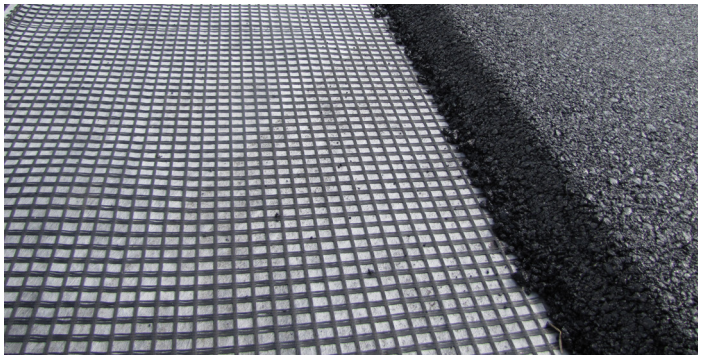
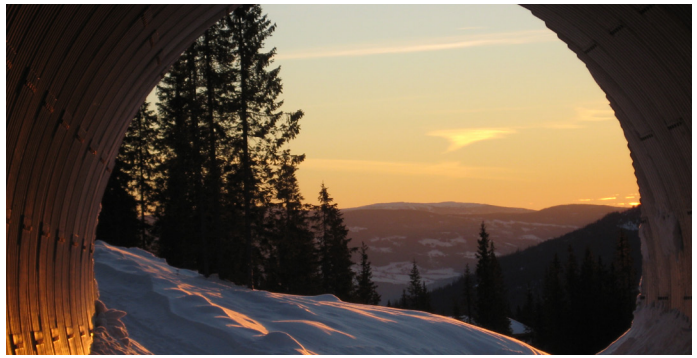
2020

ViaCon Group

Consolidated financial statements





ViaCon

Contents

BOARD OF DIRECTORS' REPORT

The board of Directors and the Chief Executive Officer hereby submit the consolidated financial statements for the ViaCon Group, for the 2020 financial year. The parent company is ViaCon Group AB (publ) with corporate identity number 559228-2437. ViaCon Group AB (publ) was formerly R. Infrastructure Holding AB. On 17 September 2021, the parent company registered its name change along with converting to a public entity and electing Stefan Nordström as CEO.

VISION

"We will be the leading European provider of sustainable Bridges & Culverts, GeoTechnical and StormWater Solutions applying our high technical competence"

FOCUS 2020

- Developed a new strategy with new directives to meet future needs with an organisation that supports it
- Covid-19 effects
- Strengthened CM II margin, which makes ViaCon less volume dependent
- OPWC projects to secure capital efficiency
- A strong business recovery that has led to one of the best years in history, in terms of earnings and cash flow

FOCUS 2021

- New strategy and new organisation for what is probably the biggest change in ViaCon´s history
- Prioritise the strategic orientations
- Continue to manage Covid-19´s impact on operations
- Increase production efficiency
- Work in a uniform way to realise our strategy

Ownership structure

ViaCon Group with its parent company, ViaCon Group AB (publ), is owned by RI Holding AS, Oslo, with corporate identity number 923 991 484, being a part of SRH BridgeCo Group. ViaCon's ultimate owner is FSN Capital V and FSN Capital Bridge Co-Investment.

ViaCon Group AB (publ) acquired 100% of the shares in Viacon Holding AB on 18 December 2019.

Operational structure

Operationally, ViaCon Group has been managed from the wholly-owned subsidiary ViaCon Holding AB, where the board has performed its activities. In addition, management of the group was employed by ViaCon Holding AB in 2020.

ViaCon's business

The Group was founded in 1986 in Sweden and Norway. ViaCon is a leading provider in the European market with a focus on production and technical sales of flexible corrugated steel structures and plastic pipes used to build Bridges & Culverts, GeoTechnical- and StormWater Solutions. ViaCon offers innovative, competitive and sustainable solutions.

During the year, the company appointed a number of key people at the new ViaCon head office in Nya Hovås, Gothenburg, Sweden.

The year in brief

2020 has been a special year given the prevalence and impact of the Covid-19 pandemic worldwide. The development of the pandemic has had far-reaching consequences for many industries. Global challenges require new business models. However, general demand is governed by a number of factors and for ViaCon, 2020 has been one of the best years in history. ViaCon took a big step forward in 2020, a year that started strong commercially thanks to the mild weather, but which has developed stronger as the new strategic direction started to pay-off. The business has been refined and the separation process from Saferoad has been completed. Within Saferoad Group ViaCon was only a division, but now ViaCon is an independent entity and a Group with a clear agenda for the future.

ViaCon's vision

ViaCon wants to be in a leading position in its key markets and be highly appreciated and respected for the technical competence and solutions.

Europe, and in particular Central & Northern Europe, is ViaCon's home market. ViaCon acts also in other markets and thus opportunities will be handled on an opportunity basis. ViaCon currently has no ambitions to go global but would like to strengthen the position into Western Europe. Focus on sustainability implies that ViaCon wants to differentiate the product offerings to provide highly profitable solutions and supporting our customers' demand for sustainable and environmentally friendly solutions.

Applying the Group's high technical competence in ViaCon's solutions is the key to differentiate and build sustainable competitiveness.

Strategic priorities in focus

Global challenges require new business models, the world is changing and ViaCon with it. Programs and plans for future growth and profitability, were prepared in 2020. The work has resulted in a revised vision and business concept where the strategic priorities are clear. Through a new organisational structure for the Group consisting of three business units and a consolidated Operations function that were introduced in the beginning of 2021, ViaCon has a strong legacy to build on. The ambition for ViaCon is to reach a strong position with good profitability in the European market. Through the strategic priorities, ViaCon will grow the business within "Bridges & Culverts Solutions", improve profitability within "Geotechnical Solutions" and build the business within "StormWater Solutions". Profitability will also be strengthened by working uniformly towards the same goal and by increasing production efficiency through the new Operations function. ViaCon will thus become a stronger partner for all its stakeholders in society and overall, the company will advance its positions in terms of future solutions in each segment.

Customer focus

ViaCon has always had strong focus on aiming to identify the customer's needs and providing optimal and innovative solutions for each project. We believe the goal to a successful end result is derived from understanding the needs of the customer, providing our high technical experience and high quality products as well as

finding the optimal solutions for each project.

ViaCon Group has more than 35 years of experience in applying its own produced products as well as the highest quality products from carefully chosen long-term partners. ViaCon constantly works to develop the product offerings to be able to provide added value to its customers.

Covid-19

The Covid-19 outbreak has affected many players and the development of the pandemic has had far-reaching consequences for many industries. ViaCon has taken strong measures to protect the business against the spread of the virus and ViaCon has been affected by Covid-19 to a fairly limited extent so far. The measures have been successfully implemented and production capacity has been maintained. General demand is governed by a number of factors and for ViaCon, 2020 has been the best year in the Group's history.

However, the company's management is constantly evaluating the Corona situation. Management hasn't noted anything that indicates that ViaCon group has been or will be negatively affected by the same. This conclusion is based on the information at the time of signing of this annual report and the effects of future events may differ from management's assessment.

Revenue, earnings and profitability

At the end of 2020, ViaCon had business in eighteen countries throughout Europe, including UAE, and had in average 778 (774) employees (FTE). Total revenue amounted to TSEK 1,989,222 (1,861,493) whereof other operating revenue amounted to TSEK 19,059 (17,044), an increase of 6.9 % compared to previous year.

Earnings before depreciation and amortisation (EBITDA) amounted to TSEK 177,894 (133,085), corresponding to an EBITDA margin of 8.9 % (7.1).

Operating profit (EBIT) amounted to TSEK 125,000 (79,127) corresponding to an operating margin of 6.3 % (4.3).

Restructuring, strategic initiatives and implementing a new operation and financial model has had an adverse impact on the company's figures during the year. Adjusted for this Earnings before depreciation and amortisation (EBITDA) amounted to TSEK 205,523, corresponding to an adjusted EBITDA margin of 10.4 %. Correspondingly adjusted Operating profit (EBIT) amounted to TSEK 152,629 and adjusted operating margin of 7.7 %.

The Group's net financial items were TSEK -12,480 (-92,066). Financial income, net, totaled TSEK 117,269 (2,371). The year included a net foreign exchange gain of TSEK 109,901 (-). Financial expenses, net, amounted to TSEK -129,749 (-94,437) and include interest expenses of TSEK -121,644 (-78,891), of which interest expenses for lease liabilities total TSEK -4,294 (-4,814). Foreign exchange losses amounted to TSEK -232 (-6,705). Other financial expenses amounted to TSEK -6,804 (-7,986). The Group's profit before tax amounted to TSEK 112,520 (-12,939) and profit after tax was TSEK 77,673 (-20,917). During the year, government grants had a minor effect on the profit and loss 2020.

Cash flow, working capital, investments and financial position

Cash flow from operating activities before changes in working capital totaled TSEK 93,060 (34,492), which equates to 4.7 % (1.9) of net sales. The cash flow including change in working capital amounted to TSEK 144,955 (63,098). Inventories contributed with TSEK 38,405 (9,106), accounts receivables also contributed positively by TSEK 17,056 (10,071). Accounts payable liabilities increased and contributed positively this year by TSEK 31,018 (-22,675). Accounts receivable during the past year averaged TSEK 353,304 (375,253), which equates to 17.9 % (20.3) of total operating revenue. Average inventories amounted to TSEK 188,575 (223,268), corresponding to an inventory turnover of 6.7 (5.5) times. The improvements of the Group's net working capital ratios are effects from the capital efficiency program.

Cash flow from investing activities amounted to TSEK -76,758 (-69,518). Investments in intangible assets and property, plant and equipment amounted to TSEK -18,903 (-35,534). Buy-out of non-controlling interests and payments for acquired shares amounted to TSEK -67,403 (-54,795). Sale of subsidiaries TSEK -600 (5,143). Divestment of property, plant and equipment amounted to TSEK 10,148 (15,668). Consolidated cash and cash equivalents amounted to TSEK 244,760 (95,549) at the year-end. Consequently, disposable cash and cash equivalents amounted to 12.3 % (5.1) of total operating revenue. The Group's balance sheet total at year-end was TSEK 1,440,954 (2,213,605). Equity in the Group was TSEK -222,937 (-245,876) at the end of the financial year. Net profit for the year of TSEK 77,673 (-20,917), exchange differences on translation of foreign operations totalling TSEK -50,978 (8,883), exchange differences on loans treated as net investments TSEK -3,365 (-) and transactions with shareholders totaling TSEK -391 (-7,087) have had an impact on equity. On the closing date, net debt amounted to TSEK 944,158 (667,750). Net debt adjusted for lease liabilities amounted to TSEK 870,847(580,429). The equity/assets ratio was -15.5 % (-11.1). Group goodwill at the end of the financial year was TSEK 333,399 (333,340), or 23.1 % (15.1) of the balance sheet total.

Outlook for 2021

ViaCon has taken a major step forward in 2020 and with the new strategy, ViaCon will be able to advance its position in the European market by providing sustainable and environmentally friendly solutions. Innovation is happening everywhere, and ViaCon continues to explore new technology that strengthens the product offerings. With a focus on sustainability and through its expertise in technical solutions, ViaCon will create value for its customers by differentiating its range with cost effective solutions. ViaCon is significantly stronger today than a year ago. The strategy gives the company confidence in being able to successfully deliver future development and to achieve the goal of "becoming the leading European supplier of sustainable solutions in its segments".

Guidelines for remuneration to senior executives

Guidelines for remuneration to senior executives and other employment terms and conditions for ViaCon's President and CEO and other senior executives have been adopted by the Board. Salaries and other terms and conditions of employment shall be such that ViaCon can always attract and retain skilled senior executives at a reasonable cost to the company. Remuneration within ViaCon shall be based on the nature of the position, principles of performance, competitiveness and fairness. The salaries of senior executives consist of a fixed salary, variable remuneration, pension and other benefits. Every senior executive shall be offered a fixed salary in line with market conditions and based on the senior executive's responsibility, expertise and performance. All senior executives may, from time to time, be offered cash bonuses. In the case of the President and CEO such bonuses may amount to a maximum of 80 % of their annual fixed salary. In the case of the other senior executives, bonuses may not exceed 60% of their annual fixed salaries. Bonuses shall be based primarily on developments in the Group as a whole or developments in the division or unit for which the person in question is responsible. For further information about remuneration to senior executives, see Note 7 - Employees, employee benefit expenses and remuneration to the Board of Directors to this annual report.

Environmental impact

ViaCon Group emphasises the importance of the compliance with all relevant environmental requirements within all subsidiaries.

Environmental consciousness has become increasingly important as we used so much of our non-renewable resources. While infrastructure industry has not been in the cutting edge in this development, ViaCon welcomes that changes now rapidly are taken place. ViaCon, as an organisation, is determined to be in the forefront to positively influence this development.

