Integrated annual report

2023

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Discover Saferoad

We provide better quality of life through infrastructure

Welcome to the Saferoad Group Integrated Annual Report. As a leading provider of road safety solutions in Europe, Saferoad Group brings 75 years of industry expertise, employing 2,600 people across 13 European countries.

Under the ownership of FSN Capital V and FSN Capital Bridge Co-Investment, which are vehicles advised by FSN Capital Partners, Saferoad has cemented its status as a pioneer in the road safety and steel solution sectors. Our focus is on delivering guidance, increasing safety and enhancing urban spaces.

With core competencies in road safety and steel solutions, our extensive range of products is engineered with precision, embracing the latest innovations and maintaining the highest standards of quality to support safer, better infrastructure.

Underlying revenue of NOK 6 743 million.

2 600 employees in 13 countries across Europe.

19 production facilities ensuring fast response and delivery time.

30 sales offices ensuring strong local knowledge and presence.

Founded in 2007, as a merger between Ørsta Group and Euroskilt Group.

Roots go back to 1947 when Ørsta Stålindustri was founded.

Our values

At the core of everything we do

Care

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

Drive

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

Integrity

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

The road safety and infrastructure market

Road safety development

Progress and projections in the EU

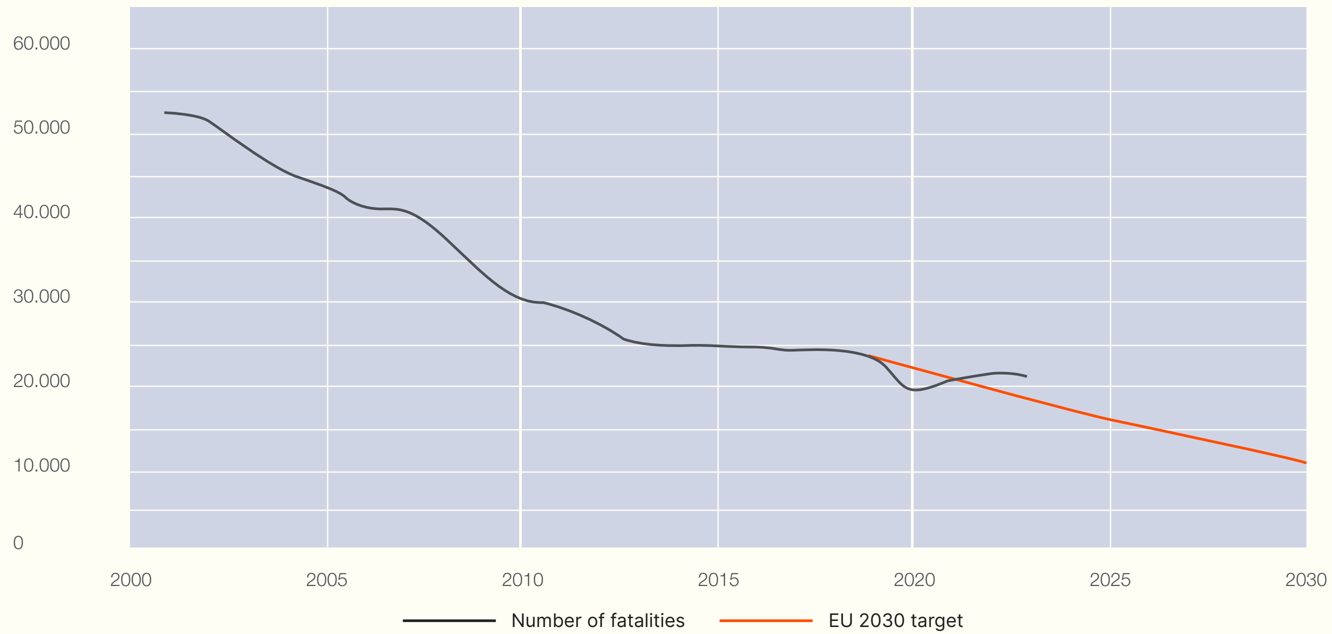
Under the EU Road Safety Policy Framework 2021-2030, the European Commission has re-affirmed its ambitious target of achieving zero fatalities and serious injuries on EU roads by 2050—a vision known as Vision Zero. It also aims to halve the number of deaths and serious injuries by 2030. This commitment establishes a definitive direction for the advancement of road safety measures within EU member states.

Preliminary figures for road fatalities in 2023 indicate a modest EU-wide decrease of 1 per cent from 2022. This reduction translates into approximately 2,360 fewer fatalities compared to the baseline year of 2019. However, the decline in fatalities has plateaued in several member states, signaling that certain areas require a more concentrated and strategic approach to meet the 2030 objectives.

The impact of emerging technologies such as autonomous vehicles highlights the need for smart traffic management and infrastructure monitoring and responsiveness that can lead to safer road environments.

Road safety development in Europe

Source: CARE (EU databse on road crashes)



The road safety and infrastructure market

Green transition in infrastructure

Green transition in infrastructure

As environmental considerations become increasingly interwoven with public and private infrastructure projects, new avenues for environmentally friendly solutions opens. The European Green Deal, Fit for 55, and Green Public Procurement (GPP) policies mark a transformative era in the infrastructure industry, stimulating a market for green infrastructure solutions. The shift towards green public procurement can lead to competitive differentiation but also requires manufacturers to reassess and overhaul supply chains to ensure compliance with green standards.

The outcome of COP28, marked by a joint decision to transition away from fossil fuels, is set to have a profound impact on the steel-based infrastructure industry. This pivotal shift will catalyse the move towards sustainable materials, including the adoption of green steel, produced using methods that emit less carbon. Following, the industry is expected to experience an upsurge in demand for environmentally friendly alternatives, leading to a significant transformation in production processes and material sourcing. A transition that will incentivize investment in product development focused on reducing environmental impact, driving innovation in the creation of new steel products that align with global sustainability goals. The industry must adapt to these changes, embracing green technologies and practices to stay competitive and compliant with evolving environmental standards. Saferoad is poised to lead the industry towards a greener future but must remain vigilant of the investment and operational changes necessary to sustain this leadership.

The EU has set ambitious goals

CO_2

At least

55%

less net greenhouse gas emissions

by 2030

compared to 1990 levels

The first climate-neutral continent by

2050

The road safety and infrastructure market

Infrastructure and urbanization

The projected rise in Europe's urbanization to 83.7 per cent by 2050 indicates a substantial expansion in infrastructure development. This urban growth necessitates the integration of robust and scalable road safety solutions to accommodate increased vehicular and pedestrian traffic, thereby presenting a prime opportunity for the deployment of resilient and modular safety products. Furthermore, urbanization that leads to increased road traffic and construction, elevates noise pollution levels. There is a growing need for noise protection barriers to mitigate noise in residential areas. Additionally, work zone protection equipment and services essential to ensure safety and reduce noise disruptions from construction activities.

The European Commission's report on the quality of life in European Cities from 2023 show that overall satisfaction across European cities has declined compared to the satisfaction levels recorded in 2019, although high, with nearly nine out of ten reporting to be satisfied with living in their city. Smaller cities are perceived as being a better place to live for elders and families with young children. People feel safer walking alone at night in smaller cities, and they perceive their city as being cleaner and less noisy than people living in larger cities.

For every life. On every journey.

Saferoad's enduring purpose is to enhance the quality of life through infrastructure solutions.

EU policies are instrumental in determining the trajectory of road safety and the green transition. Saferoad has aligned its product strategy with these to ensure compliance with the highest safety standards. With a foundational commitment to road safety, Saferoad has been dedicated to the principles of Vision Zero for decades. Ongoing product development, innovation, and collaborative efforts are crucial for the continuous improvement of safety and sustainability measures. Leveraging its comprehensive expertise in road safety and steel solutions, Saferoad is strategically positioned to be a significant force in the field's progress.

The market outlook for the road safety and infrastructure industry is one of growth driven by the societal demand for safer and more sustainable living environments. To fully capitalize on this growth, Saferoad and its like need to navigate a rapidly changing technological landscape and evolving regulatory requirements while remaining responsive to the demands of an increasingly environmentally conscious public.

