459	1 213 899	735 285	710 871	214 677	(187 584)	**5 257 606**

Below are further description of the products and solutions within each major 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.

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.

Light poles are designed, developed, produced and distributed by Saferoad, 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.

Other products/eliminations: Other products include street furniture, rail and power poles, rock support products, marina systems and noise protection systems. Eliminations are 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	Signs & Work Zone Protection	Light Poles & Masts	Road Services	Other businesses	Holding/ Eliminations	Total
Underlying operating revenue	2 880 709	1 303 465	786 440	794 807	202 505	(216 998)	**5 750 927**
Adjustments [1]	14 988	0	0	0	0	0	**14 988**
Reported operating revenue	2 895 697	1 303 465	786 440	794 807	202 505	(216 998)	**5 765 915**
Rental income	163	80	233	60	0	0	**536**
Revenue from contracts with customers	2 895 534	1 303 385	786 207	794 747	202 505	(216 998)	**5 765 379**

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

2020

NOK 1000	Road Safety	Signs & Work Zone Protection	Light Poles & Masts	Road Services	Other businesses	Holding/ Eliminations	Total
Underlying operating revenue	2 570 665	1 213 931	735 498	710 928	214 677	(187 584)	**5 258 114**
Adjustments [1]	39	0	0	0	0	0	**39**
Reported operating revenue	2 570 704	1 213 931	735 498	710 928	214 677	(187 584)	**5 258 153**
Rental income	245	31	213	57	0	0	**547**
Revenue from contracts with customers	2 570 459	1 213 899	735 285	710 871	214 677	(187 584)	**5 257 606**

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

Contract balances

NOK 1000	31.12.2021	31.12.2020
Trade receivables	**698 126**	612 138
Contract assets	**214 572**	144 978
Contract liabilities	**51 937**	18 591

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	**3 083 447**	2 758 105
Write-down of inventories	**2 918**	14 060
Total cost of goods sold	**3 086 365**	2 772 165

Inventories

NOK 1000	Carrying value 31.12.2021	Carrying value 31.12.2020
Raw materials	**434 577**	316 138
Work in progress	**43 026**	27 785
Own produced goods	**414 448**	249 818
Goods purchased for resale	**149 170**	111 871
Total inventories	**1 041 220**	705 611

Note 9 Other operating costs

Other operating costs

NOK 1000	2021	2020
Rent	**13 258**	9 463
Other costs related to premises	**64 273**	49 072
Leases of machinery, equipment, vehicles, fixtures and office machines [1)]	**15 132**	16 058
Direct operating costs (incl. repairs and maintenance)	**209 165**	192 913
Selling and distribution costs	**167 637**	165 719
Fees, external services, office & communication costs	**182 019**	128 044
Membership, insurance, license- and guarantee costs	**34 165**	35 438
Capital losses upon sales of fixed assets	**742**	626
Bad debts	**5 490**	6 771
Other operating costs	**34 042**	25 699
Total other operating costs	**725 923**	629 802

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

NOK 1000	2021	2020
Proposed fee for audit	**8 149**	6 199
Fees for audit previous year	**777**	932
Fees for attestation services	**223**	133
Fees for tax services	**1 629**	2 779
Fees for other services	**1 766**	838
Total fees	**12 544**	10 881
Of which is auditing fees to Ernst & Young	**5 910**	6 038
Of which is other fees to Ernst & Young	**3 197**	3 709

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	**1 140 578**	1 071 372
Social security tax on salaries, pensions, bonuses etc.	**155 912**	142 014
Other personnel expenses	**21 381**	16 717
Pension expenses	**61 294**	59 254
Bonuses	**19 140**	24 807
Total salaries and remuneration	**1 398 305**	1 314 163

There are 2 510 employees in the Group per 31 December 2021 (2 200 last year).

Salaries and remuneration for Board of Directors and Group management

Board of Directors

The Board of Directors in Saferoad Holding AS received a total remuneration of NOK 1.6 million in 2021 (NOK 1.6 million in 2020). The Chairman and the members of the Board have no agreements for further compensation due to termination or changes in the position.

MgmtCo Saferoad AS is a holding company which owns shares in Saferoad Holding AS as part of a management incentive program. The table below sets out the number of shares owned by the Board of Directors per 31 December 2021 in MgmtCo Saferoad AS.

	31.12.2021	31.12.2020
MgmtCo Saferoad AS - Class A shares (common shares)	140 000	175 000
MgmtCo Saferoad AS - Class B1 shares (preference shares)	140 000	175 000
Total	280 000	350 000

CEO

The table below sets out the remuneration for the Group CEO Espen Asheim.

NOK 1000	2021	2020
Salary 1)	5 500	5 008
Bonus 2)	5 214	3 388
Other benefits 3)	211	211
Pension benefits	110	107
Total	11 035	8 714

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 number of shares owned by the CEO in MgmtCo Saferoad AS.

	31.12.2021	31.12.2020
MgmtCo Saferoad AS - Class A shares (common shares)	35 000	35 000
MgmtCo Saferoad AS - Class B1 shares (preference shares)	35 000	35 000
Total	70 000	70 000

There are no loans or share-based payments from the company to Group CEO or Board of Directors.

Salaries and remuneration to Group management excl. CEO

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

NOK 1000	2021	2020
Salary 1)	18 546	19 183
Bonus 2)	6 015	5 921
Other benefits 3)	793	1 126
Pension benefits	1 555	1 557
Total	26 909	27 787

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 number of shares owned by Group management in MgmtCo Saferoad AS.

	31.12.2021	31.12.2020
MgmtCo Saferoad AS - Class A shares (common shares)	133 668	196 168
MgmtCo Saferoad AS - Class B1 shares (preference shares)	133 668	196 168
Total	267 336	392 336

The CEO and Group management has performance-based bonus agreement. The bonus scheme is determined by the Board of Directors for one year at a time.

Two members of Group management are entitled to severance pay of six months base salary after termination of employment. The CEO is entitled to severance pay of fifteen months base salary after termination of employment. One member of the Group management has a fixed term contract expiring in June 2022, which is prolonged by a fixed term of two years at a time if not terminated within a notice period of six months to the end of the month prior to the expiry of the service contract. None of the members of the Board has a service contract and none will be entitled to any benefits upon termination of office.

Two members of Group management has a loan from the company of total NOK 0.9 million.

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	**1 163**	745
Defined contribution expense	**60 131**	58 509
Total pension expense	**61 294**	59 254
Defined benefit assets and liabilities		
Accrued pension obligations	**61 816**	67 737
Pension plan assets	**15 465**	15 920
Net benefit obligations	**46 351**	51 817
Plans with a surplus is recognised separately from plans with a deficit		
Recognised pension assets	**101**	143
Recognised pension obligations	**(46 452)**	(51 960)

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.

Note 12 Financial items

NOK 1000	2021	2020
Interest income	**6 783**	5 214
Financial income from group companies	**0**	8 247
Other financial income	**31**	828
Total financial income	**6 814**	14 289
Interest expenses	**31 794**	10 007
Interest expenses on lease liabilities	**21 897**	25 065
Financial expenses to group companies	**85 143**	115 394
Other financial expenses	**15 711**	17 109
Total financial expenses	**154 546**	167 575
Currency exchange gain	**376 240**	184 543
Currency exchange loss	**391 262**	187 757
Net exchange rate gain/(loss)	**(15 022)**	(3 215)
Share of profit/(loss) of associated companies	**123**	148
Net financial income/(expenses)	**(162 631)**	(156 353)

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

Financial expenses to Group companies mainly consist of interest expenses on loan to SR RI AS.

Other financial expenses consist of guarantee provisions, bank fees, and write-down of long-term receivables.

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	**(20 447)**	(19 158)
Changes in deferred tax	**28 404**	21 711
Tax income/(expense) recognised in the consolidated statement of comprehensive income	**7 957**	2 554
Prepaid tax (included in other receivables)	**38 678**	20 604
Current tax liabilities	**(7 590)**	(15 849)
Total (net) tax payable 31 December, receivable/(liability)	**31 088**	4 755

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	**101 680**	101 741
Expected income taxes according to income tax rate in Norway 22%	**(22 370)**	(22 383)
Adjustment in respect of current income tax of previous years	**(3 084)**	2 878
Deferred tax assets not recognised current year [1)]	**(23 949)**	(3 273)
Use of previously unrecognised loss carried forward [1)]	**32 556**	7 242
Effect of redused valuation allowance regarding deferred tax asset [1)]	**1 165**	24 135
Non deductible expenses [2)]	**(15 755)**	(6 002)
Non-taxable income	**7 497**	9 808
Tax rate outside Norway other than 22%	**3 368**	450
Change in deferred tax assets/liabilities due to change in tax rates	**(86)**	59
Other [3)]	**28 615**	(10 360)
Tax income/(expense) recognised in the consolidated statement of comprehensive income	**7 957**	2 554
Tax income/(expense) reported in other comprehensive income		
Pensions	**(276)**	43
Income tax on other comprehensive income	**(276)**	43