Sustainability has always been in the DNA of ViaCon and many of the solutions ViaCon provides today are very efficient in this regard, whether it is environmental engineering, erosion control, soil reinforcement or waterway engineering. There are many advantages to ViaCon's solutions, like minimising the CO2 footprint, reducing construction time, optimising the use of in-situ and reusable materials and many others. In the future ViaCon aims to increase the awareness and ability to make comparison between alternative solutions.

Further, ViaCon puts safety first in product development and in its own operations. With a proven track-record and market leadership, ViaCon can benefit from this. ViaCon's product portfolio includes solutions for the StormWater management and continuous R&D efforts to create innovative solutions as well as optimisation of current materials and the use of new materials to contribute to the UN Sustainable Development Goals.

ViaCon has identified how the company best can contribute to UN's 17 global Sustainable Development Goals (SDGs). The following four goals are where ViaCon can make the most difference:

8 DECENT WORK AND ECONOMIC GROWTH

DECENT WORK AND ECONOMIC GROWTH

Because safety and human rights make up the foundation for prosperity. We focus on:

- Code of conduct both internally and externally
- Monitoring health and safety
- Long-term employments

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

INDUSTRY, INNOVATION AND INFRASTRUCTURE

We create value for the customers by providing them sustainable solutions tailored toward specific customer needs. We focus on:

- Product offering
- To build resilient infrastructure, promote sustainable solutions
- Support suppliers in their sustainable development
- Cooperation with university in new sustainable technologies

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

RESPONSIBLE CONSUMPTION AND PRODUCTION

We are driving prosperity through our consumption and production. We are a trusted partner to all our stakeholders. We focus on:

- Product offering
- StormWater Solutions
- Investments in new and existing plants for better raw material utilisation and energy consumption
- Transport management
- Recycling

13 CLIMATE ACTION

CLIMATE ACTION

Reducing emission from our own operations and value chain as well as from the use of our products. We focus on:

- Product offering: Sustainable Bridges & Culverts-, GeoTechnical- and StormWater Solutions
- Water treatment
- Recycling
- Investments in new and existing plants
- Training

ESG Achievements during 2020:

- Defined our ESG strategy 2023 including targets 2021
- Launched an electronic whistle blower channel
- Defined a set of new compliance policies approved by the board
- Launched a compliance training (E-learning) for all staff
- Created a "one stop shop" on intranet for ESG incl policies and trainings
- Introduced Winningtemp Engagement Survey and eNPS reporting
- Updated authorisation matrix

Turning towards 2021, ViaCon's ESG focus will be to:

- Develop our sustainability claims for our solutions
- Develop our ability to measure our own environmental footprint
- Drive Employee engagement & eNPS
- Improve health & safety (lost days)
- Reduce scrap and raw material consumption
- Reduce electricity consumption in our plastic pipe production

Board activities

The Board has adopted a set of working procedures, instructions and a number of policies that define the allocation of responsibilities between the Board and the President and CEO. The Board has ultimate responsibility for the Group's operations and organisation and ensures that the duties of the President and CEO as well as financial operations are carried out in compliance with established principles. The Board held nine meetings during the year, including one strategy meeting, and one budget and business-planning meeting.

Risk factors and risk management

ViaCon is subject to several operational and financial risks, which may affect parts or all its activities. Exposure to risk is a natural part of running a business and this is reflected in ViaCon's approach to risk management. It aims to identify risks and prevent risks from occurring or to limit any damage resulting from these risks. Risks to the business can be categorised as industry and competitive risk, operational risks, strategic risks, financial and market risks.

Through the Group's risk management and internal control framework, ViaCon aims to systematically identify, assess and manage risk throughout the Group. The responsibility for the risk management and internal control in these aspects' rests primarily with the first-line management, 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 applies to each of them.

The monitoring of the financial compliance and control environment has been strengthened in recent years. The aspects of risk management and mitigating initiatives has continued during 2020. The year has also seen a strengthening of activities around IT and Cyber security in light of the continuously increasing challenges. These activities of risk management are foreseen to involve additional efforts and mitigating initiatives in the coming period.

In 2020 we further increased our efforts within ESG in several areas. The monitoring of health and safety of our employees has long been at the core of the business. During the year we further improved our process of measuring employee satisfaction through the standard eNPS survey by launching a tool, Winningtemp. By using the Winningtemp we facilitate the process of engaging the organisation and identifying improvement actions based on the local survey results.

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

ViaCon 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. Today the Group has a sizable footprint in more than 19 European countries and UAE and exports selected products outside its main footprint. ViaCon 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

ViaCon'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. ViaCon 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 that will have a preventive effect.

Strategic risk

The Group's future development and success depends on the strategies being relevant and effective for the Group, that the measures are being properly executed and that they provide the expected results. If the strategies are not relevant or effective for the

Group or are not properly executed, the Group may fail to meet its targets. To ensure that the Group stays on top of developments, strategic risk is managed through continuous monitoring of competitors and the market, follow-up of profitability, and through product development and planning processes.

Financial and market risk

The Group is exposed to financial risks associated with financial instruments such as trade receivables, liquidity and interest-bearing debt. These risks are classified as credit, market and liquidity risks. The ViaCon Group reports its financial results in Swedish kronor (SEK). With the exception of subsidiaries in Norway and Sweden, which purchase goods and services in other currencies than their revenues, the foreign subsidiaries in the Group primarily have their revenues and cost base in their local currencies. Nevertheless, subsidiaries may from time to time generate income or incur costs under currencies that differ from the currency of their operational costs. The group is exposed to risk related to developments in raw material prices in some business units, this risk is viewed as manageable. For a further description of how the Group manages these risks in its activities, see Note 25 - Financial Instruments and Financial Risks.

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 29-Contingent Liabilities.

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. ViaCon is strongly committed to ESG (Environment, Social and Governance) and aims to be leading in this field. The past year, the Group has strengthened its efforts around employees, corporate social responsibility, and the environment, developing specific objectives as well as targets per year. These activities are further described in the ESG section of the document. At year-end 2020, ViaCon had in average 778 employees (FTE). The employees represent diversity in terms of age, education, experience, and cultural background.

Consolidated income statement

TSEK	Note	2020	2019
Revenue	5	1,970,163	1,844,449
Other operating revenue		19,059	17,044
Total operating revenue		**1,989,222**	**1,861,493**
Cost of sales	6	-1,261,299	-1,229,841
Personnel costs	7	-309,307	-269,767
Depreciation, amortisation and impairment	8	-52,894	-53,958
Other operating expenses	9,10	-240,722	-228,799
Total operating costs		**-1,864,222**	**-1,782,365**
Operating profit		**125,000**	**79,127**
Financial income	11	117,269	2,371
Financial expenses	11	-129,749	-94,437
Net financial income/expenses		**-12,480**	**-92,066**
Profit/loss before tax		**112,520**	**-12,939**
Tax on profit for the year	12	-34,847	-7,978
Profit/loss for the year		**77,673**	**-20,917**
Profit/loss for the year attributable to:			
Equity holders of the parent company		76,102	-24,317
Non-controlling interests		1,570	3,400
		77,673	**-20,917**

Consolidated comprehensive income

TSEK	Note	2020	2019
Profit/loss for the year		77,673	-20,917
Other comprehensive income			
Items to be reclassified to profit/loss in subsequent periods:			
Exchange differences on translation of foreign operations		-50,978	8,833
Exchange differences on loans treated as net investments		-3,365	-
Items not to be reclassified to profit/loss in subsequent periods:			
Remeasurement of net defined benefit liability		-	-
Other comprehensive income for the year, net of tax		**-54,343**	**8,833**
Total comprehensive income for the year		**23,329**	**-12,084**
Total comprehensive income attributable to:			
Equity holders of the parent company		24,605	-15,987
Non-controlling interests		-1,276	3,903
		23,329	**-12,084**

Consolidated balance sheet

TSEK	Note	31 DEC 2020	31 DEC 2019	1 JAN 2019
ASSETS				
Non-current assets				
Intangible assets				
Development	*13*	759	1,172	1,255
Goodwill	*13*	333,399	333,340	333,340
Other intangible assets	*13*	6,329	7,016	8,090
Total intangible assets		**340,487**	**341,528**	**342,685**
Property, plant and equipment				
Land and buildings	*14*	112,107	116,723	129,038
Machinery and equipment	*14*	46,638	63,165	65,851
Construction in progress	*14*	337	8,203	844
Rental equipment, furnitures and vehicles	*14*	16,684	18,722	17,208
Right-of-use assets	*15*	75,734	90,092	89,047
Total property, plant and equipment		**251,500**	**296,905**	**301,988**
Financial assets				
Non-current receivables	*16*	6,267	5,889	957
Total financial assets		**6,267**	**5,889**	**957**
Deferred tax assets	*12*	14,615	19,311	12,534
Total non-current assets		**612,869**	**663,632**	**658,164**
Current assets				
Inventories	*6*	158,374	218,776	227,760
Current receivables				
Accounts receivable	*17,25*	328,795	377,813	372,692
Other current receivables	*18*	96,157	857,793	211,490
Total current receivables		**424,952**	**1,235,606**	**584,182**
Cash and cash equivalents	*20*	244,760	95,591	105,624
Total current assets		**828,086**	**1,549,973**	**917,566**
TOTAL ASSETS		**1,440,954**	**2,213,605**	**1,575,730**

TSEK	Note	31 DEC 2020	31 DEC 2019	1 JAN 2019
EQUITY AND LIABILITIES				
Equity				
Equity attributable to the shareholders of the parent company	*21*	-224,794	-295,602	204,756
Non-controlling interests	*21*	1,857	49,726	50,201
Total equity		**-222,937**	**-245,876**	**254,957**
Liabilities				
Non-current liabilities				
Deferred tax liabilities	*12*	7,458	14,291	18,367
Pension obligations	*22*	1,889	1,544	84
Other provisions	*23*	10,286	5,829	9,457
Liabilities to credit institutions	*24*	4,325	6,124	10,165
Other non-current interest-bearing liabilities	*26*	1,142,835	1,177,769	138,499
Total non-current liabilities		**1,166,793**	**1,205,557**	**176,572**
Current liabilities				
Liabilities from credit institutions	*24*	23,281	29,171	24,530
Accounts payables	*25*	196,628	177,069	195,050
Current tax liabilities	*12*	14,346	4,895	7,211
Other provisions	*23*	0	773	1,635
Other current interest-bearing liabilities	*26*	22,855	34,358	30,996
Other current liabilities	*27*	239,988	1,007,658	884,779
Total current liabilities		**497,098**	**1,253,924**	**1,144,201**
TOTAL EQUITY AND LIABILITIES		**1,440,954**	**2,213,605**	**1,575,730**

Consolidated statement of changes in equity

		Attributable to parent company shareholders					
TSEK	Note	Share capital	Share premium	Retained earnings	TOTAL	Non-controlling interests	TOTAL EQUITY
Opening balance as of 1 January 2019	*21*	**126**	**23,988**	**180,642**	**204,756**	**50,201**	**254,957**
Common control transaction - change of parent entity Group structure	*4*	**-76**	**80,202**	**-561,864**	**-481,738**		**-481,738**
Transactions with shareholders							
Dividends						-1,452	-1,452
Buy-out/ transaction non-controlling interests				-1,452	-1,452	-2,926	-4,378
Group contribution given				-1,257	-1,257		-1,257
Total transactions with shareholders		**-**	**-**	**-2,709**	**-2,709**	**-4,378**	**-7,087**
Comprehensive income							
Profit/loss for the year				-24,241	-24,241	3,400	-20,841
Other comprehensive income net of tax							
Exchange differences on translation of foreign operations				8,330	8,330	503	8,833
Total comprehensive income		**-**	**-**	**-15,911**	**-15,911**	**3,903**	**-12,008**
Closing balance as of 31 December 2019		**50**	**104,190**	**-399,842**	**-295,602**	**49,726**	**-245,876**
Transactions with shareholders							
Dividends						-451	-451
Buy-out/ transaction non-controlling interests				46,044	46,044	-46,143	-99
Group contribution received				159	159		159
Total transactions with shareholders		**-**	**-**	**46,203**	**46,203**	**-46,594**	**-391**
Comprehensive income							
Profit/loss for the year				76,102	76,102	1,570	77,673
Other comprehensive income net of tax							
Exchange differences on translation of foreign operations				-48,132	-48,132	-2,846	-50,978
Exchange differences on loans treated as net investments				-3,365	-3,365		-3,365
Total comprehensive income		**-**	**-**	**24,605**	**24,605**	**-1,276**	**23,330**
Closing balance as of 31 December 2020		**50**	**104,190**	**-329,034**	**-224,794**	**1,857**	**-222,937**