We aim to make a tangible difference in the daily lives of individuals by ensuring that their journeys—whether short commutes or long travels—are conducted in a safer, more sustainable, and inclusive environment.

The Group strategy is built on three missions

Vision Zero 0

Dedicated to achieving a future without road-related fatalities or serious injuries. Every product we design and every service we provide is aligned with the goal of making roads as safe as possible.

Green transition

Committed to environmental stewardship, integrating sustainability into our operations and innovations. Our practices are designed to reduce our ecological footprint and lead the industry towards a greener future, and to drive demand for green solutions in our industry.

Liveable spaces

Dedicated to crafting public spaces that are vibrant, inviting, inclusive and safe. Our innovative solutions are designed to enrich the liveability of both urban and rural settings, promoting community well-being and nurturing a strong sense of belonging among individuals.

Local expertise, global reach

Our extensive technical expertise, combined with a strong local presence, positions us uniquely to serve our customers with unparalleled precision and care. We understand that infrastructure is a local issue with global implications, and we are steadfast in our mission to address it head-on.

Our focus on product development, adherence to high-quality standards, and dedication to providing the best service, make us a responsive and reliable partner in road safety and steel solutions.

Where we are
Operations in 13 countries in Europe.

- Norway
- Sweden
- Finland
- Denmark
- United Kingdom
- The Netherlands
- Germany
- Czech Republic
- Poland
- Lithuania
- Estonia
- Italy
- Romania

+ Global export

How we create value

Business area
Restraint Systems

We offer a comprehensive range of vehicle restraint systems and noise protection barriers for utilization across roads, highways, and railways.

By engaging with our specialized services, encompassing design, manufacturing, delivery, installation, and repair, clients are afforded solutions that align with the strictest EU and national standards. Our commitment is to enhance road safety through precision, innovation, tailored to meet our customers specifications.

Products
Guardrails, bridge parapets, steel and concrete barriers, noise protection walls and equipment

Customer segments
Road authorities, region authorities, municipalities, construction and maintenance companies

Employees
1056

Locations
NO, SE, DE, PL, UK, FI, NL, RO, LT, CZ + export

Revenue
3 406 mNOK

Business area
Traffic

We provide a complete array of traffic signs, LED and mechanical variable message signs, and work zone protection products and services. Our solutions are designed to cater to the pressing demands of clarity and safety on roads and construction sites.

By selecting our comprehensive traffic management solutions, you are choosing the pinnacle of safety, guidance, and reliability.

Products
Foliated and electric LED signs, technical components and software for traffic management, work zone protection equipment and services

Customer segments
Contractors, road authorities, region authorities, municipalities construction and maintenance companies.

Employees
763

Locations
NO, SE, DE, DK

Revenue
1 571 mNOK

Business area
Infrastructure

We meticulously craft high-quality, crash-friendly, and aesthetically pleasing light poles and masts, outdoor furniture, fences, and specialized masts and towers for telecom, rail traffic, and power grid applications. Safety, functionality, and aesthetic appeal of infrastructure equipment for roads and public spaces.

We offer solutions that embody quality, safety, and elegance, enhancing the visual and functional appeal of any project.

Products
Light poles, power-, railway- and telecom- masts, outdoor furniture, fencing, marina products, rock support, and agriculture products

Customer segments
Municipalities, contractors, wholesalers

Employees
448

Locations
NO, SE, RO

Revenue
1 101 mNOK

Business area
Services

We offer a broad spectrum of road services, from road marking applications for guidance and safety to complex road maintenance services. We customise our offerings to meet the durability, quality, and safety demands of our clients. Our comprehensive suite of services includes winter maintenance, greenery upkeep, and road patrolling.

We ensure the durability and safety of highways, expressways, and country roads year-round.

Services
Road marking and road maintenance

Customer segments
Municipalities, regions and contractors.

Employees
274

Locations
NO, SE, DK, PL

Revenue
885 mNOK

Leadership
Group management team

Bernd Frühwald
CEO

Bernd Frühwald was appointed Group CEO effective October 2022. Bernd holds an MBA from St. Gallen Business School in Switzerland and Alpen-Adria-Universität Klagenfurt and earned a mechanical engineering degree from Technical College Ansbach.Prior to his role in Saferoad, Bernd served as President of the Global Power Tools business at Apex Tool Group, and 14 years at Bühler Motor in several executive management positions, including VP for Industrial and Healthcare Business Units; VP Global R&D and VP PMO office.

Anders Kristensson
CFO

Anders Kristensson was appointed Group CFO effective March 2023. Anders holds a Master of Science degree in Business Administration and Economics from the University of Lindkoping, Sweden. He has 15 years of experience from the CFO role in several private equity owned industrial companies both in Scandinavia and internationally. Most recently in IPCO AB, a global supplier of industrial process solutions, with operations in 30 countries. Prior to this he has been CFO at Envirotainer AB, PIAB AB and Gambro Healthcare.

Oscar Sandell
CHRO

Oscar Sandell was appointed Group Chief HR Officer in January 2019. Oscar holds a bachelor's degree from Stockholm University and an MBA from Bond University, Australia. Oscar has consulting background from Accenture and before joining Saferoad Group, he held several senior HR positions in multinational companies and has led HR functions in Europe, Asia, and Americas for +15 years.

Oscar holds the overall responsibility for the Group's ESG and Communication areas.

Taek Lim

SVP Strategy and M&A

Taek Lim was appointed SVP Strategy and M&A in January 2023. Taek holds a Ph.D. in Engineering from the University of Freiburg and a MSc in physics from Northeastern University in Boston. Prior to starting in Saferoad he was Director Corporate Strategy Development at Bosch, following extensive consulting experience from Kearney, Bain & Company, and Arthur D. Little.

Artin Papanian

SVP Restraint Systems

Artin Papanian was appointed SVP Road Restraint Systems effective June 2023. Artin holds a degree in business engineering from University Kaiserslautern, Germany, and a Master of Science in Electrical Engineering from Michigan State University. His most recent position before joining Saferoad was as General Manager of the Eurofins Technologies Clinical Diagnostics Business. Prior to this he held several management positions within Villeroy & Boch and Kohler, pursuing new business areas, expansions, and turnarounds.

Mads Norman

SVP Traffic

Mads Norman was appointed SVP Signs & Work Zone Protection in December 2022. He joined Saferoad in 2019 in the position as managing director of Saferoad Denmark. Mads holds a M.Sc. in industrial management from Aalborg university. Prior to starting in Saferoad he has held several leading roles within operations in Denmark and China in Danfoss Group, Stok Emballage, and before joining Saferoad he was member of the Executive Management in Louis Poulsen as COO.

Kjetil Nesset

SVP Infrastructure

Kjetil Nesset was appointed SVP Light Poles & Masts effective April 2019. Since joining Saferoad in 2012, Kjetil has been managing director of Vik Ørsta. Kjetil holds a bachelor degree in Construction and an degree in Finance & Management. He has previously held several managing positions and came to Saferoad from the position as COO in Spenncon Group.

Grzegorz Baginski

SVP Services

Grzegorz Baginski was appointed SVP Road Services in January 2022. Grzegorz joined Saferoad in 2008 in the position of Business Development Manager Poland and Central and Eastern Europe. Since 2010 he has been General Manager for the Saferoad companies in Poland and Central and Eastern Europe. Prior to Saferoad, he held sales and product manager roles in Swiss and Nordic companies, suppliers of construction products. Grzegorz holds a Master of Civil Engineering from the Gdansk University of Technology and an Executive MBA from GFKM /RSM Erasmus University.

Letter from the CEO

As we reflect on the past year, we find ourselves navigating through a period marked by persistent geopolitical tensions and challenging macroeconomic conditions. The volatility across global markets in 2023 has indeed tested the resilience of many industries, including our own.