[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)] 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) 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	**35 922**	30 374	**(5 548)**	3 260
Tangible fixed assets	**16 601**	21 381	**4 779**	6 462
Pensions	**(4 125)**	(5 266)	**(865)**	(31)
Other non-current items	**2 449**	4 500	**2 051**	(3 805)
Total non-current assets and liabilities	**50 847**	50 988	**417**	5 887
Current assets and liabilities				
Inventory	**(1 343)**	(1 840)	**(497)**	2 022
Liabilities	**2 467**	2 672	**205**	(1 316)
Trade receivables	**(2 452)**	(3 002)	**(551)**	892
Other investments at fair value	**0**	(111)	**(111)**	14
Other current items	**(10 592)**	(11 778)	**(1 186)**	2 016
Total current assets and liabilities	**(11 920)**	(14 059)	**(2 140)**	3 629
Tax losses carried forward	**(170 340)**	(152 236)	**18 105**	(5 155)
Of which assets not recognised (valuation allowance)	**(95 365)**	(105 361)	**(9 996)**	(18 205)
Net recognised deferred tax liabilities/(deferred tax assets)	**(36 048)**	(9 947)	**26 378**	22 566

Tax loss carried forward

The Group has a total tax loss carried forward of NOK 779.7 million which expires as follows:

NOK 1000	Sweden	United Kingdom	Norway	Other	2021	2020
Current year + 1 year				16 003	**16 003**	11 709
Current year + 2 years				7 812	**7 812**	24 548
Current year + 3 years				6 584	**6 584**	8 256
Current year + 4 years				156	**156**	6 958
Current year + 5 years or later				1 891	**1 891**	0
No due date	63 473	118 317	484 260	81 241	**747 291**	671 977
Total tax loss carried forward	63 473	118 317	484 260	113 687	**779 737**	723 448
On which deferred tax assets have not been recognised	(0)	118 317	341 978	30 555	**490 849**	505 018
Total tax loss on which deferred tax assets have been recognised	63 473	0	142 283	83 132	**288 888**	218 430

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

NOK 1000	2021	2020
Opening balance as of 1 January	**(9 947)**	12 662
Recognised in profit and loss	**(28 404)**	(21 711)
Recognised as other comprehensive income	**276**	(43)
Translation differences	**2 026**	(854)
Closing balance as of 31 December	**(36 048)**	(9 947)
Of which deferred tax assets	**55 761**	37 697
Of which deferred tax liabilities	**(19 713)**	(27 750)

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	38 034	509 965	1 071 248	386	433 032	2 052 665
Reclassifications	191	83 813	(98 213)	11 927	1 170	(1 111)
Additions, acquisition of subsidiaries	147	736	4 730	0	0	5 614
Additions, other	36	3 770	120 077	(0)	37 939	161 822
Disposals	(2 003)	(23 107)	(30 302)	(273)	(6 169)	(61 854)
Translation differences	(1 597)	(17 191)	(35 556)	(6)	(12 134)	(66 484)
Accumulated cost 2021	34 809	557 988	1 031 984	12 033	453 838	2 090 652

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	1 442	274 435	643 702	32	298 144	1 217 755
Reclassifications	131	(172)	(22)	0	(621)	(685)
Disposals	0	(19 430)	(28 267)	0	(4 676)	(52 373)
Depreciations	0	32 473	63 334	0	39 089	134 895
Translation differences	(71)	(7 750)	(20 060)	0	(8 398)	(36 278)
Accumulated depreciations and impairments 2021	1 502	279 555	658 687	32	323 537	1 263 313
Carrying value 31 December 2020	36 592	235 531	427 546	353	134 888	834 910
Carrying value 31 December 2021	33 308	278 432	373 297	12 001	130 301	827 340

2020

NOK 1000	Land	Buildings	Machines / equipment	Construction in progress	Rental equipment/ furniture/ vehicles [1]	Total
Accumulated cost 31 December 2019	37 516	452 909	933 381	933	406 827	1 831 566
Reclassifications	0	28 971	(519)	(591)	3 356	31 217
Additions, acquisition of subsidiaries	0	1 037	699	0	586	2 322
Additions, other	0	14 371	188 241	12	25 561	228 185
Disposals	0	(3 271)	(68 973)	0	(16 011)	(88 255)
Translation differences	518	15 948	18 418	32	12 713	47 630
Accumulated cost 31 December 2020	38 034	509 965	1 071 248	386	433 032	2 052 665

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	1 555	218 426	630 730	31	263 486	1 114 228
Reclassifications	0	26 046	1 719	0	1 150	28 915
Disposals	0	(3 190)	(66 611)	0	(13 694)	(83 495)
Depreciations	0	26 563	58 414	0	38 758	123 734
Translation differences	(113)	6 590	19 450	1	8 445	34 373
Accumulated depreciations and impairments 31 December 2020	1 442	274 435	643 702	32	298 144	1 217 755
Carrying value 31 December 2019	35 960	234 483	302 651	902	143 341	717 338
Carrying value 31 December 2020	36 592	235 531	427 546	353	134 888	834 910

[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 tables below describe 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	301 140	186 162	83 254	3 889	574 445
Reclassifications	0	0	(5)	0	(5)
Additions, other	18 005	25 963	28 197	155	72 321
Disposals	(15 115)	(18 960)	(16 479)	(525)	(51 079)
Translation differences	(10 278)	(5 854)	(4 367)	(173)	(20 672)
Accumulated cost 31 December 2021	293 753	187 311	90 600	3 346	575 010
Accumulated depreciations and impairments 31 December 2020	89 942	73 712	35 538	1 746	200 938
Reclassifications	0	0	100	0	100
Disposals	(15 115)	(18 280)	(15 076)	(525)	(48 996)
Depreciations	51 280	40 297	19 795	975	112 347
Translation differences	(3 554)	(2 769)	(1 681)	(89)	(8 093)
Accumulated depreciations and impairments 31 December 2021	122 553	92 961	38 676	2 108	256 297
Carrying value 31 December 2020	211 199	112 450	47 717	2 142	373 507
Carrying value 31 December 2021	171 200	94 350	51 924	1 238	318 713

2020

NOK 1000	Leased premises	Leased machinery/ tools/ vehicles	Leased company cars	Leased furniture/ fixtures/ office machines	Total
Accumulated cost 31 December 2019	250 939	156 790	80 530	5 100	493 358
Reclassifications	0	(2 250)	(307)	(1 745)	(4 301)
Additions, other	44 761	33 299	11 756	662	90 479
Disposals	(5 589)	(7 201)	(13 545)	(413)	(26 748)
Translation differences	11 029	5 523	4 821	285	21 658
Accumulated cost 31 December 2020	301 140	186 162	83 254	3 889	574 445
Accumulated depreciations and impairments 31 December 2019	43 743	35 646	24 362	1 372	105 123
Reclassifications	0	(840)	(307)	(852)	(1 999)
Disposals	(5 589)	(7 201)	(11 517)	(413)	(24 720)
Depreciations	50 301	44 883	21 783	1 579	118 545
Translation differences	1 487	1 224	1 217	61	3 989
Accumulated depreciations and impairments 31 December 2020	89 942	73 712	35 538	1 746	200 938
Carrying value 31 December 2019	207 196	121 144	56 167	3 728	388 235
Carrying value 31 December 2020	211 199	112 450	47 717	2 142	373 507

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
Lease expense for short-term leases	**19 725**	20 274
Lease expense for low value asset leases	**3 143**	2 856
Variable lease payments not included in lease liabilities	**3 391**	3 620

Note 16 Intangible assets

2021

NOK 1000	Licenses, product rights etc	Development	Goodwill	Customer relationships	Other intangible assets	Total
Accumulated cost 31 December 2020	16 093	200 426	416 054	167 312	57 416	857 301
Reclassifications	0	0	0	0	540	540
Additions, acquisition of subsidiaries	0	0	0	0	0	0
Additions, other	438	23 498	0	1 007	4 745	29 689
Derecognition	0	(306)	0	0	0	(306)
Translation differences	(544)	(6 252)	(3 445)	(3 496)	(2 236)	(15 974)
Accumulated cost 31 December 2021	15 987	217 365	412 610	164 823	60 465	871 250

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	14 666	115 649	0	26 437	46 931	203 684
Reclassifications	0	0	0	0	0	0
Amortisations	469	21 063	0	17 649	4 595	43 776
Derecognition	0	(51)	0	0	0	(51)
Impairments	0	0	0	0	0	0
Translation differences	(480)	(3 858)	0	(866)	(1 748)	(6 953)
Accumulated amortisations and impairments 31 December 2021	14 655	132 803	0	43 221	49 778	240 457
Carrying value 31 December 2020	1 426	84 776	416 054	140 875	10 484	653 616
Carrying value 31 December 2021	1 332	84 562	412 610	121 602	10 687	630 793

2020

NOK 1000	Licenses, product rights etc	Development	Goodwill	Customer relationships	Other intangible assets	Total
Accumulated cost 31 December 2019	15 374	182 516	395 769	173 508	53 678	820 846
Reclassifications	0	(822)	0	0	822	0
Additions, acquisition of subsidiaries	0	0	18 049	0	8	18 057
Additions, other	0	19 202	0	0	612	19 815
Derecognition	0	(7 026)	0	(11 194)	(101)	(18 322)
Translation differences	719	6 556	2 236	4 998	2 397	16 905
Accumulated cost 31 December 2020	16 093	200 426	416 054	167 312	57 416	857 301

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 2019	13 494	99 898	0	18 797	40 956	173 145
Amortisations	577	16 904	0	18 189	4 603	40 273
Derecognition	0	(7 026)	0	(11 194)	(101)	(18 322)
Impairments	0	1 378	0	0	0	1 378
Translation differences	595	4 496	0	646	1 474	7 211
Accumulated amortisations and impairments 31 December 2020	14 666	115 649	0	26 437	46 931	203 684
Carrying value 31 December 2019	1 880	82 618	395 769	154 712	12 722	647 701
Carrying value 31 December 2020	1 426	84 776	416 054	140 875	10 484	653 616

Total spending in research and development in 2021 amounted to NOK 23.1 million (NOK 17.6 million in 2020).