Consolidated cash flow statement

TSEK	Note	2020	2019
Operating activities			
Profit after financial items		112,520	-12,939
Adjustments for items not included in cash flow	*19*	-941	69,751
Taxes paid		-18,519	-22,320
Cash flow from operating activities before changes in working capital		**93,060**	**34,492**
Cash flow from changes in working capital			
Increase (-)/ Decrease (+) in inventories		38,405	9,106
Increase (-)/ Decrease (+) in accounts receivable		17,056	10,071
Increase (+)/ Decrease (-) in accounts payable		31,018	-22,675
Change in other current receivables and liabilities		-34,584	32,104
Cash flow from operating activities		**144,955**	**63,098**
Investing activities			
Acquisition of property, plant and equipment and intangible assets		-18,903	-35,534
Buy-out of non-controlling interests and payments for acquired shares	*2*	-67,403	-54,795
Sale of subsidiaries	*2*	-600	5,143
Divestment of Property, plant and equipment		10,148	15,668
Cash flow from investing activities		**-76,758**	**-69,518**
Financing activities			
Net proceeds from loans		120,142	490,095
Effect from new group structure		-	-481,738
Dividend to Parent Company shareholders and non-controlling interests		-451	-1,452
Group contributions		-1,017	20,364
Repayment of lease liabilities		-28,591	-29,535
Cash flow from financing activities		**90,083**	**-2,266**
Net increase/decrease in cash		**158,280**	**-8,686**
Reconciliation of cash and cash equivalents			
Cash and cash equivalents as of beginning of the financial year		95,591	105,624
Cash flow for the year		158,280	-8,686
Exchange-rate difference in cash and cash equivalents		-9,111	-1,347
Cash and cash equivalents at year-end	*20*	**244,760**	**95,591**

NOTE 1
GENERAL INFORMATION

ViaCon Group AB (publ) (previously R. Infrastructure Holding AB), Parent Company, with corporate identity number 559228-2437 and its subsidiaries (jointly the Group) manufacture, develop and distribute solutions to improve infrastructure. The Parent Company is a holding company, with its registered office in Stockholm, Sweden, and was founded on November 25, 2019. The company's postal address is ViaCon Group AB (publ) c/o ViaCon International AB, Box 2064, 531 02 SE-Lidköping, Sweden. The Group uses the calendar year as financial year.

ViaCon Group AB (publ) is a wholly owned subsidiary to RI Holding AS, corporate number 923 991 484, and its registered office in Oslo, Norway. The parent company of RI Holding AS is SHR Investco AS, Oslo, Norway, with the ultimate parent FSN Capital V and FSN Capital Bridge Co-Investment. SRH Investco AS, is the closest level publishing consolidated financial statements.

ViaCon was transferred from Saferoad Holding AS to SHR Investco AS on 18 December 2019. ViaCon Group AB (publ) purchased the shares of ViaCon Holding AB on the same date. The consolidated financial statements for the group are prepared according to IFRS.

During 2020, the Group had in average 778 employees (FTE) and operations in 18 countries with main presence in North and Central Europe. There are eight production facilities where entities in Poland have most capacity.

These consolidated financial statements were approved by the Board on 27 September 2021.

The Group consists of the following entities:

Entity	Corporate ID	Country	2020 (%)	2019 (%)
ViaCon Group AB (publ)	5592282437	Sweden	100	100
ViaCon Holding AB	5568264062	Sweden	100	100
FLA Geoprodukter AB	5561877357	Sweden	100	100
ViaCon Invest AB	5566616099	Sweden	100	100
OY Latium Ltd	10546437	Finland	100	100
ViaCon International AB	5566196159	Sweden	100	100
ViaCon AB	5566207519	Sweden	100	100
ViaCon Production AB	5564574472	Sweden	100	100
Arot ViaCon AB	5560043845	Sweden	100	100
Nordic Culvert AB	5567542898	Sweden	100	100
ViaCon Bridges AB	5568535073	Sweden	100	100
OY ViaCon Ab	0969082-9	Finland	100	100
Kiinteistö Oy Rumtikli	1646291-2	Finland	100	100
Solcon Oy	0914228-3	Finland	100	100
ViaCon A/S Denmark	37331643	Denmark	100	100
ViaCon AS	847016272	Norway	100	100
ViaCon Sp. z o.o.	0000093391	Poland	100	100
ViaCon Polska Sp. z o.o.	KRS 00000281974	Poland	100	100
ViaCon Construction Sp. z o.o.	260153179	Poland	100	100
Geotex Sp. z o.o.	5442381	Poland	100	100
Elikopol BK Sp. z o.o.	143544	Poland	100	100
Steel-System Sp. z o.o.	0000362766	Poland	100	100
ViaCon ČR s.r.o.	25910434	Czech Republic	70	70
ViaCon SK s.r.o.	36720321	Slovakia	100	70
ViaCon Hungary CS LLC	13-09-160009	Hungary	100	100
Tubo Hungária LLC	13-09-086530	Hungary	100	100
ViaCon Bulgaria EOOD	201466113	Bulgaria	100	100
ViaCon Austria GmbH	FN 344929	Austria	100	100
ViaCon Romania SRL	J08/1323/2012	Romania	100	100
ViaCon İnşaat Müh. San. Tic. A.Ş.	İTO-910795	Turkey	100	100
ViaCon Middle East FZE	Dubai Silicon Oasis Authority License No. 3268.	UAE	100	100
AS ViaCon Eesti	10398015	Estonia	100	100
SIA ViaCon Latvija	50003289621	Latvia	100	100
UAB ViaCon Baltic	110788621	Lithuania	100	100
UAB ViaCon Statyba	300665309	Lithuania	100	100
UAB ViaCon Baltic Pipe	301670782	Lithuania	100	100
ViaCon Technologies COOO	190778183	Belarus	100	100
Tubosider France SAS	340740745	France	100	60
Mertus 654 (ViaCon Germany GmbH)	HRB 120007	Germany	100	0
Mertus 660 (ViaCon Hamco GmbH)	HRB 120312	Germany	100	0

NOTE 2
BUSINESS COMBINATIONS

Changes in the composition of the Group

During 2020 and 2019, there were no acquisitions leading to change in control within the Viacon Group. In December 2020, Arot-ViaCon AB was merged into ViaCon AB and ViaCon Bridges AB was merged into ViaCon International AB. There were additional payments and part deals and minor business divestments:

2020

Acquisitions or paid additional purchase fees:

Company	Date	Amount in TSEK	Category
AS ViaCon Eesti	26 Feb 2020	7,774	Additional purchase
OY Latium	2 Mar 2020	689	Minority Shares 10 %
Tubosider France SAS	31 Mar 2020	56,155	Remaining Shares 40 %
OY Latium	14 May 2020	502	Minority Shares 10 %
ViaCon Hungary	26 May 2020	1,511	Additional purchase
OY Latium	26 May 2020	773	Minority Shares 10 %
Mertus 654, 660	1 Nov 2020	587	Shares 100%
Total		**67,991**	

Divestments

On 6 July 2020, the subsidiary in Latvia, was sold. A loss from the sale of around TSEK -600 net, is included in other operating costs.

In October 2020, the subsidiary Tubosider France SAS divested its Road Restraint Systems business. The transaction included inventory and fixed assets related to the business. The gross cash proceeds amounted to TEUR 471 (TSEK 4,726), and a gain from the sale of TSEK 5,100 is included in other operating revenue.

2019

Paid additional purchase fees:

Company	Date	Amount in TSEK	Category
AS ViaCon Eesti	17 Jan 2019	6,194	Additional purchase
OY Latium	26 Feb 2019	755	Additional purchase
AS ViaCon Eesti	1 Apr 2019	6,051	Additional purchase
UAB ViaCon Baltic	5 May 2019	39,143	Additional purchase
FLA Geoprodukter AB	8 Jul 2019	2,652	Additional purchase
Total		**54,795**	

Buy-out of ViaCon Austria GmbH for remaining 30 % was agreed upon on 25 June for 3.2 MSEK, with no cash effect. Buy-out of ViaCon Hungary CS LLS for remaining 20 % was agreed per 30 April for 4.3 MSEK, with no cash effect 2019.

Divestments

On 4 January 2019, for the subsidiary in Latvia, the last portion of sales price was received, with a gain of TSEK 5,143.

NOTE 3

BASIS FOR CONSOLIDATION

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. These Consolidated Financial Statements are prepared in accordance with IAS 1 Presentation of Financial Statements

The accounting policies applied in the preparation of the consolidated financial statements are disclosed in the respective notes in order to provide a better understanding of the respective accounting field. See the table below for reference to the note in which each significant accounting policy is used and the applicable IFRS standard that is deemed to have significant influence.

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

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

Accounting policy	Note		IFRS Standard
First year adoption IFRS	*4*	Presentation of Financial Statements	IFRS 1
Company acquisitions	*2*	Business Combinations	IFRS 3, IFRS 5
Other Comprehensive Income	*21*	Equity	IAS 32
Revenue	*5*	Revenue from Contracts with Customers	IFRS 15
Financial income and expenses	*11*	Financial Instruments	IFRS 9
Income tax	*12*	Income Taxes	IAS 12
Intangible assets	*13*	Intangible Assets	IAS 38, IAS 36
Tangible assets	*14*	Property, Plant and Equipment	IAS 16, IAS 36
Right-of-use assets	*15*	Leases	IFRS 16
Inventories	*6*	Inventories	IAS 2
Accounts receivable	*17,25*	Financial instruments by category	IAS 32, IFRS 7, IFRS 9, IFRS 16
Accounts payable	*25*	Financial instruments by category	IAS 32, IAS 37, IFRS 7, IFRS 9
Non-controlling interests	*21*	Non-controlling interests	IFRS 10, IFRS 12
Pension obligations	*22*	Employee benefit	IAS 19
Provisions	*23*	Other provisions	IAS 32, IAS 37, IFRS 11
Borrowing	*24*	Interest-bearing liabilities to credit institutions	IAS 32, IAS 37, IFRS 7, IFRS 9
Cash flow statement	*19*	Statement of cash flows	IAS 7
Transactions with related parties	*30*	Related Party Disclosures	IAS 24

Important estimates and assessments for accounting purposes

Preparing financial reports in accordance with IFRS requires important accounting estimates to be made. In addition, the management needs to make certain assessments in applying the company's accounting policies. The areas subject to a high degree of assessment or complexity, or areas in which assumptions and estimates are of considerable importance to the consolidated financial statements, are indicated in the following table. The estimates and assumptions are regularly reviewed, and the effect on the carrying amounts is recognised in the income statement.

Estimates and assessments	Note	
First year adoption IFRS	*4*	Presentation of Financial Statements
Revenue recognition	*5*	Revenue
Impairment of goodwill	*13*	Intangible assets
Classification of leasing	*15*	Right-of -use assets
Inventory obsolescence	*6*	Inventories
Valuation of accounts receivable	*17*	Accounts receivable
Legal risks, compensation demands	*23, 29*	Other provisions

Estimates and assessments are evaluated continuously and based on historical experience and other factors, including expectations of future events considered reasonable under the prevailing conditions.

The Group makes estimates and assumptions about the future. The estimates for accounting purposes that result from these assumptions, by definition, seldom equal the related actual results.

Consolidated financial statements

Subsidiaries

A subsidiary is any company in which the Group has a controlling influence. The Group controls a company when it is exposed to or has the right to variable returns from its holdings in the company and has the ability to affect returns through its influence on the company. Subsidiaries are included in the consolidated financial statements from the date when the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date the controlling influence ceases.

The acquisition method is used for recognising the Group's acquisition of subsidiaries. The cost of an acquisition comprises the fair value of assets provided as remuneration, equity instruments issued and liabilities that arise or are assumed on the transfer date. In addition, the cost of acquisition includes the fair value of all assets and liabilities arising from any agreement about conditional purchase prices. Costs relating to an acquisition are expensed as they arise. For each acquisition the Group determines whether any non-controlling interest in the acquired business is to be recognised at fair value or using the proportional share of the acquired company's net assets. The amount by which the purchase sum, any non-controlling interest and the fair value on the acquisition date of previous shareholdings exceeds the fair value of the Group's proportion of identifiable acquired net assets is recognised as goodwill. If the cost is less than the fair value of the acquired subsidiary's net assets, the difference is recognised directly in the income statement.

When the Group no longer has a controlling influence, each remaining shareholding is assessed at fair value at the time when the controlling influence is terminated. The change in the carrying amount is recognised in the income statement. Fair value is used as the first carrying amount and forms the basis for the continued recognition of the remaining holding as an associate company, joint venture or financial asset. All amounts concerning the divested unit that were previously recognised in other comprehensive income are recognised as if the Group had directly divested the attributable assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified as profit.