Despite these headwinds, I am proud to report that Saferoad Group has once again demonstrated steadfast performance. We have increased our market share with emphasis on Central Europe, and experienced a robust organic growth. Underlying revenues have surged by 9.1 per cent to NOK 6,734 million. Our underlying EBITDA has witnessed a commendable uplift of NOK 139 million, culminating at NOK 718 million for the year. Despite facing downward pressure on steel prices, our company has successfully offset this challenge through a significant increase in volume sales, demonstrating our robust market presence and operational resilience. This financial robustness is a testament to our team's agility, dedication, and the strategic decisions that have fortified our market position.

The year 2023 was pivotal for Saferoad Group. We had several strategic initiatives, including renewing the leadership structures in several areas of the business, marking a solid foundation for sustained growth in the years ahead.

As a testament to our transformational journey, 2023 was the year where we shaped an invigorated group strategy, affirming our commitment to our core competencies in road safety and broadening our horizons further into steel solutions.

This expansion is set to unlock new product and innovation opportunities. With ambitious growth in sight, our strategy is enabled by a focus on our people, fostering innovation, advancing ESG principles, operational and commercial excellence, spurring organic growth, and exploring mergers and acquisitions.

The Group made a pivotal decision to commit to the Science Based Targets initiative (SBTi), redefining our environmental strategy and integrates it into the core of our business. Driven by the urgent need to address climate change and the role that corporations play in driving global emissions. By setting science-based targets, we are holding ourselves accountable to measurable and meaningful actions that reduce our carbon footprint in line with the Paris Agreement goals. Our decision to commit to SBTi reflects our proactive approach to the green transition, resonating with our stakeholders' growing expectations for sustainable practices, and aim to drive demand for products and solutions with lower carbon footprint in our industry.

To accelerate the Group`s growth potential, a strategic project aimed at improving liquidity through targeting inventory management, receivables, and payables was conducted across all business units. By reducing operating working capital and improving cash-flow, the project aimed to establish a robust foundation for the company's expansion and long-term growth strategy. Good progress in this area in 2023 increased the Group`s financial robustness and position to further capitalize on growth opportunities in the coming years as this focus also continues.

Furthermore, we embarked on a strategic project to streamline the brand complexity across the Group. With the aim to create a cohesive brand identity across all operating units, thereby bolstering market position and brand equity. The rebranding activities were fuelled by the launch of a new visual identity. A development that resonated throughout our teams, bolstering a sense of shared purpose and direction.

As we turn the page to a new chapter, we are cognizant of the evolving landscapes and emerging challenges. However, our strategic blueprint and the collective resolve of our near 2600 employees stand as assurances of our preparedness to meet these challenges head-on.

The Group is strategically positioned to extend our influence and persistently provide high quality value to our customers. As we look to the future, we maintain a confident outlook on our potential for consistent growth in sales and profitability margins. We are poised for this progression, propelled by a robust order book—a direct result of fortified internal processes and structures, along with operational enhancements that have streamlined efficiencies throughout the organization. Moreover, we anticipate harnessing the synergies inherent within our essential business domains to fuel our expansion.

In closing, I extend my deepest gratitude to our employees, customers, and partners for their unwavering support and to our stakeholders, for their continued trust in Saferoad Group. Together, as a unified force, we will continue to innovate, grow, and lead the way in sustainable infrastructure and road safety.

Sincerely,
Bernd Frühwald
Group CEO

Our performance
2023

Underlying revenue
6 734 mNOK

Revenue growth
+ 9.1 %

Underlying EBITDA
718 mNOK

EBITDA growth
24 %

GHG emissions (tCO2e)
477,267

Scope 1 (tCO2e)
15,438

Scope 2 (tCO2e)
3,898 (Location based)

Scope 3 (tCO2e)
457,932

Employee satisfaction (eNPS)
Good (26)

Lost time injury (LTI)
60

LTI frequency (H1)
13

Key financial figures
Saferoad Group

NOK 1000	2023	2022
Underlying operating revenue		
Restraint Systems	**3,406,220**	3,011,279
Traffic	**1,570,815**	1,450,714
Infrastructure	**1,101,365**	1,191,742
Services	**885,054**	773,929
Holding/Eliminations	**(229,084)**	(254,330)
Underlying operating revenue1)	**6,734,369**	6,173,334
Underlying EBITDA		
Restraint Systems	**359,108**	223,010
Traffic	**176,962**	139,825
Infrastructure	**172,340**	215,527
Services	**100,098**	75,938
Holding/Eliminations	**(91,003)**	(75,499)
Underlying EBITDA1)	**717,505**	578,801
Underlying EBITDA %	**10.7 %**	9.4 %
Items excluded from EBITDA (APMs)1)	**(47,772)**	(64,530)
Reported EBITDA1)	**669,733**	514,271
Reported EBITDA %	**9.9 %**	8.3 %
Underlying EBITA1)	**447,737**	335,705
Underlying EBITA %	**6.6 %**	5.4 %
Reported EBITA1)	**399,966**	271,175
Reported EBITA %	**5.9 %**	4.4 %

1) See Alternative performance measures on page 139.

Board of Directors report

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Board of Directors report
2023

Strategy and financial targets
2023 was yet another solid year for Saferoad Group seeing growth in underlying revenues of 9.1 per cent to NOK 6 734 million, while underlying EBITDA experienced an uplift of NOK 139 million to NOK 718 million for the year. With a business model rigged to cope with fluctuations in underlying market parameters, the Group has shown that it is capable of adapting to changed market dynamics throughout the year and on the back of this achieved strong financial results. The solid results should be seen as a result of both the robustness and adaptability of the business.

Saferoad's long-term vision remains to be the leading road safety provider in Europe, where the company operates in an attractive market with significant growth opportunities across most geographies and product areas. Based on the Group's extensive geographical footprint and broad offering, Saferoad is well positioned to benefit from favourable market trends and deliver on its ambitions. The position as market leader in the Nordic region as well as strong presence in Europe, is making the Group well-positioned to achieve further profitable growth in its underlying core markets in the years to come. This is to be complemented by a mix of expansion into complementary products and services, further geographic expansion, and if relevant structural acquisitions.

In 2023 Saferoad has continued to strengthen the internal processes and structures, ensuring that it is fit to meet its strategic development targets as well as customer and market demands. The Group is simultaneously improving critical drivers of operational efficiency and development of its manufacturing set-up as well as reaping the synergies of the more coherent operating units. All of which have contributed to the positive development over the last year. The Group is also focusing on accelerating growth through several strategic initiatives focusing both on existing product lines but also adding new ones. 2023 has also been a year with a focus on cash generation and freeing up working capital throughout the organization and the Group has now set relevant targets in order to further improve cash-flow across business units by driving operational and commercial excellence.

Project Unity have been launched to create a stronger market position and appearance, with the aim of simplifying the brand architecture, streamlining brand experience and enhance marketing across the business units in the Group. The Group is building a strategic platform ensuring that it is fit to meet both customer and market demand, and to further fuel growth. In 2023 new business area names were implemented, business units have been merged in order to reduce complexity, and several business units rebranded as part of Project Unity.

Saferoad invested strongly in capacity in 2023 to facilitate organic growth going forward, which is planned to continue coming years as well. Alongside organic growth, the group is actively evaluating M&A targets and setting a strategic roadmap including M&A going forward.

Saferoad is committed to its sustainability journey and made great strides in 2023. The Group strengthened resources, upped its ambitions, and made progress on preparing for new ESG regulations. At the same time, we recognize that there is still much work ahead. Taking a role as an active leader in ESG, Saferoad committed to the Science Based Target initiative in 2023. The Group has prepared its sustainability statement in line with the upcoming Corporate Sustainability Reporting Directive. The statement, including the Group's ESG strategic priorities and performance, can be found in section 3 of this annual report.

The company generally expects a continued increase in sales and profitability in the coming year, supported by improved order stock, operational improvement measures and the pursuit of synergies within and between the four core business areas.

Market developments and outlook
Saferoad deliver products and solutions to those who own, build and maintain roads. Saferoad's primary geographical markets are the Nordics, Western Europe and Central and Eastern Europe (CEE), of which the largest part of revenue comes from Norway, Sweden, Denmark, Germany, UK

and Poland. The outlook for Saferoad's main markets remains promising for the years ahead, driven by increased government spending to build, maintain and upgrade the road infrastructure, with a continued strong commitment by both EU and national governments to focus on road safety.