Groups of cash-generating unit composition

The cash-generating units (CGU) composition has been changed from 2020 to 2021 due to a reorganisation within the Group. The former CGU Road Restraint Systems Nordic and CGU Road Safety Europe has been merged and going forward reported under the name Road Safety.
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	**117 063**	120 508
Signs & Work Zone Protection	**98 717**	98 717
Light Poles & Masts	**120 512**	120 512
Road Services	**51 632**	51 632
Other businesses	**24 686**	24 686
Total	**412 610**	416 054

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 412.6 million and is derived from CGUs:

- Road Safety
- Signs & Work Zone Protection
- Light Poles & Masts
- Road Services
- Other businesses

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 calculated backwards using inventory days, debtors days and supplier days 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 for the budget period.

	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	2.2%	12 %	(1.9%)-1.9%	8.02%
Signs & Work Zone Protection	4.3%	12%-13%	(1.9%)-4.0%	7.24%
Light Poles & Masts	4.3%	17 %	(3.5%)-1.1%	7.68%
Road Services	3.0%	10%-11%	(0.7%)-1.0%	6.95%
Other businesses	1.8%	11%-12%	(0.9%)-1.2%	8.26%

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	(4.6%-points)	3.3%-points	(18.6%)
Signs & Work Zone Protection	(4.3%-points)	4.3%-points	(17.3%)
Light Poles & Masts	(13.7%-points)	12.6%-points	(46.2%)
Road Services	(2.6%-points)	2.2%-points	(10.9%)
Other businesses	(5.0%-points)	4.4%-points	(19.7%)

The sensitivity analysis indicates that the conclusion is robust to changes in assumptions for all five 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	**3 860**	3 334
Other provisions	**5 053**	27 100
Total non-current provisions	**8 913**	30 434

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	3 334	27 100	**30 434**	1 670	**1 670**
Additions	756	352	**1 108**	1 742	**1 742**
Used (amount charged against provision)	0	(14 157)	**(14 157)**	(1 559)	**(1 559)**
Unused amounts reversed	(173)	(6 835)	**(7 008)**	(0)	**(0)**
Translation differences	(57)	(1 407)	**(1 465)**	(158)	**(158)**
Total provisions 31.12.2021	3 860	5 053	**8 913**	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	3 137	21 949	**25 086**	4 691	**4 691**
Additions	858	12 295	**13 153**	5 545	**5 545**
Used (amount charged against provision)	(243)	(7 301)	**(7 544)**	(7 258)	**(7 258)**
Unused amounts reversed	(524)	0	**(524)**	(1 876)	**(1 876)**
Translation differences	105	157	**263**	568	**568**
Total provisions 31.12.2020	3 334	27 100	**30 434**	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.

Note 19 Financial strategy and financial risks

Capital management

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.

NOK 1000	31.12.2021	31.12.2020
Facility loans (including revolving credit facility)	**2 710 007**	0
Leasing	**318 615**	368 793
Interest-bearing loans from group companies	**0**	1 234 956
Other interest-bearing debt	**15 560**	19 141
Total interest-bearing debt (note 23)	**3 044 182**	1 622 890
Cash and cash equivalents (note 22)	**502 378**	574 291
Net interest-bearing debt	**2 541 805**	1 048 599

Financial risk management

Saferoad 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 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 Group Treasury.

Liquidity risk

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.

Credit risk

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

Realised losses during the year are classified as other operating expenses in the profit or loss (see note 9). The Group's aging structure for outstanding trade receivables is relatively stable. Bad debt losses recognised in 2021 totalled NOK 5.5 million (NOK 6.8 million in 2020). The total provision for bad debt is NOK 20.2 million as of 31 December 2021 (NOK 22.3 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	749 844	521 018	125 905	17 415	35 409	50 097
Provision for bad debt	(20 215)	(1 246)	(612)	(357)	(490)	(17 510)
Total trade receivables	729 630	519 773	125 293	17 058	34 919	32 587

Aging analysis trade receivables, 31 December 2020

NOK 1000	Total	Not due	< 30d	30-60d	60-90d	>90d
Trade receivables	677 364	525 415	97 510	6 875	8 262	39 302
Provision for bad debt	(22 310)	(666)	(1 134)	(487)	(413)	(19 610)
Total trade receivables	655 054	524 749	96 376	6 388	7 849	19 692

Foreign exchange rate risk

As a consequence of the international business activities, Saferoad 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).

Saferoad 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
Saferoad 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. Saferoad shall continuously monitor, measure and follow-up the exposure to evaluate the effects on financial statements.

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

Impacts from a 10 per cent NOK appreciation towards

NOK million	All currencies	SEK	EUR	PLN
One-off revaluation effects in financial items	143	66	78	(4)

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

Interest rate risk
The interest rates on the financing agreements are affected by changes in market rates, as Saferoad 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	17.9	14.3
100 basis points decrease	(20.4)	(16.4)

An assumption of an effective tax rate of 20 per cent is applied to calculate the after-tax impact on P&L.

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
Saferoad is exposed to commodity price risks due to changes in commodity prices, which the Group is not directly able to transfer to external counterparties. Saferoad's main exposure derives from purchases of raw materials like steel, aluminium, zinc and plastics. In addition, Saferoad 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, Saferoad 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
Saferoad has bought interest rate options to cap the upside risk to market rates early in 2022. The Group may also from time to time use forward agreements or options to hedge selected currency exposures. At year end 2021 the Group had no forward currency contracts outstanding.

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		17 022		**17 022**
Other investments	5	717		**717**
Current assets				
Trade receivables	19	729 630		**729 630**
Other receivables	21	270 030		**270 030**
Total		1 017 399	0	**1 017 399**
Fair value		1 017 399	0	**1 017 399**
Unrecognised gain/(loss)		0	0	**0**
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	235 709		**235 709**
Current liabilities				
Accounts payables		526 948		**526 948**
Other current liabilities	25	310 917		**310 917**
Current portion of non-current liabilities	23	97 868		**97 868**
Current liabilities to credit institutions	23	1 190		**1 190**
Total		3 882 640	5 908	**3 888 548**
Fair value		3 882 640	5 908	**3 888 548**
Unrecognised gain/(loss)		0	0	**0**

2020

NOK 1000	Notes	Financial assets and liabilities at amortised cost	Financial liabilities at fair value	Total
Non-current assets				
Non-current receivables		16 600		**16 600**
Other investments	5	669		**669**
Current assets				
Trade receivables	19	655 054		**655 054**
Other receivables	21	281 809		**281 809**
Total		954 132	0	**954 132**
Fair value		954 132	0	**954 132**
Unrecognised gain/(loss)		0	0	**0**
Non-current liabilities				
Non-current liabilities related to acquisitions	18		6 193	**6 193**
Other non-current liabilities	23	1 520 698		**1 520 698**
Current liabilities				
Accounts payables		418 635		**418 635**
Current liabilities related to acquisitions	18, 25		7 865	**7 865**
Other current liabilities	25	410 976		**410 976**
Current portion of non-current liabilities	23	98 138		**98 138**
Current liabilities to credit institutions	23	4 596		**4 596**
Total		2 453 043	14 058	**2 467 100**
Fair value		2 453 043	14 058	**2 467 100**
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**	16 662
Change in estimate existing obligations	**0**	(794)
Acquisitions in the year	**0**	9 507
Payments	**(7 690)**	(12 675)
Translation differences	**(459)**	1 358
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.

Note 21 Other current receivables

NOK 1000	31.12.2021	31.12.2020
Unbilled revenue	**214 589**	145 516
Prepayments to suppliers	**38 568**	13 985
Prepaid taxes	**38 678**	20 604
Other prepayments	**60 980**	64 749
Receivables on employees, associated- and related parties	**2 556**	2 782
Other receivables	**47 197**	41 567
Other receivables on group companies	**2 204**	92 121
Total other current receivables	**404 773**	381 323

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	**495 577**	574 291
Restricted cash	**6 800**	0
Total cash and cash equivalents	**502 378**	574 291

See note 19 for description of cash pool systems.

Note 23 Interest-bearing liabilities

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.

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.

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.