Elimination of transactions between Group companies

Intra-group transactions and balance sheet items, as well as unrealised gains on transactions between Group companies, are eliminated. Unrealised losses are also eliminated, unless the transaction is proof of an impairment requirement for the transferred asset. Unrealised gains and losses arising from transactions between the Group and its associated companies and joint ventures are eliminated in relation to the Group's holding in those companies. The accounting policies for subsidiaries, associated companies and joint ventures have been changed where appropriate to ensure the consistent application of the Group's policies.

Translation of foreign currencies

Items in the financial statements for the various Group units are measured in the currency used in the economic environment where each company primarily operates (the functional currency). In the consolidated financial statements, the Swedish krona (SEK) is used, which is the Parent Company's functional and reporting currency.

Transactions in foreign currencies are translated into the functional currency at the exchange rates in force on the transaction date. Exchange gains and losses arising from the settlement of such transactions and the recalculation of monetary assets and liabilities in foreign currencies at the rate on the balance sheet date are recognised in the income statement. Exchange gains and losses attributable to loans and cash and cash equivalents are recognised as financial income and expenses respectively. All other exchange gains and losses are recognised as Other operating income or Other operating expenses.

The profit and financial position of all Group companies are translated into the Group's reporting currency. Assets and liabilities are translated at the rate on the balance sheet date, income and expenses are translated at the average rate and any resulting exchange rate differences are recognised as a separate portion of equity. Fair value adjustments and goodwill arising from the acquisition of a foreign operation are recognised as assets and liabilities in that operation and translated at the rate on the balance sheet date.

When translating amounts in foreign companies, the following exchange rates have been used:

	average rate		closing day rate	
	2020	2019	2020	2019
BYN	3.78	4.52	3.13	4.41
CZK	0.40	0.41	0.38	0.41
DKK	1.41	1.42	1.35	1.40
EUR	10.49	10.59	10.03	10.45
GBP	11.80	12.08	11.16	12.28
HUF	0.03	0.03	0.03	0.03
LTL	3.04	3.07	2.91	3.03
NOK	0.98	1.07	0.96	1.06
PLN	2.36	2.46	2.20	2.45
RON	2.17	2.23	2.06	2.18
RUB	0.13	0.15	0.11	0.15
TRY	1.32	1.67	1.10	1.56
USD	9.21	9.46	8.18	9.30

Classification of current and non-current assets and liabilities

Fixed assets and long-term liabilities essentially consist of amounts expected to be recovered or paid more than 12 months after the balance sheet date. Current assets and current liabilities essentially consist of only those amounts expected to be recovered or paid within 12 months of the balance sheet date.

Non-recurring items

Non-recurring items are recognised separately in the financial statements when this is necessary for explaining the Group's results as APM (Alternative Performance Measurement). Non-recurring items refer to significant income or expense items that are recognised separately because of the importance of their nature or amount.

NOTE 4
FIRST-TIME ADOPTION OF IFRS

General
The sub-group ViaCon Holding AB prepared its first financial statements in accordance with IFRS for the year ended 31 December 2020. ViaCon Group AB (publ) acquired ViaCon AB and the underlying on the 18 December 2019 from another company within the Group. The transaction was under common control. Under IFRS there is no guidance regarding transactions under common control. In the absence of an IFRS that specifically applies to a transaction IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, states that management should apply its judgement in developing and applying an accounting policy that is relevant to the economic decision-making needs of users and that is reliable.

Management has applied the following judgement. To apply acquisition accounting the combining entities have to be businesses. In the current transaction only Viacon Holding ABconstitutes a business and therefore the transaction is not a business combination but in substance a capital reorganization and a continuation of the existing ViaCon business owned by ViaCon Holding AB. Therefore, the assets and liabilities reflected in the consolidated financial statements of ViaCon Group are the pre combination carrying amounts of ViaCon Holding AB without any fair value adjustments. The difference between the cost of the transaction recorded in ViaCon Group AB (publ) and the net assets of ViaCon Group AB (publ) is recorded in equity. The consolidated financial statements include the full year results including comparatives.

ViaCon Holding AB prepared its consolidated financial statements according to IFRS for the first time in 2020 and information regarding the transition in ViaCon Holding has been disclosed below.

Equity effect from new group structure	31 DEC 2019
Equity attributable to the shareholders of the parent company	186 136
Difference between transaction cost and net assets in the ViaCon Group (ViaCon Holding AB)	-481 738
New equity	**-295 602**

First time adoption
For periods up to and including the year ended 31 December 2019 no consolidated financial statements were prepared and the parent company and the subsidiaries prepared their financial statements in accordance with local generally accepted accounting principles (Local GAAP).

Accordingly, the Group has prepared financial statements that comply with IFRS applicable as at 31 December 2020, together with the comparative period data for the year ended 31 December 2019, as described in the summary of significant accounting policies. In preparing the financial statements, the Group's opening statement of financial position was prepared as at 1 January 2019, the Group's date of transition to IFRS. As no consolidated financial statements under Local GAAP has been prepared, a reconciliation between opening statement of financial position under IFRS compared to the previous GAAP is not presented.

Exemptions applied
IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

The Group has applied the following exemption:
As ViaCon Group did not consolidate its subsidiaries as it did not present consolidated financial statements the exemption in IFRS 1 C4j has been applied. According to this exemption adjusted the carrying amounts of the subsidiary's assets and liabilities to the amounts that IFRSs would require in the respective subsidiary's statement of financial position. The deemed cost of goodwill equals the difference at the date of transition between the cost of the investment in the subsidiary in the parent´s separate financial statements and the parents interest in the adjusted carrying amount of the net asset of the subsidiary.

NOTE 5
REVENUE

The Group offers a broad assortment of products and solutions to infrastructure industry. Most customer are industrial companies, only a minor portion are privately held.

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. Most revenue for the Group origin from contracts from "sale of goods".

Revenue by main geography regions
The Group's revenue per region:

	2020	2019
Nordic	536,419	498,173
Baltic	369,766	397,782
Central Europe	844,988	751,792
South Europe	163,063	165,831
Middle East*)	55,928	30,871
Total	**1,970,163**	**1,844,449**

**) Middle East comprises of Turkey and United Arab Emirates*

Revenue by main product groups
The Group receives most of its revenue from Geotechnical Solutions:

	2020	2019
Bridges & Culverts Solutions	590,097	503,662
Geotechnical Solutions	818,624	764,760
StormWater Solutions	226,183	172,356
Other products	335,260	403,670
Total	**1,970,163**	**1,844,449**

Balance sheet
Contract assets are included in balance item Other short term receivables. Contract liabilities are included in Other short term and Long-term liabilities respectively.

	31 DEC 2020	31 DEC 2019	1 JAN 2019
Account receivables	328,795	377,813	372,692
Contract assets, current	724	2,716	4,064
Contract assets, non-current	4,636	5,122	1,464
Contract liabilities, current	20,846	12,195	6,263

ACCOUNTING POLICIES

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 infrastructure products to road authorities or other public and private contractors in the road and construction segments. Such products may include pipes, barriers, geosynthetics and water tanks 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 installation services. Service contracts normally consist of single tasks (e.g., a particular installation.

Revenue from performing services are recognised over time.

(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 sale and installation of geomembranes, retaining walls and soil steel bridges among others.

The goods and services are combined into one performance obligation when the installation services are complex and modify or significantly customise the products and/or whether the Group is delivering goods and services which are highly integrated into one combined output. When this is not the case, the goods and services sold constitute separate performance obligations; e.g. goods and installation.

Revenue is recognised over time, provided that the Group's performance either creates or enhances an asset that the customer controls as the asset is created or enhanced, or the Group's performance does not create an asset with alternative use and the Group has an enforceable right to payment for performance completed to date, or the customer consumes the benefits of the work as the Group performs.

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

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

Contract balances

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

Accounts receivable
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.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

When a project is sold containing both sale of goods/ services, the customer has a long-term guarantee for obligations to be fulfilled by ViaCon. This warranty risk is closely monitored and estimated, based on historical data. For some regions, the customer withhelds a portion of the agreed salesprice. When the warranty period has expired, the final portion of sales price is paid by customer.

NOTE 6
COST OF SALES

Cost of sales

	2020	2019
Purchase of goods and changes in inventories	-1,253,799	-1,227,554
Write-down of inventories	-7,500	-2,287
Total	**-1,261,299**	**-1,229,841**

Inventories

	31 DEC 2020	31 DEC 2019	1 JAN 2019
Raw materials and consumables	41,411	61,138	67,396
Work in progress	3,310	5,242	3,589
Own produced finished goods	21,615	37,737	35,594
Goods purchased for resale	92,038	114,658	121,181
Total	**158,374**	**218,776**	**227,760**
Of which value adjustment reserve:	-17,310	-10,901	-10,862

ACCOUNTING POLICIES

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.

Inventories are recognised at the lower of cost and net realisable value. The cost is arrived at using the first-in, first-out method (FIFO) and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location.

Physical stock counts are carried out periodically during the year.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group is reporting a total inventory value of TSEK 158,374 (218,776). The Group recurrently makes estimates and assumptions regarding, among other things, future market conditions and estimated net selling prices to assess obsolescence. The risk of obsolescence arises especially in periods when there is an unexpected drop in demand. Additionally, obsolescence can occur if the Group is not successful in using inventory in due time.

In 2020 a new, more restrict valuation model was introduced. For assessment of obsolete inventory, the ViaCon Group's basis for write down is age distribution per item, i.e. inventory movement with regards to last sale or transfer to production.

NOTE 7

EMPLOYEES, EMPLOYEE BENEFIT EXPENSES AND REMUNERATION TO THE BOARD OF DIRECTORS

Average number of employees

	Number of people		Of whom women	
	2020	2019	2020	2019
ViaCon Holding AB	**3**	**0**	**33%**	**0%**
Subsidiaries				
Sweden other than parent company	70	61	17%	15%
Nordic countries other than Sweden	46	47	28%	32%
Baltic countries	136	125	18%	19%
Poland	291	301	19%	19%
Central Europe other than Poland	130	144	28%	22%
France	43	48	16%	17%
Turkey	59	48	12%	8%
Total	**778**	**774**	**20%**	**19%**

Gender distribution of board members and senior executives

	Number of people		Of whom women	
	2020	2019	2020	2019
Board of Directors , ViaCon Holding AB	6	6	-	-
Senior executives	8	8	13%	-

Salaries, other remunerations and social security expenses

	Salaries and remuneration		Social security expense	
	2020	2019	2020	2019
ViaCon Holding AB	-15,178	-1,007	-7,783	-693
(of which pension costs)	-	-	(-2,519)	(-303)
Subsidiaries	-226,533	-222,251	-46,681	-35,489
(of which pension costs)	-	-	(-9,577)	(-9,285)
Total salaries, other remuneration and social security expenses	**-241,711**	**-223,258**	**-54,464**	**-36,182**
(of which pension costs)			(-12,094)	(-9,588)

In the parent Company ViaCon Group AB (publ) there were no remunerations paid to management nor to the Board of Directors during 2019-2020. Operationally ViaCon Group was managed from the wholly-owned subsidiary ViaCon Holding AB where the board has performed its activities. In addition, management of the group were employed by ViaCon Holding AB in 2020. As such, the disclosures in this note regarding the group management and senior executives are made in reference to management which was employed in ViaCon Holding AB, including the Board of Directors. As of 2021, the management has been employed in ViaCon Group AB (publ).

The Chair of the Board and Board members receive renumeration. Approved remuneration to the Board totalling TSEK 850 (125), which was distributed in accordance with the decision of the owner. The Chairman of the Board received remuneration of TSEK 500 (125).

Remuneration to the President and CEO and other senior executives consists of a base salary, variable remuneration, other benefits and pension. Senior executives are defined as those individuals who are members of the executive management. For the President and CEO the salary is proposed and adopted by the Board. For other senior executives, the salary is proposed by the CEO (for Viacon Holding AB) and adopted by the Board. Variable remuneration is based on performance in relation to established targets.

The President and CEO was paid a base salary of TSEK 5,248 (3,035) for the year. Other senior executives received a base salary totalling TSEK 9,098 (8,087) for the year.

For 2020, the President and CEO earned variable remuneration of TSEK 4,160 (-). Other senior executives earned variable remuneration totalling TSEK 7,293 (2,224).

Senior executives domiciled in Sweden have been offered an occupational pension insurance nominated by the executive which amount to a maximum of 35 % of the fixed monthly salary, to the extent that the payment is not tax-deductible for the company on the date of the payment, this part of the payment, shall, at the Company's request, instead be paid into and endowment insurance, which is pledged as security for an equivalent direct pension. Consequently, the Company's obligation as far as the direct pension is concerned shall be equivalent to the sum paid out by the endowment insurance. The pension cost for the President and CEO is the same as for senior executives listed above. Consequently, the Company's obligation as far as the direct pension is concerned shall be equivalent to the sum paid out by the endowment insurance.