The growth in government spending is mainly driven by increasing road traffic volumes, more efficient transportation infrastructure, higher safety focus as well as government efforts to reduce the existing maintenance and investment lag on the road networks across Europe. An additional support of markets is coming from large road maintenance needs given aging road infrastructure.

Governments across Europe have accordingly developed targets for reducing traffic injury and accident reductions, e.g. EU's Vision Zero aiming for zero fatalities or serious injuries by 2050. Global road safety goals are additionally articulated in UN Sustainable Developments Goals target 3.6 and 11.2. Road safety equipment is well recognized as a critical tool to achieve these goals, with EU Vision Zero recommending specific performance measures on barriers/restraints, signs, and road marking.

The Group is proactively working to position itself to meet expected increasing market demand for low-carbon and more responsible products. This is central to Saferoad's ESG strategic priorities. As an active leader, the Group believes it's well placed to take advantage of market opportunities arising from new sustainability regulations, standards, and requirements. The EU's Green Deal and Fit for 55 package are important drivers for low-carbon products, alongside National Action Plans on Climate Change. Other regulatory drivers for more responsible products and more transparent sustainability performance include the Norwegian Transparency Act and the Corporate Sustainability Reporting Directive. Currently, the Nordic market is leading the trend, setting requirements, and incentivizing low-carbon operations and products, and we expect other European markets to follow suit in the next 1-3 years.

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

ESG

The Group's ESG ambition is to drive sustainable solutions in our industry for our customers, for our planet, for people and for future generations. The Board of Directors oversees sustainability and is accountable for ensuring that sustainability issues are incorporated into Saferoad's operations, governance strategy and decision-making. The Group management team oversees the day-to-day operational aspects of Saferoad's sustainability priorities. The Group's ESG strategic priorities are pivotal to the Group strategy and sets the direction for Saferoad's sustainability journey. While the Group made great strides in 2023, ESG remains an ongoing journey of improvement. We recognize that there is still much work ahead.

To support the Group's ESG ambition, Saferoad strengthened ESG resources and governance. A new Group Head of ESG was hired to spearhead the sustainability agenda. To drive sustainability throughout the organization, the Business Areas have bolstered ESG resources, including for reporting, strategic planning, supporting customer requirements, and coordinating sustainability improvements.

In preparation for the Corporate Sustainability Reporting Directive, the Group has undertaken a Double Materiality Assessment (DMA) in accordance with the regulation. This assessment serves as the foundation for Saferoad's ESG strategic priorities, as well as ESG risk assessment and annual improvement plans. The DMA also facilitates the identification of market, product and services opportunities for Saferoad's sustainable growth.

In 2023, Saferoad committed to setting targets according to the Science Based Target initiative, affirming the Group's dedication to acting on climate change. In accordance with the science-based criteria, the Group will be submitting company-wide greenhouse gas (GHG) emission reduction targets for official validation by the SBTi by mid-2025 at the latest. As a member of this global initiative, the Group joins a community of like-minded businesses, customers and suppliers that are committed to promoting the most effective methods of reducing emissions and addressing the challenges of climate change.

Saferoad's sustainability statement, including the Group's ESG strategic priorities and performance, can be found in section 3 of this annual report.

Financial development Saferoad

Saferoad had underlying revenues of NOK 6 734 million in 2023, while underlying EBITDA was NOK 718 million. The underlying EBITDA margin was 10.7 per cent.

NOK 1000	**2023**	2022
Underlying operating revenue	**6,734,369**	6,173,334
Reported operating revenue	**6,743,198**	6,173,334
Underlying EBITDA	**717,505**	578,801
Reported EBITDA	**669,733**	514,271
Underlying EBITDA margin %	**10.7 %**	9.4 %
Reported EBITDA margin %	**9.9 %**	8.3 %

Revenues in Saferoad were driven by good underlying growth and strong order intake in most of the business areas, as well as general price inflation. The development was supported by growth in Restraint Systems from a combination of strong market demand, focus on operational excellence, and stable steel price at high level compared to a volatile 2022. This was complemented by solid growth in both Traffic and Services, from market demand in combination with sales initiatives. Infrastructure had a softer 2023, compared to a very strong 2022. Underlying EBITDA increased by NOK 139 million to NOK 718 million from a growing underlying infrastructure sector but also by improved operational processes.

The reported EBITDA of NOK 670 million includes non-operational costs of NOK 48 million, down from NOK 65 million last year, which reflects a portion of costs associated with ongoing M&A activities, costs related to changes in group management, group wide strategic improvement projects, and discontinued business. Furthermore, the competition case related to Services Denmark was resolved in February 2024, resulting in no penalisation. These costs are categorised under the principles of Alternative performance measures (APMs), which is used by Saferoad to provide a better understanding of the company's underlying financial performance. These measures are adjusted IFRS measures defined, calculated and used in a consistent and transparent manner over time and across the Group where relevant.

In 2023, operating profit (EBIT) amounted to NOK 345 million. The Group had a net currency loss of NOK (104) million, financial income of NOK 20 million and financial expenses of NOK (344) million in 2023. The financial expenses consist of Interest expenses to financial institutions of NOK (275) million, interest expenses on lease liabilities of NOK (22) million, factoring charges of NOK (6) million, and other financial expenses of NOK (41) million.

A net tax cost of NOK 50 million was reported in 2023.

The Group reported a loss of NOK (132) million.

Parent Company
Saferoad Holding AS is the parent company in the Saferoad Group and supplies and performs services for the Group's other companies. Saferoad Holding AS reported a net loss of NOK (192) million in 2023, compared to a net profit of NOK 27 million in 2022, whereas the negative change in result comes from the financial side predominately explained by higher interest rates and adverse effect from changes in exchange rate. At year-end 2023, Saferoad Holding AS had total assets of NOK 3 485 million compared to NOK 3 587 million in 2022. The loss for the year for Saferoad Holding AS of NOK (192) million is transferred from other equity.

Financial development by Business Area: Restraint Systems

NOK 1000	2023	2022
Underlying operating revenue	3,406,220	3,011,279
Reported operating revenue	3,406,220	3,011,279
Underlying EBITDA	359,108	223,010
Reported EBITDA	347,097	218,934
Underlying EBITDA margin %	10.5 %	7.4 %
Reported EBITDA margin %	10.2 %	7.3 %

Restraint Systems revenues were NOK 3 406 million in 2023. Revenue increased 13.1 per cent versus 2022 due to increased tonnage, increased installation volumes, hence increasing its market share in 2023. Moreover, the Noise Protection segment completed a turnaround leading to significant operational improvement. All in all, underlying EBITDA increased 61.0 per cent to NOK 359 million. Strong development in South & West regions and Noise Protection, more than compensating deficits in the North region.

Traffic

NOK 1000	2023	2022
Underlying operating revenue	1,570,815	1,450,714
Reported operating revenue	1,579,644	1,450,714
Underlying EBITDA	176,962	139,825
Reported EBITDA	169,061	130,700
Underlying EBITDA margin %	11.3 %	9.6 %
Reported EBITDA margin %	10.7 %	9.0 %

The Traffic business area continued its positive trend from the 2022, lifting sales by 8.3 per cent and underlying EBITDA by 26.6 per cent. The development was supported by increased market demand for both products and services. Continued efforts to strengthen core product and service areas have positive impact, while the loss-making light construction business in Sweden is being gradually discontinued.

Infrastructure

NOK 1000	2023	2022
Underlying operating revenue	1,101,365	1,191,742
Reported operating revenue	1,101,365	1,191,742
Underlying EBITDA	172,340	215,527
Reported EBITDA	172,340	215,527
Underlying EBITDA margin %	15.6 %	18.1 %
Reported EBITDA margin %	15.6 %	18.1 %

Infrastructure business area, experienced retraction in sales of (7.6) per cent and reduced underlying EBITDA of (20.0) per cent. The business experienced market retraction but is still delivering strong margins due to several implemented cost savings activities implemented during the year in order to mitigate a more challenging macro environment.