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

Liabilities to credit institutions 31 December 2021 (none in 2020)

NOK 1000	Currency	Interest rate	Due date	Amount
Liabilites to credit institutions - Term loan	SEK	STIBOR + Margin	30/9/2028	572 862
Liabilites to credit institutions - Term loan	NOK	NIBOR + Margin	30/9/2028	836 626
Liabilites to credit institutions - Term loan	EUR	EURIBOR + Margin	30/9/2028	923 070
Liabilites to credit institutions - Revolving credit facility	NOK	NIBOR + Margin	31/3/2028	377 450
Total				2 710 007
Less current part				0
Non-current				2 710 007

Other non-current liabilities 31 December 2021

NOK 1000	Amount
Financial leasing	318 615
Other non-current liabilities interest bearing	14 370
Estimated future payments for acquired shares (note 18)	5 908
Other non-current liabilities non interest bearing	592
Total	339 485
Less current part	(97 868)
Non-current	241 617

Other non-current liabilities 31 December 2020

NOK 1000	Amount
Financial leasing	368 793
Non-current liabilities interest bearing to group companies	1 234 956
Other non-current liabilities interest bearing	14 545
Estimated future payments for acquired shares (note 18)	14 057
Other non-current liabilities non interest bearing	542
Total	1 632 893
Less current part	(106 003)
Non-current	1 526 891

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	**1 190**	4 596
Total current liabilities to credit institutions	**1 190**	4 596

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**
Liabilities to credit institutions - interest	159 996	159 873	159 824	159 791	159 791	279 634	**1 078 909**
Financial leasing	129 323	85 674	64 289	43 892	27 597	48 273	**399 048**
Estimated future payments for remaining shares - put options (note 18)	0	0	0	0	0	0	**0**
Estimated future payments for acquired shares (note 18)	0	5 908	0	0	0	0	**5 908**
Other loans	4 652	0	0	0	0	5 669	**10 321**
Total	298 507	252 101	224 282	203 683	187 388	3 156 738	**4 322 700**

2020

NOK 1000	Due within one year	Due within two years	Due within three years	Due within four years	Due within five years	Due after five years	Total interest-bearing liabilities
Liabilities to credit institutions - principal amount	6 338	1 164	584	275	0	0	**8 361**
Liabilities to credit institutions - interest	5 524	5 538	3 857	26	0	0	**14 946**
Loan from group companies - principal amount	0	0	0	0	1 234 956	0	**1 234 956**
Loan from group companies - interest	98 796	98 796	98 796	98 796	67 669	0	**462 855**
Financial leasing	124 724	102 007	70 689	53 639	33 187	67 547	**451 792**
Estimated future payments for remaining shares - put options (note 18)	0	0	0	0	0	0	**0**
Estimated future payments for acquired shares (note 18)	7 865	0	6 193	0	0	0	**14 057**
Other loans	0	0	0	0	0	11 861	**11 861**
Total	243 248	207 506	180 120	152 735	1 335 812	79 407	**2 198 828**

Note 24 Changes in liabilities arising from financing activities

2021

NOK 1000	Notes	31.12.2020	Cash flows	Non-cash changes: Acquisition of subsidiaries and other businesses	Non-cash changes: Changes in foreign exchange rates	Non-cash changes: Other changes	31.12.2021
Non-current liabilities							
Non-current liabilities to credit institutions	23	0	2 709 416	0	591	0	**2 710 007**
Financial leasing	23	272 355	(35 418)	0	(9 453)	(3 464)	**224 020**
Future payments for acquired shares	18, 23	6 193		0	0	(285)	**5 908**
Other non-current liabilities	23	1 248 343	(1 236 705)	350	(478)	180	**11 689**
Total other non-current liabilities	23	1 526 891	(1 272 124)	350	(9 931)	(3 569)	**241 617**
Current liabilities							
Other current liabilities to credit institutions	23	2 761	(3 421)	1 954	(89)	(16)	**1 190**
Total current liabilities to credit institutions	23	4 596	(3 421)	1 954	(142)	(1 797)	**1 190**
Dividends to non-controlling interests		85 892	(1 143 468)	0	0	1 057 576	**0**
Accrued interest		712	(176 660)	0	0	176 543	**595**
Current portion of financial leasing	23	96 438	(96 438)	0	(3 607)	98 203	**94 596**
Current portion of other non-current liabilities	23	1 700	1 573	0	33	(33)	**3 272**
Other current liabilities		184 742	(1 414 993)	0	(3 574)	1 332 288	**98 463**
Total liabilities from financing activities		1 716 229	18 878	2 304	(13 056)	1 326 922	**3 051 277**

Net cash flows arising from liabilities from financing activities were NOK 18.9 million in 2021.

2020

NOK 1000	Notes	31.12.2019	Cash flows	Non-cash changes: Acquisition of subsidiaries and other businesses	Non-cash changes: Changes in foreign exchange rates	Other changes	31.12.2020
Non-current liabilities							
Financial leasing	23	276 280	(36 561)	0	13 554	19 082	**272 355**
Future payments for acquired shares	18, 23	794		6 193		(794)	**6 193**
Other non-current liabilities	23	1 272 102	(41 005)	6 252	17 043	(6 050)	**1 248 343**
Total other non-current liabilities	23	1 549 176	(77 566)	12 445	30 597	12 238	**1 526 891**
Current liabilities							
Other current liabilities to credit institutions	23	183 642	(149 329)	2 618	(34 170)		**2 761**
Total current liabilities to credit institutions arising from financing activities	23	183 642	(149 329)	2 618	(34 170)	0	**2 761**
Bank overdrafts included as cash and cash equivalents	23	0			(45)	1 880	**1 835**
Total current liabilities to credit institutions	23	183 642	(149 329)	2 618	(34 215)	1 880	**4 596**
Dividends to non-controlling interests		24 258	(1 328)			62 962	**85 892**
Accrued interest		3 456	(111 060)			108 316	**712**
Current portion of financial leasing	23	105 571	(105 571)		4 264	92 174	**96 438**
Current portion of other non-current liabilities	23	1 998	(299)	0	51	(51)	**1 700**
Other current liabilities		135 284	(218 258)	0	4 316	263 400	**184 742**
Total liabilities from financing activities		1 868 102	(445 153)	15 063	698	277 519	**1 716 229**

Net cash flows arising from liabilities from financing activities were NOK 445.2 million in 2020. Change in long-term liability to group companies of NOK 38.0 million is classified as Net cash flow from investment activities and change in cash pool of NOK 149.3 million is classified as Net cash flow from operations in the cash flow statement, which gives a total cash flow from financing activities of negative NOK 257.8 million in 2020.

The column 'Other changes' includes the effect of change in estimate for existing obligations related to put options on remaining shares and earn outs on acquired shares. 'Other changes' also includes the effect of accrual of dividends that were not yet paid at the year end and the effect of accrued but not yet paid interest on interest-bearing loans and borrowings.

Note 25 Other current liabilities

NOK 1000	31.12.2021	31.12.2020
Salary	**55 807**	52 571
Bonuses	**7 399**	12 331
Holiday pay	**87 829**	85 016
Other liabilities to employees	**9 106**	5 970
Prepayment from customers	**55 209**	25 009
Accrued interest	**595**	712
Estimated future payments acquired shares (note 18)	**0**	7 865
Current liabilities to group companies	**0**	122 457
Other current liabilities	**94 972**	106 910
Total other current liabilities	**310 917**	418 841

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

The share capital of Saferoad Holding AS on 31 December consists of the following shares:

		Number of shares	Share capital	Share premium
31.12.2016	Total	1 000 000	2 000	1 159 875
02.05.2017	Share split, ratio 1:20	19 000 000	0	0
29.05.2017	Issuing of ordinary new shares in connection with public offering	46 666 667	4 667	1 395 333
21.09.2018	Share capital increase by conversion of debt	0	6 667	1 643 333
31.12.2019	Dividends	0	0	(2 686 487)
20.02.2020	Share capital increase by conversion of receivable	2 723 580	545	23 713
20.02.2020	Share capital increase by fund issue	0	11 888	(11 888)
20.02.2020	Share split	59 441 131	0	0
08.11.2021	Dividends	0	0	(1 138 410)
31.12.2021	Total	128 831 378	25 766	385 469

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

For further description, see consolidated statement of changes in equity.

Number of shares and shareholders

Shareholders in Saferoad Holding AS 31 December 2021:

Shareholders	Class A Shares (Common	Class B Shares (Preference	Total shares	Percentage
SRH Investco AS	25 313 719	100 794 079	126 107 798	97.89 %
MgmtCo Saferoad AS	1 361 790	1 361 790	2 723 580	2.11 %
Total	26 675 509	102 155 869	128 831 378	100.00 %

Non-controlling interests

2021

				Financial information (100% basis)			
NOK 1000	Accumulated non-controlling interests	Non-controlling interests share of profit/(loss)	Dividends to non-controlling interests	Assets	Liabilities	Revenue	Profit/(loss)
Brite Line Europe GmbH	6 781	1 267	0	37 386	10 663	68 004	5 026
Total non-controlling interests	6 781	1 267	0				

2020

				Financial information (100% basis)			
NOK 1000	Accumulated non-controlling interests	Non-controlling interests share of profit/(loss)	Dividends to non-controlling interests	Assets	Liabilities	Revenue	Profit/(loss)
Brite Line Europe GmbH	5 803	1 302	1 013	34 397	11 564	76 567	5 169
Saferoad Czech Republic s.r.o.	0	1 048	315	0	0	0	0
Total non-controlling interests	5 803	2 351	1 328				

In 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. Saferoad Czech Republic s.r.o. is consolidated as a wholly owned subsidiary of the Group.