The ordinary retirement age for the President and CEO is 65. Executives domiciled outside of Sweden may be offered pension solutions that are competitive in the country in which the persons are or have been domiciled or to which they have a significant link, preferably defined-contribution solutions.

The company is entitled to terminate the President and CEO's employment upon 18 months' written notice and the executive is entitled to terminate the employment upon six months' written notice. No severance pay is payable once the President and CEO has reached retirement age.

With regard to termination of employment for other senior executives, generally there is a mutual notice period of six months, but of no more than 18 months, for the company and the employee.

Individuals domiciled outside Sweden may be offered notice periods and severance pay that are competitive for the country where they are or have been domiciled or with which they have a significant link, although these solutions shall preferably correspond to that which applies to senior executives domiciled in Sweden.

Remuneration to the board and senior executives

	2020				2019			
	Remuneration/ base salary	Variable remuneration	Other benefits	Pension	Remuneration/ base salary	Variable remuneration	Other benefits	Pension
ViaCon Holding AB								
The Board								
Patrik Nolåker	-500	-	-	-	-125	-	-	-
Krzysztof Andrulewicz	-350	-	-	-	-	-	-	-
Tobias Funke	-	-	-	-	-	-	-	-
Niclas Thiel	-	-	-	-	-	-	-	-
Ulrik Smith	-	-	-	-	-	-	-	-
Senior executives								
Stefan Nordström, President and CEO	-5,248	-4,160	-2	-1,820	-867	-	-	-303
Leszek Janusz	-	-	-	-	-2,168	-	-3	-
Other senior executives	-9,098	-7,293	-592	-1,138	-8,954	-2,224	-741	-45,

NOTE 8
DEPRECIATION, AMORTISATION AND IMPAIRMENT

The Group reports its income statement based on nature. The key cost categories are specified below:

	2020	2019
Amortisation and impairment intangible assets	-2,621	-3,476
Depreciation and impairment property, plant and equipment	-26,843	-27,380
Depreciation and impairment right of use assets	-23,430	-23,102
Total depreciation, amortisation and impairment	**-52,894**	**-53,958**

NOTE 9
OTHER OPERATING EXPENSES

The Group reports its income statement based on nature. The key cost categories are specified below:

	2020	2019
Rentals, short term	-6,800	-6,886
Other costs related to premises	-21,276	-20,937
Maintenance of equipment, tools and fittings etc	-35,515	-39,136
Selling and distribution costs	-81,160	-97,047
Administrative costs	-61,327	-35,687
Membership, insurance, license- and guarantee costs	-3,281	-3,165
Capital losses upon sales of fixed assets	-362	-50
Bad debts	-4,018	-9,260
Other operating costs	-26,982	-16,632
Total other operating expenses	**-240,722**	**-228,799**

NOTE 10
AUDIT FEES

The audit fees are included in Other operating expenses.

Audit fees from EY

	2020	2019
Audit fees, proposed	-2,566	-1,945
Audit-related fees	-270	-159
Fees for tax services	-29	-19
Fees for other services	-50	-2
Total audit fees from EY	**-2,915**	**-2,125**

Audit fees from other audit firms

	2020	2019
Audit fees, proposed	-560	-369
Audit-related fees	-30	-248
Fees for tax services	-	-
Fees for other services	-	-26
Total audit fees from other audit firms	**-590**	**-643**

Audit fees involve audit of the Annual Report, interim report and the administration by the Board of Directors and the Managing Directors. The audit also includes advice and assistance as a result of the observations made in connection with the audit.

Audit-related fees refer to other assignments to ensure quality in the financial statements including consultations on reporting requirements and internal control.

Tax services include tax-related advisory.

All other work performed by the auditor is defined as other services.

NOTE 11
FINANCIAL INCOME AND EXPENSES

Financial income

	2020	2019
Net foreign realised exchange gains on financing activities	13,600	-
Net foreign unrealised exchange gains on financing activities	96,533	-
Interest income on bank deposits from related parties	1,599	1,651
Interest income on bank deposits	5,358	533
Other financial income	179	186
Total financial income	**117,269**	**2,371**

Financial Expenses

	2020	2019
Net foreign realised exchange rate losses on financing activities	-232	-999
Net foreign unrealised exchange rate losses on financing activities	-	-5,706
Bank charges	-1,070	-855
Interest expenses to related parties	-108,774	-69,811
Interest expenses	-8,576	-4,266
Interest expenses related to lease liabilities	-4,294	-4,814
Other financial expenses	-6,803	-7,987
Total financial expenses	**-129,749**	**-94,437**

Financing is pursued via parent entity. Included in the foreign unrealised gross exchange gains on financing activities for year 2020 is a gain of TSEK 106,119.

ACCOUNTING POLICIES

Financial income and expenses comprise interest income from bank funds and receivables, interest expenses on borrowing, dividend income and exchange rate differences.

The interest component of financial lease payments is entered in the income statement in accordance with the effective interest method, whereby interest is divided so that each accounting period is charged with an amount based on the liability recognised during the period in question. Issue expenses and similar direct transaction costs for raising loans are included in the fair value of the borrowing upon initial recognition and then expensed as interest as a part of the effective interest rate.

NOTE 12
INCOME TAXES

Reconciliation effective rate of tax

	2020	2019
Profit/(loss) before tax	**112,520**	**-13,146**
Expected income taxes according to income tax rate in Sweden 21.4 %	-24,079	2,813
Adjustment in respect of current income tax of previous years	116	-2,724
Deferred tax assets not recognised current year	-23	-724
Use of previously unrecognised loss carried forward	10,468	2,020
Effect of redued valuation allowance regarding deferred tax asset [1]	4,814	64
Non deductible expenses [2]	-30,419	-16,026
Non-taxable income	2,481	1,033
Tax rate outside Sweden other than 21.4 %	2,207	2,698
Change in deferred tax assets/liabilities due to change in tax rates [3]	-480	2,750
Other	68	401
Tax income/(expense) recognised in the consolidated statement of comprehensive income	**-34,847**	**-7,695**

1) Assessments of whether tax loss carry forward and deferred tax on other temporary differences should be recognised, is done partly on Country and partly on company level.
2) The non-deductible expenses includes other financial expenses related to changes in estimated future payments for put options on shares, non-deductible interest expenses, and loss on sale of subsidiaries.
3) Deferred tax assets/liabilities are measured at new tax rate 20.6 % from year end 2020 for Swedish entities as Sweden has decided to reduce the corporate income tax to 20.6 % in 2020. The Group's Expected income taxes in 2020 are measured according to income tax rate of 21.4 % in Sweden.

Tax income/(expense) reported in other comprehensive income

	2020	2019
Pensions	-	-
Tax effect on currency translation - net investment	-853	-
Income tax on other comprehensive income	**-853**	**-**
Tax income/(expense) reported directly in equity		
Transaction costs	-	-
Income tax reported directly in equity	**-**	**-**

Tax income/(expense) recognised in the consolidated statement of comprehensive income

	2020	2019
Tax payable	-37,309	-18,387
Changes in deferred tax	2,462	10,692
Total	**-34,847**	**-7,695**
Prepaid tax (included in other receivables)	3,678	6,713
Current tax liabilities (-)	-14,346	-4,612
Total (net) tax payable 31 December, receivable/(liability)	**-10,668**	**2,100**

Deferred tax assets are recognised for tax loss carry-forwards to the extent that it is likely they can be benefited from through future taxable surpluses. An assessment is done for each country separately.

Deferred tax liabilities/ deferred tax assets

	Statement of financial position 2020	Statement of financial position 2019
Non-current assets and liabilities		
Intangible assets	-57	-123
Tangible fixed assets	8,137	9,901
Pensions	-437	-483
Other non-current items	893	1,945
Total non-current assets and liabilities	**8,535**	**11,239**
Current assets and liabilities		
Inventory	-2,524	-2,397
Liabilities	-4,919	-3,468
Trade receivables	-3,653	-2,058
Other current items	698	324
Total current assets and liabilities	**-10,398**	**-7,599**
Tax losses carried forward	-23,549	-37,793
Of which assets not recognised (valuation allowance)	-18,255	-29,133
Net recognised deferred tax assets	**-7,157**	**-5,019**
Of which deferred tax assets	14,615	19,311
Of which deferred tax liabilities (-)	-7,458	-14,291
Net recognised deferred tax assets	**-7,157**	**-5,019**

Tax losses carried forward

	Sweden	Lithuania	Other	2020	2019
Current year + 1 year	-	-	1,676	1,676	5,249
Current year + 2 years	-	-	842	842	4,269
Current year + 3 years	-	-	8,803	8,803	7,437
Current year + 4 years	-	-	442	442	21,437
Current year + 5 years or later	-	-	2	2	2,424
No due date	84,912	16,285	-	101,197	148,049
Total tax loss carried forward	**84,912**	**16,285**	**11,765**	**112,962**	**188,866**
On which deferred tax assets have not been recognised	75,618	0	7,593	83,211	144,017
Total tax loss on which deferred tax assets have been recognised	**9,294**	**16,285**	**4,172**	**29,751**	**44,849**

Changes in net deferred taxes

	2020	2019
Opening balance	-5,019	5,833
Recognised in profit and loss	-2,461	-10,692
Recognised as other comprehensive income	-853	-
Acquisitions and disposals	76	10
Translation differences	1,100	-170
As of 31 December	**-7,157**	**-5,019**
Of which deferred tax assets	14,615	19,311
Of which deferred tax liabilities (-)	-7,458	-14,291

ACCOUNTING POLICIES

Income taxes consist of current tax and deferred tax. Income taxes are recognised in the income statement except when the underlying transaction is recognised in other comprehensive income or directly in equity. In such cases the tax is also recognised in other comprehensive income or in equity.

Current tax is tax due for payment or receipt during the financial year in question. Adjustments to current tax related to earlier periods are also included in this item.

Deferred tax is calculated in accordance with the balance sheet method, based on the temporary differences between the carrying amounts in the consolidated financial statements and the tax value of assets and liabilities. The amounts are calculated based on how the temporary differences are expected to be offset, and by applying the tax rates and tax regulations in effect or publicised on the balance sheet date in the countries where the Parent Company's subsidiaries and associated companies operate and generate taxable income. Deductible temporary differences are not taken into consideration with respect to consolidated goodwill nor, in normal cases, to differences attributable to participations in subsidiaries that are not expected to be taxed in the foreseeable future.

Deferred tax liabilities are not recognised if they arise due to a first recognition of goodwill. Neither is deferred tax recognised if it arises due to a transaction that is attributable to the first recognition of an asset or liability that is not a business acquisition and which, at the time of the transaction, affects neither recognised nor taxable profit. Deferred tax assets are recognised to the extent that it is probable that future taxable surpluses will be available against which the temporary differences may be utilised.

Deferred tax assets with respect to deductible temporary differences and loss carry forwards are recognised only in so far as it is likely that these items will lead to lower tax payments in the future. Deferred tax assets and liabilities are offset in the balance sheet where there is a legal offset option for current tax receivables and liabilities and where deferred tax receivables and liabilities are attributable to taxes collected by the same

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The accounting policies describe the conditions for recognising deferred tax assets as temporary differences. In this context it is important that the Executive Management consider whether the business will recognise the tax surplus in a near enough time frame for the asset to be balanceable. In countries where the management believes that the Group can benefit from future lower tax receipts in the near future resulting from existing tax deficits, the receipts are recognised as deferred tax assets.

NOTE 13
INTANGIBLE ASSETS

	Development	Goodwill	Other intangible assets	Total
Acquisition cost				
Balance at 1 January 2019	**3,386**	**333,340**	**15,196**	**351,922**
Additions, acquisition of subsidiaries	-	-	-	-
Additions, other	669	-	1,519	2,188
Derecognition	-145	-	-66	-211
Translation differences	17	-	330	347
Balance at 31 December 2019	**3,927**	**333,340**	**16,979**	**354,246**
Additions, acquisition of subsidiaries	-	59	-	59
Additions, other	148	-	1,999	2,147
Derecognition	-	-	-196	-196
Translation differences	-154	-	-1,324	-1,478
Balance at 31 December 2020	**3,921**	**333,399**	**17,458**	**354,778**
Accumulated depreciation and impairment				
Balance at 1 January 2019	**-2,131**	**-**	**-7,106**	**-9,237**
Amortisations	-660	-	-2,800	-3,460
Derecognition	29	-	56	85
Impairments	-	-	-	-
Translation differences	7	-	-113	-106
Balance at 31 December 2019	**-2,755**	**-**	**-9,963**	**121,189**
Amortisations	-532	-	-2,090	-2,622
Derecognition	-	-	196	196
Impairments	-	-	-	-
Translation differences	125	-	728	853
Balance at 31 December 2020	**-3,162**	**-**	**-11,129**	**119,616**
Carrying value 1 January 2019	**1,255**	**333,340**	**8,090**	**342,685**
Carrying value 31 December 2019	**1,172**	**333,340**	**7,016**	**341,528**
Carrying value 31 December 2020	**759**	**333,399**	**6,329**	**340,487**

Impairment of intangible assets

Assets that have an indefinite useful life, for example goodwill, 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.