Services

NOK 1000	2023	2022
Underlying operating revenue	885,054	773,929
Reported operating revenue	885,054	773,929
Underlying EBITDA	100,098	75,938
Reported EBITDA	109,704	75,938
Underlying EBITDA margin %	11.3 %	9.8 %
Reported EBITDA margin %	12.4 %	9.8 %

The Road Service business area saw an increase in revenues of 14.4 per cent and an increase in underlying EBITDA of 31.8 per cent. The business area has won additional maintenance contracts in Poland and have also managed to turn things around making the Norwegian business more profitable.

Financial development

Holding costs

Holding costs consist of the unallocated costs associated with the Group's corporate administration, financial management and the elimination of inter-segment sales. The underlying EBITDA in the period was NOK (91) million, which represents an increase of 20.5 per cent. The increase from 2022 is in line with expectations due to general price increase, wage increase and scaling up central Group positions including IT coverage.

Financial situation and capital structure

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

In November 2021 Saferoad renewed and extended its Term Facilities with several funds managed by Blackstone Alternative Credit as Original Lenders and the Revolving Credit Facility with DNB, all Facilities maturing in 2028, and structurally matching the currencies in the loan obligations to the Group's cash flow. This financing arrangement is now directly with the finance providers and separate from the former Viacon division, which was carved out into a separate company in 2019.

Saferoad Group hence now has a Revolving Credit Facility of NOK 510 million and a EUR 7 million overdraft facility ensure sufficient financial capacity to sustain seasonal working capital fluctuations.

Saferoad has bought interest rate caps to protect against rising interest rates, for the Senior Term Facilities Agreement with the GSO-funds. Protection is bought for the full exposure in NOK, EUR and SEK until the maturity of the Senior Term Facilities in 2028.

The overall financial situation of the Group is projected to remain stable with a continued acceptable level of liquidity and is being monitored through structured forecast and management processes. The Group's total assets at year-end 2023 was NOK 4 773 million compared to NOK 4 705 million in 2022, where the increase in fixed assets to some extent offset by lower current assets. Non-current liabilities ended at NOK 2 983 million in 2023 compared to NOK 3 059 in 2022, with the decrease explained by a reduction on RCF drawn of NOK 250 million to some extent offset by an increase in SFA loans due to weakened NOK against EUR and SEK. Total equity was NOK 509 million at the end of 2023. The Group's financial position may be viewed as sound, with more than sufficient financial capacity to execute current projects and initiatives.

Cash flow

The cash flow for the Group was NOK (86) million in 2023 compared to NOK (126) million in 2022, where the improved cash flow from operations more than offset by net repayment on loan facilities.

Net cash flow from Operations for the Group was NOK 796 million 2023 compared to NOK 483 million in 2022 with the improvement explained by favourable developments in working capital and improved operating performance.
Net cash flow from investment activities was NOK (188) million for the year compared to NOK (156) million in 2022, with the difference mainly caused by higher investments in fixed assets.

Net cash flow from financing activities was NOK (693) million in 2023 compared to NOK (452) million in 2022, with the difference explained by higher net repayments on RCF and increased interest payments.

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

Risk factors and risk management

Saferoad is subject to several operational and financial risks, which may affect parts or all its activities. Through the Group's risk management and internal control framework, Saferoad aims to systematically identify, assess, and manage risk throughout the Group. The responsibility for the risk management and internal control in these aspects' rests primarily with the first-line management, meaning the CEO, all managers, and employees in the operational units, through the work they carry out in accordance with the authorisations, instructions and guidelines that apply to each of them. The efforts around risk management and mitigating initiatives have continued during 2023. The year has seen a reinforced strengthening of activities around IT and Cyber security considering the continuously increasing challenges generally observed, and the Group has entered a cyber insurance to further reduce risk while continuously improve underlying processes.

The work on strengthening the financial compliance and control environment has been sustained. In 2023, the Group also stepped up its efforts to better assess and mitigate ESG risks.

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

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

The company can therefore be affected by a downturn in the general economic environment, a lack of prioritised funds to the road infrastructure sector versus other sectors or a change in regulatory standards for road quality and road safety. In addition, changing behaviour and technology developments that reduce traffic volumes and investments in road infrastructure and maintenance may impact the Group's business, revenue, profit and financial position.

The Group is mitigating general industry and competitive risk by diversification, both geographically and by products. The Group has a sizable footprint in more than 13 European countries and exports selected products further outside this perimeter. Saferoad works actively with the company's ability to quickly respond to customer needs by having a strong local presence and by focusing on continuous product and business model development.

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

ESG risks
The Group continuously works to identify and to mitigate risks, in particular in respect of strategic, operational, compliance, tax and financial risks throughout the Group, as well as the impact Saferoad may have on people and on the environment. To avoid official sanctions, financial losses or a loss of reputation due to failure to comply with laws, regulations and standards, the Group has assessed ESG risks and established mitigating activities. The ESG risk assessment is based on Saferoad's Double Materiality Assessment. The most important risks continue to include the health and safety of our employees, the Group's GHG emissions and impact on the climate, as well as governance, anti-corruption and anti-bribery. We have also identified risks related to working conditions in the Group's supply chain, soil contamination, severe weather, new ESG market requirements and non-compliance with new ESG regulations as relevant to the Group. A full description and assessment of the risks, as well as mitigating actions can be found in the sustainability statement in section 3 of this annual report.

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

Financial and market risk
The Group is exposed to financial risks associated with financial instruments such as trade receivables, liquidity, and interest-bearing debt. These risks are classified as credit, market, and liquidity risks. The Saferoad Group reports its financial results in Norwegian kroner (NOK). Apart from 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. The transaction risk related to currency exchange fluctuations is limited, given operational factors, while the Group is affected by changes in key currencies regarding translation of assets and liabilities. Nevertheless, subsidiaries may from time to time generate income or incur costs under currencies that differ from the currency of their operational costs. The group is exposed to risk related to developments in raw material prices in some business areas; this risk is viewed as manageable, and the group is monthly monitoring steel price exposure by steel inventory and order stock (non-exhaustive). Interest risk is mitigated by interest rate hedging. Financial covenants exist for both loan facilities, see note 4 in the financial statements for a more detailed description.

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

The Group employs 2 566 across 13 countries in Europe and is headquartered in Oslo, Norway.

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

Personnel and Organisation
Saferoad's ambition is to ensure that all employees have equal opportunities for personal and professional development. Discrimination based on gender, age, disabilities, ethnic origin, sexual orientation, or religion is not tolerated. The number of females in the road safety industry is low. At year-end 2023, 83 per cent of the total employees in the Group were male and 17 per cent female. The number of female employees has decreased 2 per centage point compared to 2022. The Group works actively to reduce the sick absence rate and has established routines to closely follow-up employees on sick leave to facilitate their prompt return to work. In 2023, the sick absence rate was 5.0 per cent, slightly reduced from 5.2 per cent in 2022.

A group-wide Health & Safety program that consists of tools and routines to help managers and employees identify risks in their daily work is established and together with an increased focus on HSE in the production facilities as well as on site working environment, the Group has seen an increase of incidents resulting in absence from work (LTI). LTI for 2023 was 60 (T<45), an increase of 3 accidents compared to 2022. The H1 rate (absence related to actual work hours) for 2023 was 12 (T<13), which are on the same level as in 2022.

Through an annual eNPS (Employee Net Promoter Score) survey the Group tracks employee satisfaction to identify work environment improvement areas. The overall eNPS score was 26 in 2023, compared to 29 in 2022. The follow-up process has resulted in specific action plans that will be followed up throughout the year.

Legal proceedings
From time to time, companies in the Group may be involved in litigation, disputes and other legal proceedings arising in the normal course of their business. For more detailed information, please refer to note 30 in the 2023 financial statements.