For an overview of non-controlling interest ownership percentages and principal places of business, see note 10 in the parent company accounts.

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

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

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. z o.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. z o.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

Guarantees

Guarantee obligations for the 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 10 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**	731
Purchases from related parties [1]	**55 693**	47 230

NOK 1000	31.12.2021	30.12.2020
Balance sheet		
Receivables [2]	**84**	103
Payables [3]	**157**	1 412
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 associated companies.

The Group has the following transactions with group companies outside Saferoad Group but within SRH BridgeCo Group.

NOK 1000	2021	2020
Internal revenue and purchase outside Saferoad Group but within SRH BridgeCo Group		
Internal revenue	**4 148**	13 978
Internal purchase	**3 931**	7 589
Internal financial income and expense outside Saferoad Group but within SRH BridgeCo Group		
Internal interest income	**0**	8 247
Internal interest expense	**85 143**	115 394
Group contribution	**0**	5 058
Dividend	**1 124 792**	0

The Group has the following financial positions with group companies outside Saferoad Group but within SRH BridgeCo Group.

NOK 1000	31.12.2021	31.12.2020
Loans and receivables on group companies outside Saferoad Group but within SRH BridgeCo Group		
Receivables	**9 767**	15 747
Total loans and receivables	**9 767**	15 747
Group contribution on group companies outside Saferoad Group but within SRH BridgeCo Group		
Group contribution	**0**	91 604
Total Group contribution	**0**	91 604
Liabilities to group companies outside Saferoad Group but within SRH BridgeCo Group		
Current liabilities	**2 217**	47 478
Long-term liabilities	**0**	1 234 956
Total liabilities	**2 217**	1 282 434
Dividend and group contribution to group companies outside Saferoad Group but within SRH BridgeCo Group		
Group contribution	**0**	85 892
Total dividend and group contrubution	**0**	85 892

Note 30 Segment and Revenue from contracts with customers following internal reporting of segment 2021

The tables below are according to the internal reporting for 2021, see note 6 and note 7 for further information.

Underlying operating revenue

NOK 1000	2021	2020
Road Safety	**3 169 938**	2 782 964
Signs & Work Zone Protection	**1 303 465**	1 213 931
Light Poles & Masts	**786 440**	735 498
Road Services	**415 564**	404 237
Other businesses	**393 814**	346 024
Holding/Eliminations	**(318 294)**	(224 540)
Underlying operating revenue	**5 750 927**	5 258 114
Adjustments[1)]	**14 988**	39
Reported operating revenue	**5 765 915**	5 258 153

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

Underlying personnel costs

NOK 1000	2021	2020
Road Safety	**(479 003)**	(446 059)
Signs & Work Zone Protection	**(460 370)**	(402 340)
Light Poles & Masts	**(235 486)**	(222 762)
Road Services	**(122 899)**	(123 261)
Other businesses	**(99 081)**	(99 413)
Holding/Eliminations	**(35 168)**	(40 601)
Underlying personnel costs	**(1 432 007)**	(1 334 436)
Classification adjustments[2)]	**36 698**	28 712
Adjustments[1)]	**(2 996)**	(8 440)
Reported personnel costs	**(1 398 305)**	(1 314 163)

[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	**(192 540)**	(166 066)
Signs & Work Zone Protection	**(146 291)**	(124 851)
Light Poles & Masts	**(73 378)**	(65 908)
Road Services	**(57 598)**	(56 818)
Other businesses	**(35 946)**	(33 117)
Holding/Eliminations	**(25 941)**	(31 645)
Underlying other operating costs	**(531 693)**	(478 404)
Classification adjustments[2)]	**(146 598)**	(142 070)
Adjustments[1)]	**(47 631)**	(9 329)
Reported other operating costs	**(725 923)**	(629 802)

[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	**274 841**	260 259
Signs & Work Zone Protection	**148 405**	141 804
Light Poles & Masts	**128 609**	121 677
Road Services	**53 369**	64 768
Other businesses	**55 810**	48 807
Holding/Eliminations	**(70 071)**	(74 209)
Underlying EBITDA	**590 962**	563 106
Adjustments[1)]	**(35 639)**	(21 083)
Reported EBITDA	**555 323**	542 023
Depreciation and impairment	**(247 235)**	(242 279)
Amortisation and impairment	**(43 776)**	(41 650)
Reported operating profit/(loss)	**264 311**	258 094

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

2021

NOK 1000	Road Safety	Signs & Work Zone Protection	Light Poles & Masts	Road Services	Other businesses	Holding/ Eliminations	Total
Major product/service lines							
Road restraint systems	2 339 417	43 102	0	0	0	0	**2 382 519**
Signs & work zone protection	26 670	1 051 339	0	0	0	0	**1 078 010**
Light poles	0	54 045	421 909	0	0	0	**475 955**
Road marking	437 953	0	0	412 255	0	0	**850 208**
Other products/eliminations	380 663	154 898	364 297	3 309	393 814	(318 294)	**978 687**
Revenue from contracts with customers	3 184 703	1 303 385	786 207	415 564	393 814	(318 294)	**5 765 379**

2020

NOK 1000	Road Safety	Signs & Work Zone Protection	Light Poles & Masts	Road Services	Other businesses	Holding/ Eliminations	Total
Major product/service lines							
Road restraint systems	2 084 270	34 540	0	0	0	0	**2 118 810**
Signs & work zone protection	22 352	962 112	0	0	0	0	**984 463**
Light poles	0	77 716	390 831	0	0	0	**468 547**
Road marking	367 986	0	0	397 380	0	0	**765 366**
Other products/eliminations	308 093	139 531	344 454	6 857	346 024	(224 540)	**920 420**
Revenue from contracts with customers	2 782 701	1 213 899	735 285	404 237	346 024	(224 540)	**5 257 606**

2021

NOK 1000	Road Safety	Signs & Work Zone Protection	Light Poles & Masts	Road Services	Other businesses	Holding/ Eliminations	Total
Underlying operating revenue	3 169 938	1 303 465	786 440	415 564	393 814	(318 294)	**5 750 927**
Adjustments [1]	14 988	0	0	0	0	0	**14 988**
Reported operating revenue	3 184 926	1 303 465	786 440	415 564	393 814	(318 294)	**5 765 915**
Rental income	223	80	233	0	0	0	**536**
Revenue from contracts with customers	3 184 703	1 303 385	786 207	415 564	393 814	(318 294)	**5 765 379**

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

2020

NOK 1000	Road Safety	Signs & Work Zone Protection	Light Poles & Masts	Road Services	Other businesses	Holding/ Eliminations	Total
Underlying operating revenue	2 782 964	1 213 931	735 498	404 237	346 024	(224 540)	**5 258 114**
Adjustments [1]	39	0	0	0	0	0	**39**
Reported operating revenue	2 783 003	1 213 931	735 498	404 237	346 024	(224 540)	**5 258 153**
Rental income	303	31	213	0	0	0	**547**
Revenue from contracts with customers	2 782 701	1 213 899	735 285	404 237	346 024	(224 540)	**5 257 606**

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

Note 31 Events after the balance sheet date

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.

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.

Following Russia's invasion of Ukraine in the end of February 2022, Saferoad 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. 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.

Note 32 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.

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Financial Statements Saferoad Holding AS
Statement of comprehensive income

NOK 1000	Notes	2021	2020
Operating revenue from group companies	14	**53 162**	7 980
Total operating revenue		**53 162**	7 980
Personnel costs	3	**50 763**	29 986
Depreciation and impairment property, plant and equipment	8	**4 269**	0
Depreciation and impairment right of use assets	9	**1 466**	0
Other operating costs	4	**75 689**	8 370
Other operating costs to group companies	14	**10 604**	960
Total operating costs		**142 791**	39 316
Operating profit/(loss)		**(89 629)**	(31 336)
Financial income	5	**963**	3 809
Financial income from group companies	5, 14	**232 973**	1 895 630
Financial expenses	5	**31 830**	1 427 140
Financial expenses to group companies	5, 14	**147 540**	144 906
Net exchange rate gain/(loss)	5	**(15 053)**	(32 269)
Net financial income/(expenses)		**39 513**	295 125
Profit/(loss) before tax		**(50 116)**	263 789
Tax	6	**7 302**	(1 798)
Profit/(loss) for the year		**(42 814)**	261 991
Other comprehensive income for the year, net of tax		**0**	0
Total comprehensive income for the year		**(42 814)**	261 991

Statement of financial position (assets)