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. Impairment of goodwill is not reversed.

Impairment requirement testing for goodwill

Recognised consolidated goodwill amounts to TSEK 333,399 (333, 340). Each year, the Group tests whether there is an impairment requirement with regard to goodwill. Goodwill is monitored by the management at ViaCon Group level. The Group has identified one CGU (cash generating unit) during the period. The recoverable amounts for ViaCon have been determined by calculating the value in use. Calculations are based on estimated future cash flows from financial plans that have been approved by the executive management and cover a period of three years. Significant assumptions in the financial plans include sales growth, productivity developments and operating margins. These assumptions are determined based on published statistics for the development of the industry, customers' model strategies and their long-term delivery plans as well as the executive management's assessment of the development of group margins. Cash flows beyond the three-year period are extrapolated using an estimated growth rate resulting from assumed inflation of 2.0 %. The forecasted cash flow has been calculated at present value using a discount rate of 8.3% before tax. The discount rate has been determined by calculating a weighted cost of own and borrowed capital. In both 2020 and 2019 the estimated recoverable amount for ViaCon exceeded the book value, which is why no impairment is required. Alternative calculations have been made by changing the assumptions concerning the discount interest rate and growth rate. A change in any of these individual assumptions of one percentage point would not result in any impairment requirement for goodwill.

ACCOUNTING POLICIES

Expenditure on development
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.

Goodwill
Goodwill consists of the amount by which the cost of acquisition exceeds the fair value of the Group's proportion of the acquired subsidiary's/associated company's/joint venture's identifiable net assets at the time of acquisition. Goodwill upon acquisition of subsidiaries is recognised under intangible assets. Goodwill upon the acquisition of associated companies/joint ventures is included in the value of holdings in associated companies/joint ventures. Goodwill is tested annually to identify any write-down requirement and is recognised at cost less accumulated impairment.

Gains or losses from the divestment of a unit include the remaining carrying amount of the goodwill pertaining to the divested unit.

Impairment losses, if any, are accounted for in the Income statement, line Depreciation, amortisation and impairment.

Other intangible assets
Other intangible assets acquired by the Group are recognised at cost of acquisition less accumulated amortisation and impairment. The Group's other intangible assets include acquired software licenses, which are set up as assets on the basis of expenditure arising when the software in question was acquired and started up. The expenditure is capitalised to the extent that the probable economic benefits exceed the expenditures.

Other intangible assets are tested for impairment, normally, when or if any internal or external indications of a change in value occurs.

Depreciation/ amortisation
Depreciation/ amortisation according to plan is based on the original cost of acquisition less any residual value. Depreciation/ amortisation is applied on a straight-line basis over the useful life of the asset and is recognised as an expense in the income statement. Depreciation/ amortisation takes place as of the accounting period in which the asset becomes available for use. Amortisation for Expenditure on development and Other intangible assets varies between three and fifteen years.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The impairment requirement for goodwill is assessed annually, or more frequently if needed, by calculating the recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. If the calculated value is less than the carrying amount, an impairment is made to the asset's recoverable amount. To determine the value in use, estimated future cash flows are used, which are based on internal business plans and forecasts. Although the executive management believes that the estimated future cash flows are reasonable, different assumptions regarding such cash flows could affect valuations substantially. In assessing the goodwill value of around TSEK 333,399 (333,340) as of the end of 2020 and 2019, no impairment requirement was identified.

NOTE 14

PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Machinery and equipment	Construction in progress	Rental equipment, furnitures and vehicles [1]	Total
Acquisition cost					
Balance at 1 January 2019	**164,045**	**102,939**	**844**	**39,471**	**307,299**
Reclassifications	5,475	-3,074	-6,185	3,867	83
Additions, other	2,278	12,893	13,550	4,246	32,967
Disposals	-17,356	1,307	-	-1,002	-17,051
Translation differences	3,623	397	-6	689	4,703
Balance at 31 December 2019	**158,065**	**114,462**	**8,203**	**47,271**	**328,001**
Reclassifications	11,153	16,574	-10,914	1,180	17,993
Additions, other	1,844	5,890	3,367	4,830	15,931
Disposals	-166	-8,935	-	-10,080	-19,181
Translation differences	-12,606	-11,218	-319	-3,144	-27,287
Balance at 31 December 2020	**158,290**	**116,773**	**337**	**40,057**	**315,457**
Accumulated depreciation and impairment					
Balance at 1 January 2019	**-35,007**	**-37,088**	**-**	**-22,263**	**-94,358**
Reclassifications	43	-	-	-126	-83
Disposals	2,966	-1,301	-	217	1,882
Depreciations	-8,601	-12,737	-	-6,042	-27,380
Impairments	-	-	-	-	-
Translation differences	-743	-171	-	-335	-1,249
Balance at 31 December 2019	**-41,342**	**-51,297**	**-**	**-28,549**	**-121,188**
Reclassifications	0	-17,143	-	-850	-17,993
Disposals	166	4,810	-	9,372	14,348
Depreciations	-8,776	-11,324	-	-5,244	-25,344
Impairments	-	-1,499	-	-	-1,499
Translation differences	3 769	6,318	-	1,898	11,985
Balance at 31 December 2020	**-46,183**	**-70,135**	**-**	**-23,373**	**-139,691**
Carrying value 1 January 2019	**129,038**	**65,851**	**844**	**17,208**	**212,941**
Carrying value 31 December 2019	**116,723**	**63,165**	**8,203**	**18,722**	**206,813**
Carrying value 31 December 2020	**112,107**	**46,638**	**337**	**16,684**	**175,766**

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

ACCOUNTING POLICIES

Property, plant and equipment are recognised when it is controlled by the Group, it is expected to generate future economic benefits and is measurable. Property, plant and equipment are recognised at acquisition cost, less accumulated depreciation and any impairments. Land is not subject to depreciation.

The cost of acquisition includes the purchase price and costs directly attributable to bringing the asset to the location and the condition necessary for it to be utilised for its intended purpose. Borrowing costs are sometimes included in the acquisition cost of an asset.

Repair and maintenance expenditures are recognised in the income statement during the period in which they incur.

The carrying amount for a tangible fixed asset is derecognised from the balance sheet upon its disposal or divestment, or when no future economic benefits are expected from its use. Profit from the divestment or disposal consists of the selling price and carrying amount of the asset less direct selling expenses. This is recognised as other operating income/ expense.

Principles for depreciating property, plant and equipment

Depreciation according to plan is based on the original acquisition value less the estimated residual value. Depreciation is carried out on a straight-line basis over the estimated useful life of the asset.

The following depreciation periods are applied:

Category of Property, plant and equipment	Number of years
Buildings	10-40
Machinery and equipment	5-10
Rental equipment, furnitures and vehicles	3-5

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Management regularly reassesses the useful life of all significant assets. If circumstances change in such ways that the estimated useful life has to be revised, it could mean additional depreciation in future periods.

There is no material capitalised interest cost on property, plant and equipment per 31 December 2020, per 31 December 2019 or per 1 January 2019.

NOTE 15

RIGHT-OF-USE ASSETS

	Leased premises	Leased machinery/ tools/ vehicles	Leased company cars	Leased furniture/ fixtures/ office machines	Total
Acquisition cost					
Balance at 1 January 2019	**46,948**	**25,053**	**17,010**	**36**	**89,047**
Reclassifications	-	700	-1 019	-	-319
Additions, other	16,075	136	8 082	-	24,293
Disposals	-1,176	-124	-512	-	-1,812
Translation differences	16	710	127	-	853
Balance at 31 December 2019	**61,863**	**26,475**	**23,688**	**36**	**112,062**
Reclassifications	-	-	-890	-	-890
Additions, other	9,391	-	4,398	-	13,789
Disposals	-1,390	-208	-3,299	-	-4,897
Translation differences	-2,719	-2,583	-1,640	-2	-6,944
Balance at 31 December 2020	**67,145**	**23,684**	**22,257**	**34**	**113,120**
Accumulated depreciation and impairment					
Balance at 1 January 2019	**-**	**-**	**-**	**-**	**-**
Reclassifications	-	-	319	-	319
Disposals	278	24	252	-	554
Depreciations	-10,066	-5,524	-7,495	-17	-23,102
Impairments	-	-	-	-	-
Translation differences	145	30	84	-	259
Balance at 31 December 2019	**-9,643**	**-5,470**	**-6,840**	**-17**	**-21,970**
Reclassifications	0	0	890	-	890
Disposals	1,390	208	3,239	-	4,837
Depreciations	-10,809	-5,122	-7,483	-17	-23,431
Impairments	-	-	-	-	-
Translation differences	912	828	545	3	2,288
Balance at 31 December 2020	**-18,150**	**-9,556**	**-9,649**	**-31**	**-37,386**
Carrying value 1 January 2019	**46,948**	**25,053**	**17,010**	**36**	**89,047**
Carrying value 31 December 2019	**52,220**	**21,005**	**16,848**	**19**	**90,092**
Carrying value 31 December 2020	**48,995**	**14,128**	**12,608**	**3**	**75,734**

Transfer to IFRS 16 was made per 1 January 2019.

Lease liabilities

	31 DEC 2020	31 DEC 2019	1 JAN 2019
Long-term interest-bearing lease liabilities	50,558	53,173	56,303
Current interest-bearing lease liabilities	22,753	34,148	30,996
Total interest-bearing lease liabilities	**73,311**	**87,321**	**87,299**

Lease expenses

	2020	2019
Lease expenses for short-term leases	-8,679	-7,994
Lease expenses fo low value asset leases	-307	-555
Variable leases payments not included in lease liabilities, fees paid	-1,411	-1,663
Total lease expenses	**-10,398**	**-10,212**

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

ACCOUNTING POLICIES

The Group has leases, as a lessee, primarily for premises, machinery and equipment and company cars. 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 right-of-use assets, in the table above, are included in the same category item as where the corresponding underlying assets would be presented if they were owned. The lease liabilities are secured by the related underlying asset.

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

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.

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. 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 or a change in the assessment of an option to purchase the underlying asset.

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.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

Options to extend and terminate agreements are included in a number of the Group's leases for buildings and equipment. The majority of the options to extend and terminate agreements can only be utilised by the Group and not by the lessors. Opportunities to extend an agreement are only included in the length of the lease if it is reasonably certain that the agreement will be extended.

NOTE 16

NON-CURRENT RECEIVABLES

	31 DEC 2020	31 DEC 2019	1 JAN 2019
Deposits	1,631	767	507
Contract assets	8,832	9,491	4,739
Provision for impairment of contract assets	-4,196	-4,369	-4,289
Total non-current receivables	**6,267**	**5,889**	**957**

NOTE 17
ACCOUNTS RECEIVABLE

Aging analysis accounts receivable

31 DEC 2020	Total
Accounts receivable gross	355,341
Provision for bad debt	-26,547
Accounts receivable, net	**328,795**

31 DEC 2019	Total
Accounts receivable gross	410,785
Provision for bad debt	-32,973
Accounts receivable, net	**377,813**

1 JAN 2019	Total
Accounts receivable gross	397,678
Provision for bad debt	-24,986
Accounts receivable, net	**372,692**

Accounts receivable amounted to TSEK 328,795 (377,813) and included provision for doubtful accounts receivable of TSEK 26,547 (32,973).

ACCOUNTING POLICIES

Accounts receivables are amounts collectible from customers from the sale of the Group's products and services. Accounts receivable are recognised initially at the transaction price. The Group holds accounts receivables in order to collect contractual cash flows and therefore values them at the amortised cost using the effective interest method at subsequent reporting times.

For accounts receivable, the accrual for losses is based on an individual assessment of each receivable. According to ViaCon financial policy and IFRS 9, bad debt are primarily based on age regardless of whether it is a specific or a non-specific risk.

Gains and losses are recognised in profit and loss when the asset is recognised, modified or impaired. The net credit losses are listed in the Group's report Other Operating Expenses under the item "Bad debts", see note 9 - Other operating expenses.