Equity and dividends
Total equity was NOK 509 million at the end of 2023. The Group's financial position is sound, with sufficient financial capacity to execute current projects and initiatives.

Freely negotiable shares
All shares in the company are freely negotiable.

Corporate governance
Corporate governance has high priority for the Board, and it considers good corporate governance a prerequisite for value creation, trustworthiness, and access to capital. See section 2, Governance and transparency for a more detailed description.

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

Transparency act
The Group's account of Saferoad's due diligence procedures and significant risks of adverse impacts on fundamental human rights and decent working conditions can be found in the sustainability statement in section 3 of this annual report.

Oslo 22 April 2024
The Board of Saferoad Holding AS

Patrik Nolåker
Chairman

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Elke Elfriede Eckstein
Board member

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Elke Elfriede Eckstein
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Ulrik Smith
Board member

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Ulrik Smith
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Niclas Thiel
Board member

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Moritz Madlener
Board member

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Moritz Madlener
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Espen Asheim
Board member

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Espen Asheim
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Knut Brevik
Board member

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Knut Brevik
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Jan Torgeir Hovden
Board member

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Bernd Frühwald
Group CEO

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Bernd Frühwald
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Leadership
Board of Directors

Patrik Nolåker
Chairman

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

Elke Elfriede Eckstein
Board member

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

Ulrik Smith
Board member

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

Niclas Thiel

Board member

Niclas Thiel became member of the Saferoad Board of Directors in 2018. Niclas holds a position as Principal in FSN Capital, which he joined in 2016. He has in total more than 15 years of experience from investment roles, including from Bain Capital in London and Investor AB in Stockholm before FSN Capital. Before becoming an investment professional, he started his professional career in investment banking at Carnegie in Stockholm. He holds an MSc. in Economics and Business Administration from the Stockholm School of Economics in Sweden.

Moritz Madlener

Board member

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

Espen Asheim

Board member

Espen Asheim joined Saferoad's Board of Directors in 2022, boasting 30 years of executive and board experience across IT, digital, media, business services, and logistics sectors. His career includes CEO roles at Telenor/Canal Digital, Elektroskandia, Via Travel Group/Egencia, Egmont Publishing, and Saferoad Group, as well as consultancy work at Accenture, eScienza, and iEnergies. Espen holds a bachelor's in Finance and Marketing from the University of Oregon and an MBA from Mays Business at Texas A&M University. Currently, he serves as a full-time board member and Executive Advisor at FSN Capital.

Knut Brevik

Board member

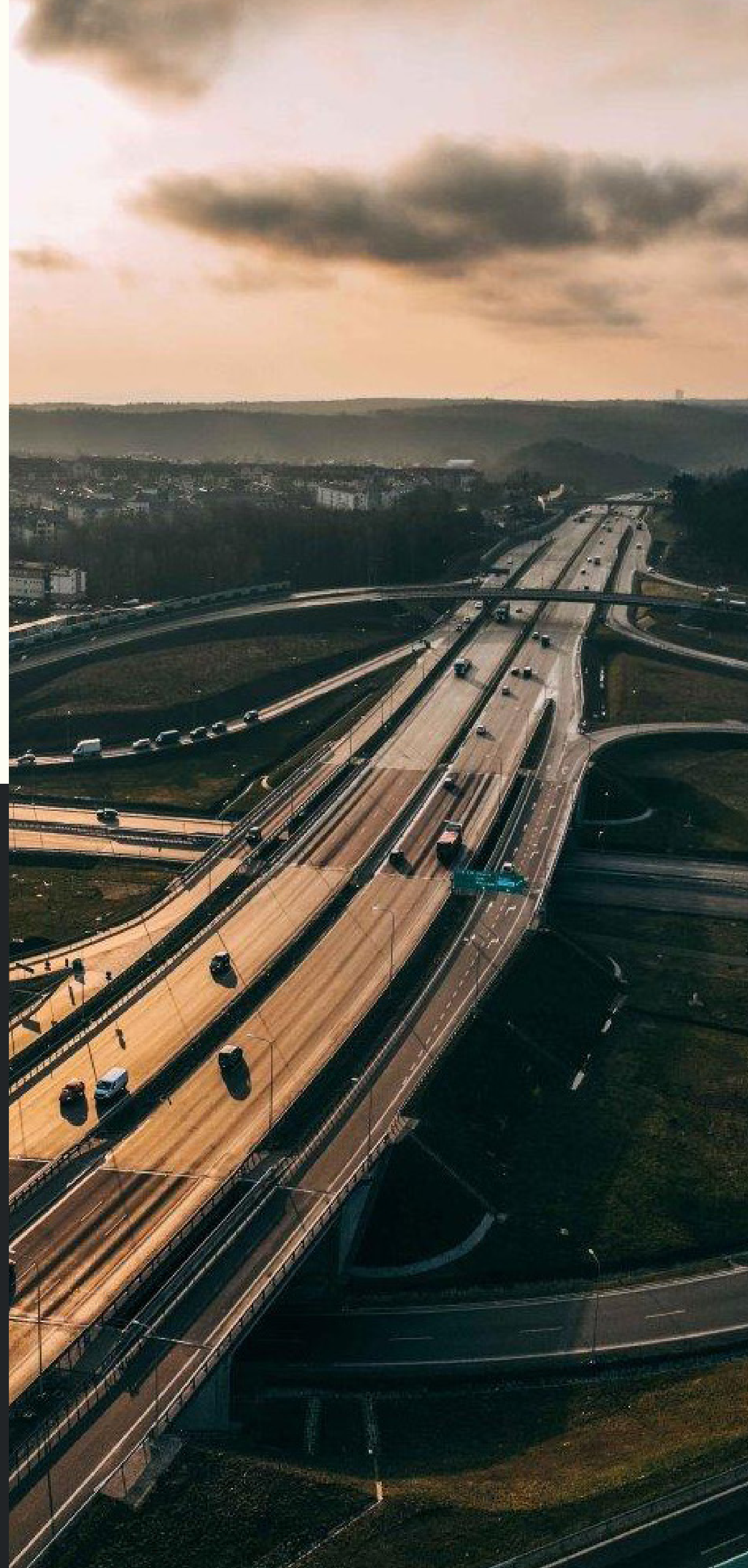
Knut Brevik is a representative elected by the employees in the Saferoad Board of Directors. He became member of the Saferoad board in 2008. Knut has been employed in Euroskilt AS since 1986 as foreman for the mechanical production.

Jan Torgeir Hovden

Board member

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

Sustainability statements



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- Social impact 56
- Governance impact 66
- Appendix 72

ESRS 2

Sustainability at Saferoad

The importance of transparency

Saferoad is committed to its sustainability journey and made great strides in 2023. The Group strengthened resources, upped its ambitions, and made progress on preparing for new ESG regulations. At the same time, we recognize that there is still much work ahead.

We have decided to align our reporting as closely as we can to the new EU Corporate Sustainability Reporting Directive (CSRD) and its underlying European Sustainability Reporting Standards (ESRS). It's a big undertaking for us and a process of learning. We're proud of the steps we've taken so far and the added disclosure and data points we're able to present to our stakeholders this year. Going forward, we need to continue improving our reporting structure in the organization, aligning resource needs, and building competence to provide our stakeholders with the transparency necessary and needed for sustainable growth. According to the CSRD implementation timeline, the regulation comes into effect for Saferoad for the reporting year 2025.

Transparency is critical for sustainability and plays a pivotal role in driving positive change and results. Our Sustainability statements track our efforts, impacts, risks and opportunities on environmental, social, and governance issues. By sharing this information openly, we hold ourselves accountable and keep sustainability at the forefront of our mission. We also believe that being transparent about our sustainability efforts can build awareness and cooperation with our stakeholders. Through the ESRS, we expect more consistent and comparable reporting and disclosures on sustainability performance across our industry.

Basis for preparation

Consolidation
The information and data in the Sustainability statements are consolidated according to the same principles as the Financial statements and cover the reporting period January 1st to December 31st, 2023. The statements therefore cover the full operations of the parent company Saferoad Holding AS and all its subsidiaries controlled by Saferoad Holding AS. For clarity, we follow the "operational control" approach for the greenhouse gas (GHG) data. There are no joint ventures in Saferoad Holding AS.