NOK 1000	Notes	31.12.2021	31.12.2020
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Intangible assets	7	**2 881**	0
Total intangible assets		**2 881**	0
Tangible assets			
Land	8	**5 748**	0
Buildings	8	**14 513**	0
Rental equipment, furniture and vehicles	8	**73**	0
Right-of-use assets	9	**904**	0
Total fixed assets		**21 238**	0
Financial non-current assets			
Shares in subsidiaries	10	**1 826 602**	1 353 520
Loans to group companies	14	**435 999**	0
Other investments		**716**	0
Total financial assets		**2 263 316**	1 353 520
Deferred tax assets	6	**22**	0
Total non-current assets		**2 287 458**	1 353 520
CURRENT ASSETS			
Receivables			
Receivables on group companies	14	**809 704**	1 514 810
Other receivables		**5 216**	1 078
Total receivables		**814 920**	1 515 888
Cash and cash equivalents	11	**231 099**	311 287
Total current assets		**1 046 019**	1 827 175
Total assets		**3 333 477**	3 180 694

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		**25 766**	25 766
Share premium		**385 469**	1 523 879
Other equity		**(104 346)**	(12 156)
Total equity		**306 889**	1 537 490
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	12	**2 710 007**	0
Liabilities to group companies	14	**0**	1 234 956
Total non-current liabilities		**2 710 007**	1 234 956
Current liabilities			
Liabilities to group companies	14	**269 560**	395 269
Accounts payables		**8 782**	464
Public duties (VAT, social benefits etc.)		**14 413**	1 326
Other current liabilities	13	**22 820**	11 191
Current portion of non-current liabilities		**1 006**	0
Total current liabilities		**316 580**	408 249
Total liabilities		**3 026 587**	1 643 205
Total shareholders' equity and liabilities		**3 333 477**	3 180 694

Oslo, 26 April 2022

The Board of Saferoad Holding AS

DocuSigned by:
6830FFEA0C0D455...
Patrik Nolåker
Chairman

DocuSigned by:
2001202AB5F8402...
Elke Elfriede Eckstein
Board member

DocuSigned by:
F1C07108EE0D46A...
Ulrik Smith
Board member

DocuSigned by:
5030E6000CF94A8...
Niclas Thiel
Board member

DocuSigned by:
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Moritz Madlener
Board member

DocuSigned by:
03BF29E80B0A493...
Knut Brevik
Board member

DocuSigned by:
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Jan Torgeir Hovden
Board member

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Espen Asheim
CEO

Statement of changes in equity

NOK 1000	Share capital	Share premium	Other equity	Total equity
Equity at 31.12.2019	13 333	1 512 054	(233 225)	1 292 163
Capital increase	12 433	11 825		24 258
Group contribution			(40 922)	(40 922)
Profit/(loss) for the year			261 991	261 991
Total other comprehensive income net of tax	0	0	0	0
Total comprehensive income	0	0	261 991	261 991
Equity at 31.12.2020	25 766	1 523 879	(12 156)	1 537 490
Merger effect			(45 717)	(45 717)
Dividends		(1 138 410)		(1 138 410)
Group contribution			(3 659)	(3 659)
Profit/(loss) for the year			(42 814)	(42 814)
Total other comprehensive income net of tax	0	0	0	0
Total comprehensive income	0	0	(42 814)	(42 814)
Equity at 31.12.2021	25 766	385 469	(104 346)	306 889

On 20 February 2020, a share split of Saferoad Holding AS's total 66 666 667 shares was adopted. Each share was split in 1.89 shares. The share capital after the split consisted of 126 107 798 shares at nominal value NOK 0.10572965 per share.

On 20 February 2020, a share capital increase by fund issue was adopted. The share capital was increased by NOK 11.9 million by increasing the face value per share from NOK 0.10572965 to NOK 0.20.

On 20 February 2020, two classes of shares were established in Saferoad Holding AS. Class A shares consist of 25 313 719 common shares and class B shares consist of 100 794 079 preference shares. Each of the common shares and the preference shares carry one vote at the general meeting and have equal voting rights. However, unequal distributions may be made to the different share classes, and preference shares shall have a preferred right to distributions before distributions on the common shares. Further, preference shares shall have a preferred right to receive distributions in accordance with the Saferoad Holding AS’s distribution policy.

On 20 February 2020, a share capital increase by conversion of a receivable held by MgmtCo Saferoad AS was adopted. The share capital was increased by NOK 0.5 million by the issuance of 1 361 790 class A shares (common shares) and 1 361 790 class B shares (preference shares), each with a nominal value of NOK 0.20 per share.

The merger between the subsidiaries Saferoad Holding Norway AS and Saferoad AS into Saferoad Holding AS accounted for according to company continuity, impacted equity with NOK (45.7) million due to a negative merger difference.

On 8 November 2021, a dividend distribution of NOK 1 138.4 million was made to the shareholders of the company.

The share capital of NOK 25.8 million in Saferoad Holding AS as of 31 December 2021 consists of 26 675 509 class A shares (common shares) and 102 155 869 class B shares (preference shares), in total 128 831 378 shares, with nominal value of NOK 0.20 per share.

Net group contribution of NOK 3.7 million is to the sister group ViaCon.

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		**(50 116)**	263 789
Net depreciation, amortisation and impairment	8,9	**5 735**	0
Interest income and other financial income	6	**(233 936)**	(1 899 439)
Interest costs and other financial expenses	6	**179 371**	1 572 046
Changes in receivables on group companies		**212**	1 279
Changes in accounts payable		**13 431**	(4 823)
Changes in other current receivables and liabilities		**(4 179)**	(108 981)
Net cash flow from operations		**(89 482)**	(176 129)
Cash flow from investment activities			
Interest and dividend received		**140 638**	704 693
Acquisition of subsidiaries		**(36 584)**	0
Share capital increase subsidiaries		**(106 902)**	0
Purchase/production of fixed and intangible assets		**(2 881)**	0
Sale of subsidiaries		**1 650**	0
Change in cash pool		**96 409**	(1 035 284)
Loan to/from group companies		**(287 262)**	614 376
Net cash flow from investment activities		**(194 932)**	283 784
Cash flow from financing activities			
Proceeds from borrowings		**2 709 416**	0
Repayment of borrowings		**(1 235 962)**	0
Group contribution received		**84 452**	1 501
Dividends to shareholders		**(1 138 410)**	0
Interest paid		**(215 270)**	(115 314)
Net cash flow from financing activities		**204 226**	(113 814)
Net increase/(decrease) in cash and cash equivalents		**(80 187)**	(6 159)
Cash and cash equivalents at beginning of the year		**311 287**	317 446
Cash and cash equivalents at the end of the year	9	**231 100**	311 287
Cash and cash equivalents at the end of the year in statement of financial position	9	**231 099**	311 287
Bank overdrafts at the end of the year in statement of financial position		**0**	0
Cash and cash equivalents at the end of the year in statement of cash flow		**231 099**	311 287

Notes to the financial statements for Saferoad Holding AS

Note 1 Company information

Saferoad Holding AS is a limited liability company, which is domiciled in Oslo with its registered office, Enebakkveien 150, 0680 Oslo, Norway.

Saferoad Holding AS has transactions with companies in Saferoad Group, ViaCon Group and other companies in the ultimate group SRH BridgeCo, which is described in note 14. These transactions are called transactions with group companies in the Financial statements for Saferoad Holding AS.

The financial statements of Saferoad Holding AS for the fiscal year 2021 were approved in the board meeting at 26 April 2022.

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

During the year there have been two mergers. First, Saferoad AS was merged into Saferoad Holding Norway AS. Subsequently, the wholly owned subsidiary Saferoad Holding Norway AS was merged into Saferoad Holding AS. Both mergers have been completed according to the simplified parent-subsidiary merger rules, where the subsidiary transferring all its assets, rights and liabilities as a whole to the parent company. No consideration has been given. Thus, the merger involved no capital increase. As a result, of the merger, Saferoad Holding AS is now direct owner of the assets, debt, rights and liabilities instead of being owner through shares.

Both mergers were implemented with accounting effect from 1 January 2021. The merger was implemented with accounting continuity according to the principles of company continuity. Comparable figures have not been restated.

Note 2 Accounting principles

Basis for preparation and statement of compliance

The financial statements for Saferoad Holding 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.

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

Subsidiaries

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

Cash flow statement

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

Events after the balance sheet date

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

Note 3 Personnel costs, employees and management remuneration

Salaries and remuneration

NOK 1000	2021	2020
Salary	**37 276**	21 514
Social security tax on salaries, pensions, bonuses etc.	**6 190**	3 167
Other personnel expenses	**575**	(171)
Pension expenses	**1 917**	507
Bonuses	**4 805**	4 969
Total salaries and remuneration	**50 763**	29 986

There are twenty-one employees in Saferoad Holding AS per 31 December 2021 (six last year).

The company has a defined pension contribution plan as required by law. The employer obligation is limited to the amount it agrees to contribute to the plan and the contribution is expensed as they are incurred.

See note 10 in the consolidated financial statements for details regarding salaries and remuneration for Board of Directors and Group management.