NOTE 18
OTHER CURRENT RECEIVABLES

	31 DEC 2020	31 DEC 2019	1 JAN 2019
Contract asset	694	2,876	4,064
Prepayments to suppliers	11,942	4,319	11,837
VAT receivables	9,870	6,088	6,696
Prepaid expenses and accrued income	2,147	1,974	2,989
Other receivables	71,504	842,536	185,904
Total other current receivables	**96,157**	**857,793**	**211,490**

NOTE 19
CASH FLOW

Adjustments for items not included in cash flow

	2020	2019
Depreciation of non-current assets	52,895	53,958
Net currency gains/ losses	-104,911	3,453
Net financial items	52,683	11,130
Gains/ losses on sale of tangibles	-5,075	-2,560
Gains/ losses on sale of subsidiaries	-4,500	-
Impairment of inventory	7,558	2,288
Other non-cash affecting items	409	1,482
Total	**-941**	**69,751**

Interest paid and received

	2020	2019
Interest paid	-77,870	-78,542
Interest received	7,102	3,455

NOTE 20
CASH AND CASH EQUIVALENTS

	31 DEC 2020	31 DEC 2019	1 JAN 2019
Cash and bank deposits	242,524	93,129	102,682
Restricted cash	2,236	2,411	2,942
Total cash and cash equivalents	**244,760**	**95,541**	**105,624**

Cash and cash equivalents consist of cash and bank balances.

NOTE 21
EQUITY

ACCOUNTING POLICIES

Equity is divided between capital attributable to Parent Company shareholders and non-controlling interests. Value transfers in the form of e.g. dividends from the Parent Company and the Group shall be based upon the Board's established statement on the proposed dividend. This statement has to take into account the legal precautionary rules to avoid dividends greater than what financial coverage exists for.

Share capital
Ordinary shares are classified as equity. The share capital, as per 31 December 2020, consists of 50,100 common A-shares, with par value of SEK 1. All shares are fully paid for.

Shareholder	*Shares%*	*Number of shares*
R I Holding AS	100	50,100

Share premium
The share premium relates to amount paid by shareholders for shares in excess of their nominal value.

Retained earnings
Retained earnings include the effects of business combinations under common control within Viacon Group, transactions with non-controlling interests and dividend to shareholders. This item also includes currency translation effects.

Non-controlling interests
Non-controlling interests of TSEK 1,857 as per 31 December 2020 refers to the 30% share of equity in ViaCon CR, Czech Republic.

Total equity consists of the equity attributable to the owners of the parent company and non-controlling interests. At year-end 2020, the Group's total equity amounted to TSEK -222 937 (-245,876).

NOTE 22
PENSION OBLIGATIONS

The Group policy is to offer pension contribution plans to its employees. There are defined benefit plans in place in one company in Sweden. The Norwegian companies in the Group are required by law to have a pension scheme and this requirement is fulfilled.

Pension expense for the year

	2020	2019
Defined benefit expense	-345	-187
Defined contribution expense	-11,045	-9,495
Total pension expense	**-11,390**	**-9,682**

Defined benefit assets and liabilities

	31 DEC 2020	31 DEC 2019	1 JAN 2019
Accrued pension obligations	1,889	1,544	84
Net benefit obligations	**1,889**	**1,544**	**84**

Net defined pension obligation

	31 DEC 2020	31 DEC 2019	1 JAN 2019
France	1,562	1,541	-
Other	327	3	84
Total net defined pension obligations	**1,889**	**1,544**	**84**

ACCOUNTING POLICIES

The Group's companies have different pension systems in accordance with local terms and generally accepted practice in the countries in which they operate. The predominant form of pension is a defined-contribution plan. 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.

There are no regular defined benefit plans in any companies. In ViaCon France there is a provision made for each employee to a one-off payment at the time of retirement dependent upon time of service. The calculation by end of 2020 was made using a discount rate of 0.5 %. Since this amount to be paid out eventually is determined on forehand, the benefit is viewed upon as a defined benefit. This calculation was introduced in the consolidated accounts in 2019.

NOTE 23
OTHER PROVISIONS

Non-current

	31 DEC 2020	31 DEC 2019	1 JAN 2019
Warranty provision	6,492	3,588	2,396
Other provisions	3,794	2,241	7,061
Total non-current other provisions	**10,286**	**5,829**	**9,457**

Other provisions include royalty provisions for suppliers and a possible VAT claim in Poland.

Current

	31 DEC 2020	31 DEC 2019	1 JAN 2019
Restructuring provisions	-	773	1,635
Total current other provisions	**-**	**773**	**1,635**

Changes in provisions in 2020

	Warranty provisions	Other provisions	Total non-current provisions	Restructuring provisions	Total current provisions
Opening balance 1 January 2020	3,588	2,241	5,829	773	773
Additions	4,211	7,870	12,081	-	-
Used (amount charged against provision)	-151	-5,223	-5,373	-773	-773
Unused amounts reversed	-576	-404	-980	-	-
Translation differences	-580	-691	-1,271	-	-
Total provisions 31 December 2020	**6,492**	**3,794**	**10,286**	**0**	**0**

Changes in provisions in 2019

	Warranty provisions	Other provisions	Total non-current provisions	Restructuring provisions	Total current provisions
Opening balance 1 January 2019	2,396	7,061	9,457	1,635	1,635
Additions	1,140	5,264	6,403	-	-
Used (amount charged against provision)	-	-5,067	-5,067	-862	-862
Unused amounts reversed	-	-5,173	-5,173	-	-
Translation differences	52	158	210	-	-
Total provisions 31 December 2019	**3,588**	**2,241**	**5,829**	**773**	**773**

ACCOUNTING POLICIES

Provisions

Provisions are recognised in the balance sheet when a legal or constructive obligation exists as a result of a past event and it is deemed more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Warranties

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.. The initial calculations of the reserves are based on historical warranty statistics considering known quality improvements, costs for remedy of defaults etc.

Restructuring provisions

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.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Provisions

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation on the balance sheet date. Provisions are regularly reviewed and adjusted as further information becomes available or circumstances change.

Warranties

The recognition and measurement of provisions for product warranties is generally connected with estimates. Estimated costs for product warranties are charged to cost of sales when the products are sold. Estimated warranty costs include contractual warranty. Warranty provisions are estimated based on historical claims statistics and the warranty period.

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.

NOTE 24

LIABILITIES FROM CREDIT INSTITUTIONS

	31 DEC 2020	31 DEC 2019	1 JAN 2019
Total loans from credit institutions	**27,606**	**35,295**	**34,695**
whereof:			
Non-current liabilities	4,325	6,124	10,165
Current liabilities	23,281	29,171	24,530

The non-current liabilities mature within one-five years. The fair value is considered to correspond to the book value of the Group's financial liabilities. The loans are in EUR and RON.

ACCOUNTING POLICIES

Borrowing

Borrowing is initially recognised at fair value. Borrowing is subsequently recognised at its amortised cost of acquisition, and any difference between the amount received and the repayment amount is recognised in the income statement over the loan period using the effective interest method. Borrowing is classified under current liabilities unless the Group has an unconditional right to defer the payment of the liability for at least 12 months after the balance sheet date.

NOTE 25

FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

	31 DEC 2020	31 DEC 2019
Long-term interest-bearing liabilities	-1,147,160	-1,183,893
Provision for pensions	-1,889	-1,544
Current interest-bearing liabilities	-46,136	-63,529
Financial interest-bearing receivables	6,267	5,889
Cash and cash equivalents	244,760	95,541
Net debt (-)	**-944,158**	**-1,147,536**
Less interest-bearing liabilities attributable to financial leases	73,311	87,321
Adjusted net debt (-)	**-870,847**	**-1,060,215**

Capital management

We have a joint financing agreement within SRH BridgeCo Group to secure funding for all subsidiaries, included in both ViaCon Group and SafeRoad Group.

Financial risk management

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

Cash at hand ensures efficient 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, existing growth strategy will also draw on the liquidity reserves, either through proceeds in relation to acquisitions, or capital expenditures. Larger scale operations will also increase working capital needs.

The Group operates 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.

SRH BridgeCo Group has a revolver, not yet used, from DNB of MNOK 885, whereof MNOK 50 is allocated for ViaCon Group.

Credit risk

The credit risk assessment of a customer is done locally, to ensure that sales of products and services take place only to customers with a satisfactory credit history. Customer credit in the form of payment days is only granted after credit considerations are made. If a contract is larger, the credit risk is normally covered through a prepayment from customer of around 30% of contract value. The Group's diversified customer base in different jurisdictions, and from various industries, also lowers the concentration of counterparty credit risk from accounts receivables.

Realised losses during the year are classified as other operating expenses in the profit or loss (see note 9-Other operating expenses). The Group's aging structure for outstanding accounts receivable is relatively stable. Bad debt losses recognised in 2020 for ViaCon Group totalled TSEK -4,018 (TSEK -9,260).

Changes in provision for doubtful accounts receivable is as follows:

	2020	2019
Balance at 1 January	**-32,973**	**-24,986**
Additions	-8,040	-10,904
Reversals	4,022	1,644
Write-offs	7,028	-
Changes due to business combinations	-	59
Translation difference	3,416	1,215
Balance at 31 December	**-26,547**	**-32,973**

For information about the aging of accounts receivable, see below. Accounts receivable amounted to TSEK 328,795 (377,813) and included provision for doubtful accounts receivable of TSEK 26,547 (32,973).

Aging analysis accounts receivable, 31 December 2020

	Total	Not due	< 30d	30-60d	60-90d	>90d
Accounts receivables	355,341	225,900	68,255	9,451	3,009	48,725
Provision for bad debt	-26,547	-	-	-41	-19	-26,487
Total accounts receivable, net	**328,795**	**225,900**	**68,255**	**9,410**	**2,990**	**22,239**

Aging analysis accounts receivable, 31 December 2019

	Total	Not due	< 30d	30-60d	60-90d	>90d
Accounts receivable	410,785	253,024	40,128	16,727	12,637	88,270
Provision for bad debt	-32,973	-	-	-726	-308	-31,939
Total accounts receivable, net	**377,813**	**253,024**	**40,128**	**16,001**	**12,329**	**56,331**

Aging analysis accounts receivable, 1 January 2019

	Total	Not due	< 30d	30-60d	60-90d	>90d
Accounts receivable	397,678	243,221	68,057	15,595	9,342	61,463
Provision for bad debt	-24,986	-133	-100	-674	-220	-23,859
Total accounts receivable, net	**372,692**	**243,089**	**67,957**	**14,921**	**9,122**	**37,604**

Foreign exchange risk

As a consequence of the international business activities, ViaCon 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). ViaCon is also exposed to the foreign exchange rate risk lying in the long term loan from related parties, denominated in NOK.

ViaCon aims to reduce risks in the business activities 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, see Consolidated other comprehensive income.

Transaction exposure

The Group, with its subsidiaries, 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. Treasury shall continuously monitor, measure and follow-up the exposure to evaluate the effects on financial statements.

Interest rate risk

The exposure to market rates is continuously monitored at the Group's Treasury. The direct interest rate risk is limited for the ViaCon Group.

Commodity risk management

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

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

Financial derivatives

At year end 2020 the Group had no forward currency contracts outstanding or interest swaps. The Group does not apply hedge accounting.

Financial assets

	31 DEC 2020	31 DEC 2019
Non-current receivables	6,267	5,889
Accounts receivable	328,795	377,813
Contract assets, current	724	2,716
Cash and cash equivalents	244,760	95,541
Total financial assets	**580,546**	**481,959**

ACCOUNTING POLICIES

Purchases and sales of financial assets are taken up on the trade date, i.e. the date on which the Group undertakes to buy or sell the asset. Financial assets are derecognised from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred virtually all risks and rewards associated with ownership. The Group assesses the future anticipated credit losses that are connected to assets recognised at amortised costs. The Group recognises a credit reserve for anticipated credit losses at each reporting date. The loss reserve regarding financial assets is based on assumptions about the risk of default and anticipated losses. The Group makes its own assessments of the assumptions and choices regarding input data for calculating the impairment. These are based on history, known market conditions and forward-looking estimates at the end of each reporting period.

Financial liabilities

Included in the long-term interest-bearing liabilities are two loans; one loan from RI Holding AS, Norway, to ViaCon Holding AB, dated on 18 December 2019 of TNOK 591,400 and another loan from R I Holding AS, Norway, to ViaCon Group AB (publ), dated on 18 December 2019 of TNOK 453,013. The SEK/NOK exchange rate has been volatile during 2020. The exchange rates were:

	average rate		closing day rate	
	2020	2019	2020	2019
NOK	0.978	1.075	0.958	1.059

The unrealised positive exchange rate in the ViaCon Group in 2020 on these long term loans was TSEK 106,119 and included in the Financial Income. The interest rate includes the fluctuation of NOK, one year swap rate according to Bloomberg or Thomson Reuters.