Reporting frameworks
We have prepared the statements following the ESRS published in December 2023. The topical disclosures under environmental, social and governance information are included according to the Double Materiality Assessment (DMA) defined in ESRS 1. The GHG data is prepared according to the Greenhouse Gas Protocol. Furthermore, we have included disclosures according to the Norwegian Transparency Act on p. 56.

Estimations
Data that has been estimated is clearly indicated in the following statements. This is especially relevant for the environmental metrics. When material, our ambition over time is to move from estimations to more precise and actual data.

Omissions
We have clearly indicated where we do not have data or information. We have pointed out where we may be able to improve the data gap for next year's report. But we have not provided a timeline for data gaps we aim to improve beyond next year. For next year's report, we aim to bring more precise timelines on improving the data gaps. We have chosen not to disclose our standard payment practices in detail (ESRS G1) as this would in many cases impede our negotiation abilities and requires a case-by-case assessment against national competition laws.

Changes from last year's Sustainability statements
This year's Sustainability statements have been considerably re-written and restructured to align with ESRS. Furthermore, we have chosen not to include the GRI Index. Most of our value chain and stakeholders are in Europe, and therefore the ESRS should cover necessary and needed disclosures and data. We will reassess the need for GRI Index on an annual basis. Specific data points that have changed are clearly indicated in the following statements.

Incorporation of reference
We have chosen to incorporate some of the strategy and corporate governance disclosures from Section 1, as well as some of the Financial statements from section 4. We have done this by opting for the option "Incorporation by reference". A full overview of the ESRS structure and where you can find the required disclosures in our Integrated Annual Report is listed in the Appendix p. 72.

External review
The Sustainability statements in this report have not been audited by a third party.

Strategy: our ESG priorities

Our vision for ESG is to drive sustainable solutions in our industry – for our customers, for our planet, for people and for future generations. Saferoad's ESG priorities set the ambitions and direction for Saferoad's sustainability journey. We are well positioned to lead the industry towards a more sustainable future. At the same time, we remain vigilant of the investment and operational changes necessary to sustain our leading role.

The ESG priorities are aligned with the findings in our DMA (read more on p. 40-44) and reviewed annually (read more on p. 39). We have six strategic priorities spanning our own operations, as well as downstream and upstream activities. In the following chapters, we will delve into the actions, improvements, and targets for each of the priorities.

Going forward, we will track the performance for our six priorities annually. More details on some of these KPIs can be found in the respective chapters. Most of the KPIs are new and have not been tracked in 2022 or 2023.

ESG priorities

Climate action
We aim to decarbonize our own operations and our value chain based on science-aligned GHG reductions.

We aim to reduce our use of resources, especially energy, by using them more efficiently.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

ESRS E1

Closing the material loop
We aim to reduce operational and product-related material waste to close to zero through recycling, reprocessing and re-use.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

ESRS E2 & ESRS E5

Safe, healthy and thriving people
We aim to provide an inspiring and inclusive workplace where our people come home safe every day.

8 DECENT WORK AND ECONOMIC GROWTH

ESRS S1

Responsible procurement
We aim to set the highest sustainability expectations towards our business partners and contribute to their improvements.

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

ESRS S2

Culture of integrity
We always follow the highest standards of responsible business practices.

We always treat people with respect for their rights, dignity and needs.

8 DECENT WORK AND ECONOMIC GROWTH

ESRS G1

Products and services as a force for good
We aim to contribute to safe journeys on the road through our product innovation and road services.

We aim to drive the market demand for low-carbon and responsible road and infrastructure solutions designed to last, through customer and industry collaboration.

3 GOOD HEALTH AND WELL-BEING

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

KPIs

		2023	2022
RESPONSIBLE PROCUREMENT	Progress on supply chain overview (status)	**New KPI**	New KPI
	Progress on responsible procurement program (status)	**Most initiatives completed**	New KPI
CLIMATE ACTION	GHG emissions (tCO2e) Scope 1, 2, 3 (location-based)	**477,267**	422,637 (1)
	Energy consumption (MWh)	**94,311**	New KPI
CLOSING THE MATERIAL LOOP	Material waste volume (tons)	**24,702**	New KPI
	ISO 14001 certifications of production units (%)	**56 (2)**	64 (3)
CULTURE OF INTEGRITY	Training and awareness (hours/people trained)	**New KPI**	New KPI
	Cases of confirmed corruption and fraud (#)	**0**	0
	Progress on human rights program (status)	**New KPI**	New KPI
	Cases of confirmed modern slavery or child labour abuse (#)	**0**	0
SAFE, HEALTHY AND THRIVING PEOPLE	Fatalities (#)	**0**	0
	LTI	**60**	57
	eNPS	**26**	29
PRODUCTS AND SERVICES AS A FORCE FOR GOOD	Low-carbon products or services available by 2030 (#)	**New KPI**	New KPI
	Taxonomy alignment (revenue-based %)	**New KPI**	New KPI
	Products and services with positive UN SDG contribution (%)	**100**	New KPI
	BUs with EPD generator system (%)	**New KPI**	New KPI
	Collaboration initiatives (#)	**New KPI**	New KPI
	Data gaps in reporting (%)	**45 (4)**	New KPI

1) The data for 2022 has been updated. Please see p. 51 for more information. 2022 did not include a full scope 3 inventory.
2) Based on 25 production units as of 31.12.2023. In 2024, some units merged.
3) This is based on all business units as of 31.12.2022. For 2023, we have changed the KPI to only account for production units.
4) Calculated as reporting met, partially met or not met across the ESRS data points. A data gap of 0% indicates all reporting is met.

Governance

Oversight
Sustainability is a core component of Saferoad Group's strategic planning and management systems. The Board of Directors has the highest level of accountability for sustainability matters, including the impacts, risks and opportunities identified as material in our DMA (read more on p. 40-44). The Group management team oversees the day-to-day operational aspects of Saferoad's sustainability strategies. The Chief HR Officer is responsible for following up sustainability matters in the Group management team. The Board of Directors are informed on the progress of our sustainability efforts, impacts, risks and opportunities, as described in the figure below. The Group management team makes decisions on all other tactical and operational topics related to sustainability on a regular basis.

Sustainability on the Board agenda

Q1	Q2	Q3	Q4
ESG annual plan, goals and targets	SBTi commitment approval (see p. 49)	ESG status	ESG status
	ESG status		CSRD readiness
			GHG emissions base year (see p. 51)
			GHG emissions reductions for 2024

Sustainability on the Group agenda

Forum	Integration
Group management team meetings	Deep-dives, approvals or decisions on sustainability matters on a regular basis, including setting targets for the full Group.
Monthly operating review meetings	Status on operations, financials, and strategic priorities monthly per business area with key members of the Group management team, including the Chief HR Officer. Starting 2024, each business area gives a status on their ESG actions and targets.
Quarterly Group status	Status on key developments and financials in the Group for managing directors and managers across the business areas. KPIs on health and safety, GHG emissions, responsible procurement and more are reviewed.

Execution
At Group level, the Head of ESG is responsible for integrating the sustainability agenda within the Group's strategic goals and across the business areas. The Head of ESG reports to the Chief HR Officer. At Group level, the Head of Procurement, Chief HR Office, and Saferoad's Legal Officer help drive sustainability in procurement, HR, and in governance across the business areas. Our four business areas are tasked with developing action plans and implementing initiatives and improvements. The business area Infrastructure has several dedicated ESG resources that manage sustainability matters at an operational level. More business areas are considering adding resources.

To support and coordinate sustainability improvements across the company, the ESG Functional Team meets at least quarterly. All business areas are represented in the ESG Functional Team.

Skills and expertise
Saferoad conducts an organizational review of competences and capability gaps in the Group annually to meet the Group's strategic objectives, including on ESG. The Board of Directors oversees the review and monitors the changes and improvements that follow from the review. The Board of Directors draws on the skills and expertise of our owner's ESG team.