Note 4 Other operating costs

Other operating costs

NOK 1000	2021	2020
Rent	**1 190**	0
Other costs related to premises	**330**	0
Leases of machinery, vehicles and fixtures [1)]	**181**	9
Direct operating costs (incl. repairs and maintenance)	**9 202**	237
Selling and distribution costs	**415**	596
Fees, external services, office & communication costs	**62 760**	7 353
Membership, insurance, license- and guarantee costs	**1 082**	165
Other operating costs	**529**	10
Total other operating costs	**75 689**	8 370

[1)] Lease expense for low value asset leases not included in lease liabilities

Fees to auditors

NOK 1000	2021	2020
Proposed fee for audit	**1 719**	280
Fees for audit previous year	**84**	0
Fees for attestation services	**0**	29
Fees for tax services	**492**	27
Fees for other services	**1 131**	280
Total fees	**3 426**	615

Fees to auditor is excluding VAT

Note 5 Financial items

NOK 1000	2021	2020
Interest income	**550**	3 809
Interest income from group companies (note 14)	**140 926**	120 556
Dividends from subsidiaries (note 14)	**0**	1 734 358
Group contribution from subsidiaries (note 14)	**92 047**	40 717
Gain from sale of share	**390**	0
Other financial income	**23**	0
Total financial income	**233 936**	1 899 439
Interest expenses	**28 609**	3 602
Interest expenses to group companies	**147 540**	144 906
Write-down of shares in subsidiaries (note 10)	**(1 650)**	1 420 167
Other financial expenses	**4 871**	3 371
Total financial expenses	**179 370**	1 572 046
Currency exchange gain	**350 179**	61 395
Currency exchange loss	**365 232**	93 664
Net exchange rate gain/(loss)	**(15 053)**	(32 269)
Net financial income/(expenses)	**39 513**	295 125

Saferoad Holding AS has received dividends of NOK 1 734.4 million in 2020 from the subsidiary Saferoad Holding AB. NOK 1 154.0 million of the dividend consisted of the shares in the subsidiaries Saferoad Holding Norway AS and Saferoad Holding Denmark Aps and NOK 580.3 million was cash received in 2020. Based on an estimated fair value calculation of the shares in Saferoad Holding AB, the investment is written down with NOK 1 420.2 million.

Note 6 Income tax

Tax income/(expense)

NOK 1000	2021	2020
Tax payable	**7 317**	0
Changes in deferred tax	**(16)**	(1 798)
Tax income/(expense) recognised in the statement of comprehensive income	**7 302**	(1 798)

A reconciliation of the effective rate of tax and the tax rate

NOK 1000	2021	2020
Profit/(loss) before tax	**(50 116)**	263 789
Expected income taxes according to income tax rate in Norway 22%	**11 025**	(58 034)
Adjustment in respect of current income tax of previous years	**865**	0
Deferred tax assets not recognised current year	**(4 526)**	(12 798)
Non deductible expenses	**(63)**	(312 438)
Non-taxable income	**0**	381 559
Other	**0**	(87)
Tax income/(expense) recognised in the statement of comprehensive income	**7 302**	(1 798)

Tax payable basis

NOK 1000	2021	2020
Profit/(loss) before tax	**(50 116)**	263 789
Non deductible expenses	**285**	1 420 569
Non-taxable income	**0**	(1 734 358)
Use of tax loss carried forward/ Change in temporary differences	**(111 163)**	(8 416)
Group contribution	**33 261**	0
Tax payable basis	**(127 732)**	(58 415)
Tax payable (22% of tax payable basis)	**0**	0

Deferred tax liabilities/(deferred tax assets)

NOK 1000	2021	As of 1 January 2021	Merger	As of 31 December 2020
Non-current assets and liabilities				
Tangible fixed assets	**(1 366)**	(721)	(721)	0
Other non-current items	**25 974**	2 141	2 141	0
Total non-current assets and liabilities	**24 608**	1 419	1 419	**0**
Current assets and liabilities				
Trade receivables	**(143)**	(506)	(506)	0
Total current assets and liabilities	**(143)**	(506)	(506)	0
Tax losses carried forward	**(98 591)**	(70 490)	(31 887)	(38 603)
Of which assets not recognised (valuation allowance)	**(74 103)**	(69 577)	(30 974)	(38 603)
Net recognised deferred tax liabilities (assets)	**(22)**	0	0	0

Note 7 Intangible assets

2021

NOK 1000	Software	Total
Accumulated cost 31 December 2020	0	0
Additions	2 881	2 881
Accumulated cost 31 December 2021	2 881	2 881

Amortisation method
Useful life

NOK 1000	Linear 3 years	Total
Accumulated amortisations and impairments 31 December 2020	0	0
Accumulated amortisations and impairments 31 December 2021 [1)]	0	0
Carrying value 31 December 2020	0	0
Carrying value 31 December 2021	2 881	2 881

[1)]Not yet completed

Note 8 Property, plant and equipment

2021

NOK 1000	Land	Buildings	Rental equipment/ furniture/ vehicles	Total
Accumulated cost 31 December 2020	0	0	0	0
Additions, merger	5 748	82 297	7 378	95 423
Accumulated cost 31 December 2021	5 748	82 297	7 378	95 423

Depreciation method
Useful life

NOK 1000	No depreciation	Linear 10-40 years	Linear 3-5 years	Total
Accumulated depreciations and impairments 31 December 2020		0	0	0
Accumulated depreciations and impairments, merger		63 599	7 221	70 820
Depreciations		4 184	84	4 269
Accumulated depreciations and impairments 31 December 2021	0	67 784	7 305	75 089
Carrying value 31 December 2020	0	0	0	0
Carrying value 31 December 2021	5 748	14 513	73	20 334

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

Note 9 Leases

The company has leases for premises. 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 company to sublet the asset to another party, the right-of-use asset can only be used by the company. 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 tables below describe the nature of the company's leasing activities by type of right-of-use asset recognised on balance sheet:

2021

NOK 1000	Leased premises	Total
Accumulated cost 31 December 2020	0	0
Additions, merger	6 878	6 878
Disposals	(3 263)	(3 263)
Accumulated cost 31 December 2021	3 614	3 614
Accumulated depreciations and impairments 31 December 2020	0	0
Accumulated depreciations and impairments merger	4 508	4 508
Disposals	(3 263)	(3 263)
Depreciations	1 466	1 466
Accumulated depreciations and impairments 31 December 2021	2 711	2 711
Carrying value 31 December 2020	0	0
Carrying value 31 December 2021	904	904

The lease liabilities are secured by the related underlying assets and expires within one year. Interest expenses related to lease amounted to NOK 0.1 million and included in financial expenses.

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

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

NOK 1000	2021	2020
Lease expense for short-term leases	**1 191**	0
Lease expense for low value asset leases	**164**	0
Variable lease payments not included in lease liabilities	**39**	0

Note 10 Shares in subsidiaries

NOK 1000

Company	Time of acquisition	Land	Registered office	Ownership	Carrying value	Equity 31.12.2021	Profit/(loss) 2021
Saferoad Holding AB	12.12.2016	Sweden	Önnestad	100.00 %	199 490	221 711	8 920
Saferoad Holding Denmark Aps	12.12.2016	Denmark	Odense SV	100.00 %	219 406	75 166	12 815
Saferoad Holding Germany GmbH	01.10.2010	Germany	Weroth	100.00 %	564 668	451 462	(26 567)
Brödrene Berntsen AB	01.02.2006	Sweden	Gävle	100.00 %	2 856	2 320	1 908
Brødrene Berntsen AS	01.07.2010	Norway	Hønefoss	100.00 %	62 727	12 136	20 748
Saferoad UK Limited	31.12.2009	England	Scunthorpe	100.00 %	25 000	12 362	(1 209)
EKC Production AB	01.03.1999	Sweden	Kumla	100.00 %	1 670	5 454	(25)
EKC Sverige AB	01.03.1999	Sweden	Kumla	100.00 %	16 780	52 605	19 565
Euroskilt AS	01.01.2007	Norway	Vingrom	100.00 %	18 611	110 541	4 324
Eurostar AS	01.01.2007	Norway	Oslo	100.00 %	2 905	21 265	(2 992)
Saferoad Czech Republic s.r.o.	30.06.2010	Czechia	Line	100.00 %	27 770	34 548	2 364
Saferoad Sverige AB	28.02.2008	Sweden	Köping	100.00 %	154 406	62 770	9 088
Saferoad Finland Oy	30.06.2012	Finland	Tuusula	100.00 %	26 935	23 270	1 576
Moramast AB	01.11.2007	Sweden	Mora	100.00 %	4 270	7 851	27 235
Saferoad RRS Polska Sp. z o.o.	02.01.2012	Poland	Gdańsk	100.00 %	36 584	48 799	5 027
Saferoad Holland BV	01.03.2010	Netherlands	Heerenveen	100.00 %	31 000	68 729	11 287
Saferoad Smekab AB	01.01.2007	Sweden	Önnestad	100.00 %	55 878	10 679	17 448
Saferoad Sp. z o.o.	01.01.2008	Poland	Wloclawek	100.00 %	135 741	115 191	(3 261)
Saferoad Trading AS	01.01.2007	Norway	Oslo	100.00 %	1 661	3 310	(362)
TrafikkDirigering AS	13.12.2017	Norway	Gerdermoen	100.00 %	33 502	5 362	1 549
Trafikksikring AS	05.04.2001	Norway	Oslo	100.00 %	110	2 009	(21)
Vik Ørsta AS	01.01.2007	Norway	Ørsta	100.00 %	204 632	168 126	48 889
Vik Ørsta Design AS	30.06.2012	Norway	Ørsta	100.00 %	0	1 342	(744)
Total value					**1 826 602**		

The table below sets forth Saferoad Holding AS's ownership in subsidiaries through its directly owned subsidiaries.