Financial liabilities

	31 DEC 2020	31 DEC 2019
Long-term interest-bearing liabilities	1,147,160	1,183,893
Current interest-bearing liabilities	46,136	63,529
Accounts payable	196,628	177,069
Contract liabilities, current	20,846	12,195
Total financial liabilities	**1,410,770**	**1,436,686**

ACCOUNTING POLICIES

Interest-bearing liabilities

The accounting policies for other interest-bearing liabilities are presented in Note 24-Liabilities from credit institutions, and Note 26- Other interest-bearing liabilities.

Accounts payable

Accounts payable are obligations to pay for goods or services acquired from suppliers in the ordinary course of business. Accounts payable are classified as current liabilities if they fall due within one year or earlier. If not, they are recognised as long-term liabilities.
Derivative instruments and hedging instruments .

At the end of 2020 and 2019 the Group had no derivative contracts.

Fair value

In the event that fair value deviates from the book value, information about fair value is presented in the relevant note. On the balance sheet dates in 2020 and 2019 there were no financial assets and liabilities recognised at fair value.

The table below summarises the maturity profile of current liabilities to credit institutions and non-current financial liabilities:

31 December 2020

	Due within one year	Due within two years	Due within three years	Due within four years	Due within five years	Due after five years or indefinite	Total interest-bearing liabilities
Liabilities from credit institutions	23,281	2,743	1,091	491	-	-	27,606
Loan from group companies	-	-	-	-	-	1,092,276	1,092,276
Lease liability	22,753	16,376	9,769	6,474	5,532	12,407	73,311
Estimated future payments for acquired shares	-	-	-	-	-	-	-
Other loans	102	-	-	-	-	-	102
Total	**46,136**	**19,119**	**10,860**	**6,965**	**5,532**	**1,104,683**	**1,193,295**

31 December 2019

	Due within one year	Due within two years	Due within three years	Due within four years	Due within five years	Due after five years or indefinite	Total interest-bearing liabilities
Liabilities from credit institutions	29,171	3,768	1,373	846	137	-	35,295
Loan from shareholders	-	-	-	-	-	644,810	644,810
Lease liability	34,148	17,889	14,195	7,278	4,722	9,089	87,321
Other loans	210	-	-	-	-	-	210
Total	**63,529**	**21,657**	**15,568**	**8,124**	**4,859**	**653,899**	**767,636**

1 January 2019

	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 from credit institutions	24,530	5,929	1,774	1,521	809	132	34,695
Loan from shareholders	-	-	-	-	-	21,807	21,807
Lease liability	30,996	16,228	15,897	9,813	5,963	8,402	87,299
Other loans	-	58,019	2,370	-	-	-	60,389
Total	**55,526**	**80,176**	**20,041**	**11,334**	**6,772**	**30,341**	**204,190**

NOTE 26
OTHER INTEREST-BEARING LIABILITIES

	31 DEC 2020	31 DEC 2019	1 JAN 2019
Lease liability	73,311	87,321	87,299
Non-current liabilities interest bearing to group companies	1,092,276	644,810	21,807
Other non-current liabilities interest bearing	-	-	2,370
Other non-current liabilities non interest bearing	102	210	58,019
Total other interest-bearing liabilities	**1, 165,689**	**732,341**	**169,495**
whereof:			
Current liabilities	**22,855**	**34,358**	**30,996**
Non-current liabilities	**1,142,834**	**697,983**	**138,499**

NOTE 27
OTHER CURRENT LIABILITIES

	31 DEC 2020	31 DEC 2019	1 JAN 2019
Accrued expenses and prepaid income	798	890	555
Accrued salary, bonus and holiday pay	55,434	36,802	30,087
Contract liability	21,226	12,937	6,263
Personnel related liabilities	13,116	9,251	9,300
VAT liabilities	28,250	22,823	17,825
Liability to related party	13,222	843,927	753,891
Estimated future payments acquired shares	-	10,592	57,077
Other current liabilities	90,558	68,717	9,781
Total other current liabilities	**239,988**	**1,005,939**	**884,779**

NOTE 28
PLEDGED ASSETS

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

Oy ViaCon AB	Finland	0969082-9
ViaCon Group AB (publ)	Sweden	559228-2437
ViaCon Holding AB	Sweden	556826-4062
UAB ViaCon Baltic	Lithuania	110788621
ViaCon A/S	Denmark	37331643
ViaCon AB	Sweden	556620-7519
ViaCon AS	Norway	847016272
ViaCon Invest AB	Sweden	556661-6099
ViaCon International AB	Sweden	556619-6159
ViaCon Polska Sp. z o.o.	Poland	281974
ViaCon Sp. z o.o.	Poland	93391

The Guarantor's aggregated EBITDA and aggregated gross assets shall not represent less than 80 per cent of consolidated EBITDA and consolidated gross assets of the Group.

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

a) 100 per cent of the issued share capital of each Guarantor by the relevant Holding Company of the Guarantor (book value of MSEK 24.7 per 31 December 2020 and MSEK 24.7 per 31 December 2019); and

b) each Guarantor has granted security over its intra-group loans for MNOK 5.0 (or a similar value in any other currency) or higher book value totally MSEK 331.9 per 31 December 2020 and MSEK 347.9 per 31 December 2019).

The agreements between SRH Investco AS and GSO Capital comprises MNOK 975 and MEUR 100.5 respectively. These agreements are due during 2025. The agreements between SRH Investco AS and DNB comprises MNOK 300 as well as financial leasing limited to MNOK 60. These agreements are due during 2023.

NOTE 29
CONTINGENT LIABILITIES

Contingent Liabilities

	31 DEC 2020	31 DEC 2019	1 JAN 2019
Other contingent liability	241	241	-
Total	**241**	**241**	**-**

ACCOUNTING POLICIES

When a possible obligation does not meet the criteria for recognition as a liability it may be disclosed as a contingent liability. These possible obligations derive from past events and their existence will be confirmed only when one or several uncertain future events, which are not entirely within the Group's control, take place or fail to take place.

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.

NOTE 30
TRANSACTIONS WITH RELATED PARTIES

	Sales		Operating Revenue		Purchases	
	2020	2019	2020	2019	2020	2019
Related companies	7,431	3,552	219	1	-13,539	-9,220

	Financial Income		Financial Expense	
	2020	2019	2020	2019
Related companies	1,713	2,568	-108,773	-68,585

	Accounts Receivable		Accounts Payable		Loans	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Related companies	63,486	822,268	27,799	847,522	1,092,276	644,810

For more information about Related companies, see Note 1-General Information.

For more information about compensation to key employees and Management, see Note 7 -Employees, employee benefit expenses and remuneration to the Board of Directors.

NOTE 31
EVENTS AFTER BALANCE SHEET DATE

On February 1, 2021 there was a merger of three entities in Poland into one company. Thus, the production, sales and assembly of products will be handled by one company in Poland, ViaCon Polska Sp.zo.o.

On March 15, 2021 ViaCon signed an agreement to acquire Hamco Dinslaken Bausysteme GmbH, HaKu Service GmbH and MSB Montage von Schutzeinrichtungen und Bausystemen GmbH. The total purchase price for assets and entities in Germany is MEUR 5.6 and MEUR 4.1 was paid on April 1. Additional fee is planned to be paid during the spring 2022. Through the acquisitions, ViaCon will become the market leader for corrugated Bridges & Culverts Solutions in Europe. The acquisitions are an important part of ViaCon's plan for further expansion into Western Europe. Germany is an attractive market and by acquiring Hamco, ViaCon is adding access to this market and a brand with a strong reputation. On April 1, 2021, ViaCon completed the acquisitions.

Given the development of the global pandemic Covid-19 in 2020 and 2021, the Viacon Group has taken several mitigating actions to safeguard employees, reduce liquidity risk and secure future operations in different ways. The Executive Team closely monitors the situation and makes assessments if actions are needed to be taken. Until September 2021, the Covid 19 pandemic has not affected the business in any measurable way.

Per June 30, 2021, shareholders contributions in total MNOK 250 (MSEK 248.5) was received from R I Holding AS. The same amount was thereafter given to the subsidiary ViaCon Holding AB as shareholder contributions.

A new share issue was registered on 17 September 2021 with MSEK 451, which gave a new share capital of MSEK 501.

Beyond this, there have not been any significant events for the Group after the balance sheet date.

DEFINITIONS

Average number of employees (FTE)
The total number of hours worked divided by normal annual working hours, expressed as the number of full-time positions.

EBIT margin (operating margin)
Operating profit/loss after depreciation and amortization as a percentage of net sales for the year.

EBITDA margin
Operating profit/loss before depreciation and amortization as a percentage of net sales for the year.

Equity
Recognised equity including non-controlling interests.

Equity ratio
Equity including non-controlling interests as a percentage of the balance sheet total.

Inventory turnover
Cost of goods sold divided by average inventories.

Liquidity
Liquidity consist of cash and cash equivalents, undrawn credit facilities and marketable securities.

Net cash/net debt
Interest-bearing liabilities less interest-bearing assets, all calculated at year-end.

Non-controlling interest
The part of the Group Equity that is not attributable to Parent Company shareholders.

Working capital
Current assets less current non-interest-bearing liabilities.

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

Adjusted net cash/debt
Interest-bearing liabilities less interest-bearing assets, less lease liabilities, all calculated at year-end.

Underlying/ adjusted EBIT
Underlying EBIT is defined as EBIT 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, gains and losses of disposals of businesses and operating assets as well as other major effects of a special nature.

Underlying/ adjusted EBITDA
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, gains and losses of disposals of businesses and operating assets as well as other major effects of a special nature.

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

ALTERNATIVE PERFORMANCE MEASURES (APM)

Consolidated income statement

TSEK	2020
Operating revenue	**1,989,222**
Items excluded from operating revenue underlying	-5,100
Underlying operating revenue	**1,984,122**
EBIT reported	125,000
Items excluded from underlying EBIT	27,629
Underlying EBIT	**152,629**
Underlying EBIT margin	***7,7%***
EBITDA reported	**177,894**
Items excluded from underlying EBITDA	27,629
Underlying EBITDA	**205,523**
Underlying EBITDA margin	***10,4%***
Non-recurring costs	
New strategy and implementation	14,679
Capital efficiency	10,774
Other	2,175
Total non-recurring costs	**27,629**

Liquidity

TSEK	31 DEC 2020	31 DEC 2019
Cash and cash equivalents	244,760	95,541
Undrawn credit facilities*)	47,916	52,955
Total liquidity	**292,676**	**148,496**

**) Undrawn revolver of MNOK 50.*

APMs are used by ViaCon for annual and periodic financial reporting to provide a better understanding of the company's underlying financial performance for the period.

Underlying revenue, underlying EBIT and **underlying EBITDA** are also used by management to drive performance in terms of target setting. These measures are adjusted IFRS measures defined, calculated and used in a consistent and transparent manner over time and across the Group where relevant. Operational measures such as volumes, prices and currency effects are not defined as APMs.

DECLARATION AND SIGNATURES

The Board of Directors and the President and CEO confirm that the consolidated financial statements give a true and fair view of the Group's financial position and profit. The Board of Directors' Report for the Group gives a true and fair view of the Group's operations, position and profit, and describes significant risks and uncertainty factors that the Group faces.

Gothenburg, September 27, 2021

LARS PATRIK NOLÅKER
Chair of the Board

ULRIK SMITH
Board member

NICLAS THIEL
Board member

KRZYSZTOF ANDRULEWICZ
Board member

MORITZ MADLENER
Board member

STEFAN NORDSTRÖM
President and CEO

Our auditor's report was signed on September 27, 2021
Ernst & Young AB

STAFFAN LANDÉN
Authorized Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and CEO of ViaCon Group AB (publ), corporate identity number: 559228-2437

Opinion

We have carried out an audit of the consolidated accounts of ViaCon Group AB (publ) for the year 2020.

In our opinion, the consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended. The administration report is consistent with the other parts of the annual accounts and consolidated accounts.

Basis for Opinion

We conducted our audit in accordance with international standards on auditing (ISA). Our responsibilities under these standards are described in more detail in the section Auditor's responsibilities section in our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit 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.

Responsibilities of the Board of Directors and the CEO

It is the responsibility of the Board of Directors and the CEO to prepare consolidated accounts that give a true and fair view in accordance with IFRS as adopted by the EU and for such internal control as management determines is necessary to enable the preparation of an consolidated accounts that are free from material misstatements, whether due to fraud or error.

The Board of Directors and the CEO are responsible for assessing the company's and group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the CEO intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by the Board of Directors and the CEO.
- Conclude on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting in preparing the consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Gothenburg, September 27, 2021
Ernst & Young AB

STAFFAN LANDÉN
Authorized Public Accountant