Shares in subsidiaries owned through subsidiaries	Country	Ownership
Saferoad Holding AB		
Saferoad Treasury AB	Sweden	100 %
Saferoad Holding Denmark Aps		
Saferoad Daluiso 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	England	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 %

The following companies based in Germany make use of the exemption provision pursuant to §264 (3) HGB or § 264b HGB, which means that they do not need to prepare consolidated financial statements at a lower level than Saferoad Holding AS:

Saferoad Holding Germany GmbH
Saferoad Europe GmbH
Saferoad RRS GmbH
Bongard & Lind Verwaltungs GmbH
Bongard Lind Noise Protection GmbH & Co. KG
Saferoad SES GmbH
Schalltec GmbH & Co. KG
Schalltec Beteiligungs GmbH
Hausneindorfer Metallbau und Montage GmbH

Note 11 Cash and cash equivalents

NOK 1000	31.12.2021	31.12.2020
Cash and bank deposits	**231 099**	311 287
Restricted cash	**0**	0
Total cash and cash equivalents	**231 099**	311 287

Saferoad Holding AS is the owner of the cash pool system in DNB. The net cash position against DNB is presented as cash in the statement of financial position, and other group companies' positions presented as receivables and payables towards Saferoad Holding AS (see note 14).

The company is participant in the Group's cash pool system with Danske Bank. The cash pool owner is Saferoad Treasury AB, a subsidiary in the Group. The accounts in this cash pool system are presented as intercompany receivables in the statement of financial position, as the net balance of Saferoad Holding AS per 31 December 2021 is positive. See further information regarding receivables to group companies in note 14.

Note 12 Liabilities to credit institutions

In November 2021, Saferoad Holding AS 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.

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 Group 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.

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 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 Group 2022 capital expenditure budget is well below the 2022 capex covenant level.

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

NOK 1000	Currency	Interest rate	Due date	Amount
Liabilites to credit institutions - Term loan	SEK	STIBOR + Margin	30/9/2028	572 862
Liabilites to credit institutions - Term loan	NOK	NIBOR + Margin	30/9/2028	836 626
Liabilites to credit institutions - Term loan	EUR	EURIBOR + Margin	30/9/2028	923 070
Liabilites to credit institutions - Revolving credit facility	NOK	NIBOR + Margin	31/3/2028	377 450
Total				2 710 007
Less current part				0
Non-current				2 710 007

Note 13 Other current liabilities

NOK 1000	31.12.2021	31.12.2020
Salary	**3 532**	3 143
Bonuses	**6 025**	6 267
Holiday pay	**3 433**	1 617
Other current liabilities	**9 235**	164
Total other current liabilities	**22 820**	11 191

Note 14 Transactions with group companies and related parties

NOK 1000	2021	2020
Internal operating revenue from group companies		
Management fee	**44 280**	6 462
Rental	**6 000**	0
Other revenue	**2 882**	1 519
Internal operating revenue from group companies	**53 162**	7 980
Internal services from group companies		
Vik Ørsta AS	**4 302**	960
Saferoad Daluiso A/S	**2 071**	0
Saferoad Sverige AB	**3 677**	0
Saferoad Pomerania Sp. z o.o.	**463**	0
Saferoad Smekab AB	**90**	0
Other operating costs to group companies	**10 604**	960
Received dividend and group contribution		
Saferoad Holding AB	**0**	1 734 358
Saferoad Holding Norway AS	**0**	4 738
Brødrene Berntsen AS	**27 826**	34 310
Vik Ørsta Design AS	**0**	1 826
Vik Ørsta AS	**51 374**	(157)
Euroskilt AS	**9 831**	0
Trafikkdirigering AS	**3 015**	0
Dividend and group contribution from group companies	**92 047**	1 775 075
Internal financial income		
Interest income	**29 312**	26 592
Cash pool interest income	**111 614**	93 964
Financial income from group companies	**140 926**	120 556
Internal financial expense		
Interest expence	**85 143**	113 637
Cash pool interest expense	**62 397**	31 269
Financial expence to group companies	**147 540**	144 906

NOK 1000	31.12.2021	31.12.2020
Non-current loans to group companies		
Loans to group companies	**435 999**	0
Total non-current loans to group companies	**435 999**	0
Receivables on group companies		
Trade accounts receivables	**70 976**	16 253
Other receivables	**22 165**	519
Cash pool, net receivables	**601 792**	1 457 164
Accrued interest income	**19 065**	0
Total receivables on group companies	**713 998**	1 473 935
Group contribution receivable on group companies		
Brødrene Berntsen AS	**27 826**	34 310
Saferoad Holding Norway AS	**0**	4 738
Vik Ørsta Design AS	**0**	1 826
Euroskilt AS	**9 831**	0
RI Holding AS	**3 243**	0
Trafikkdirigering AS	**3 015**	0
ViaCon AS	**416**	0
Vik Ørsta AS	**51 374**	0
Total group contribution on group companies	**95 706**	40 874
Non-current liabilities to group companies		
SR RI AS	**0**	1 234 956
Total non-current liabilities to group companies	**0**	1 234 956
Current liabilities to group companies		
Cash pool	**265 923**	317 289
Trade accounts payable	**3 637**	493
Accrued interest	**0**	36 565
Total current liabilities to group companies	**269 560**	354 347
Dividend and group contribution to group companies		
RI Holding AS	**0**	40 922
Dividend and group contribution to group companies	**0**	40 922

For information regarding cash pool, see note 11.

Saferoad Holding AS' related parties consist of companies in Saferoad Group, ViaCon Group and other companies in the ultimate group SRH BridgeCo. These transactions are described above. No further transactions with related parties for Saferoad Holding AS have been identified.

Note 15 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

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. z o.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. z o.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

Guarantees

The company has a guarantee related to withholding tax account of NOK 11.0 million.

Alternative performance measures (APMs)

APMs are used by Saferoad for financial reporting to provide a better understanding of the company's underlying financial performance for the period. Underlying operating revenue, underlying EBITDA and underlying 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. Saferoad focuses on underlying EBITDA and underlying EBITA 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.

EBITA is defined as EBITDA after depreciation.

Underlying EBITA is defined as EBITA 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	2021	2020
Reported operating revenue	**5 765 915**	5 258 153
Items excluded from underlying operating revenue	**(14 988)**	(39)
Underlying operating revenue	**5 750 927**	5 258 114
Reported profit/(loss) for the year	**109 637**	104 295
Net financial income and expenses	**162 631**	156 353
Tax	**(7 957)**	(2 554)
Depreciation and impairment	**247 235**	242 279
Amortisation and impairment	**43 776**	41 650
Reported EBITDA	**555 323**	542 022
Items excluded from underlying EBITDA	**35 639**	21 083
Underlying EBITDA	**590 962**	563 105
Depreciation and impairment	**(247 235)**	(242 279)
Underlying EBITA	**343 727**	320 826
Reported profit/(loss) for the year	**109 637**	104 295
Items excluded from underlying profit/(loss) for the year	**25 884**	(2 112)
Underlying profit/(loss) for the year	**135 521**	102 183
Items excluded from underlying revenue, underlying EBITDA and underlying profit/(loss) for the year		
Restructuring charges and closure costs	**(14 988)**	(39)
Items excluded from underlying operating revenue	**(14 988)**	(39)
Transaction and financing costs [1)]	**43 168**	(4 500)
Restructuring charges and closure costs [2)]	**(10 063)**	17 959
Other effects [3)]	**2 534**	7 624
Items excluded from underlying EBITDA	**35 639**	21 083
Net financial income/(expense) [4)]	**11 331**	(1 484)
Tax [5)]	**(21 087)**	(21 711)
Items excluded from underlying profit/(loss) for the year	**25 883**	(2 112)
Items excluded from underlying EBITDA, specified per operating segment		
Road Safety	**(11 354)**	9 259
Signs & Work Zone Protection	**1 742**	7 454
Light Poles & Masts	**0**	0
Road Services	**1 205**	0
Other Services	**0**	0
Holding	**44 046**	4 370
Items excluded from underlying EBITDA	**35 639**	21 083

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 acquisition 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) **Restructuring charges and closure costs** relate to redundancy and other restructuring cost/(income).

3) **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.

4) **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.

5) **Tax** relates to changes in deferred tax liabilities/assets.

Statsautoriserte revisorer
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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Saferoad Holding AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Saferoad Holding 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, the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows 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 and the Chief Executive Officer) 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 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.

- 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 April 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Tore Sørlie
State Authorised Public Accountant (Norway)

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