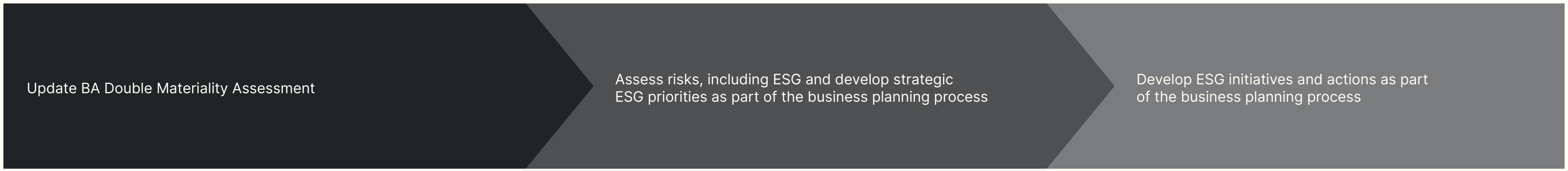
Incentives
Saferoad does not currently have sustainability-related performance in the Board of Directors or Group management team's incentive schemes. The Board of Directors has tasked the Group management team to develop a new incentive scheme that integrates sustainability, which will be reviewed and approved in December 2024, to be rolled out starting in 2025. Remuneration information can be found on p. 106-107 in the Financial statements.

Annual planning process
Saferoad's ESG priorities (read more on p. 36) are reviewed annually through our annual planning process. At the core of our annual planning process is the DMA and the steps therein (read more on p. 44). Through the annual planning process, last year's actions are also reviewed to draw learnings and find improvements, and initiatives and milestones for the year to come are defined. The annual planning process is aligned with Saferoad's business planning process, which is conducted at the business area level.

Internal reporting controls
Saferoad does not currently have stand-alone internal control procedures. However, sustainability information and data, such as data to calculate GHG emissions, from the business areas are verified through spot checks by Group.

Annual planning process: Group level

Annual planning process: Business area level



Double Materiality Assessment (DMA): Impacts, risks, and opportunities

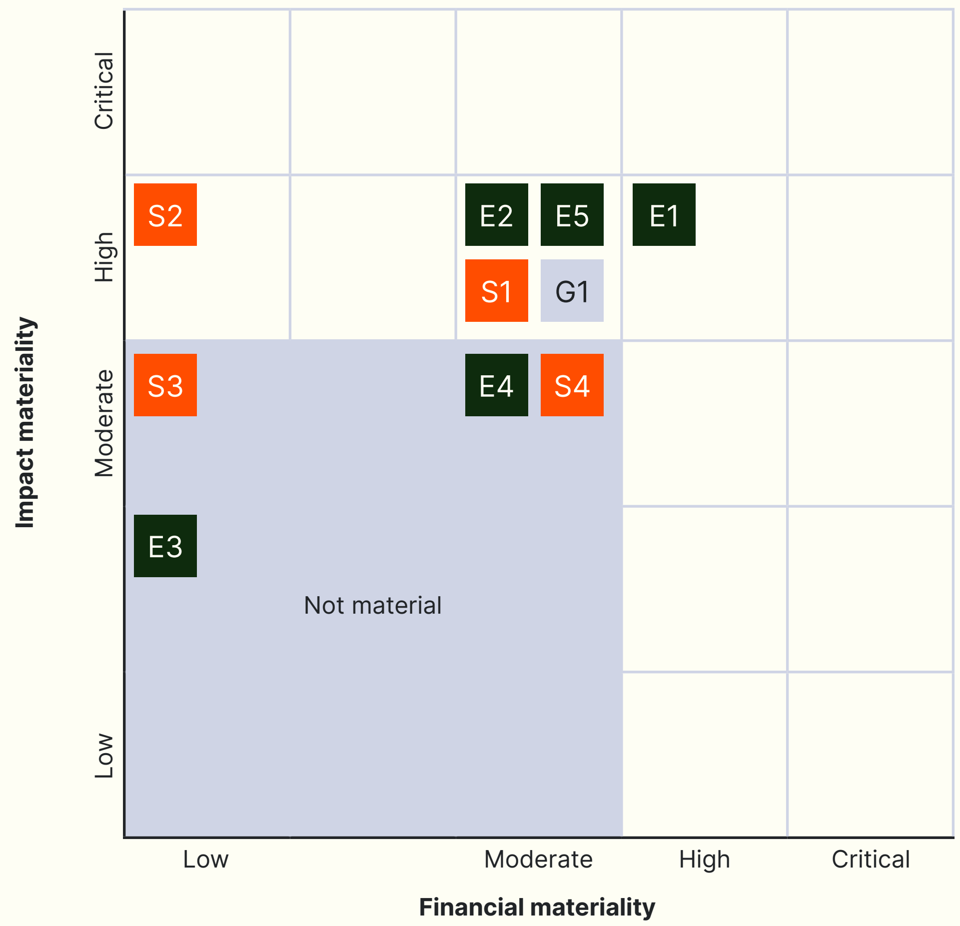
The DMA process this year was driven by the dual objective of defining our material topics to guide strategic priorities and to meet the requirements set by the ESRS. The process was conducted during Q4 of 2023 and Q1 of 2024.

Material topics
The DMA process culminated in the identification of six key material topics that span environmental, social, and governance areas. These topics reflect the areas where our organization has the most significant impact and/or the areas we are impacted by, and where strategic focus can drive meaningful progress toward sustainability and responsible business conduct. The ESRS approach to DMA is extensive and we have done our best to interpret that approach and apply it in a Saferoad context, as described below. Given where we are on our sustainability journey, we believe the identified impacts, risks and opportunities are as truthful and fair as possible. However, we acknowledge that our DMA will evolve over the years as new implementation guidance from e.g., EFRAG and other experts becomes available, as we become better at performing DMAs, and as we gradually understand our sustainability impact at a more granular level across our full value chain (especially upstream and downstream).

In this year's DMA, we have assessed financial risks and opportunities related to sustainability for the first time in Saferoad. This year's financial impact is estimated. Going forward, we will need to understand the financial impact of the risks and opportunities better, especially the financial impact of climate risks. We also acknowledge that we have work to do when it comes to understanding our upstream and downstream impact better.

Materiality matrix

- E1 Climate action
- E2 Pollution
- E3 Water & marine resources
- E4 Biodiversity & ecosystems
- E5 Resource use & circular economy
- S1 Own workforce
- S2 Workers in the value chain
- S3 Affected communities
- S4 Consumers & end users
- G1 Business conduct



Therefore, the DMA is more accurate when it comes to our own operations, while upstream and downstream includes a combination of verified and unverified risks, impacts and opportunities. Our six most material topics are:

E1 CLIMATE CHANGE

Impact, risk or opportunity	Value chain position	Description	Time horizon
Actual negative impact	Upstream and own operations	GHG emissions from sourcing and production of materials, as well as transport.	Short term
Actual negative impact	Upstream and own operations	Energy consumption from sourcing and production of materials.	Short term
Risk	Upstream and own operations	Increasing cost and/or limited access to energy due to shortage of resources and/or regulations.	Medium term
Risk	Own operations	Increasing severe weather impact on operations.	Medium term
Opportunity	Upstream and own operations	Improving our climate footprint by reducing GHG emissions and energy consumption.	Long term

E2 POLLUTION

Impact, risk or opportunity	Value chain position	Description	Time horizon
Actual negative impact	Upstream and own operations	Pollution to air due to fossil fuel usage in transport, sourcing and production of materials.	Short term
Actual negative impact	Own operations	Pollution of microplastics to soil and/or water due to wear and tear of marking on roads.	Short term
Potential negative impact	Upstream and own operations	Pollution to air, soil and/or water due to unsafe handling of hazardous waste.	Long term
Risk	Upstream and own operations	Pollution to air, soil and/or water due to unsafe handling of hazardous waste.	Long term
Opportunity	Upstream and own operations	Reducing air pollution using more innovative purification and air filters in transportation vehicles and production locations.	Medium term
Opportunity	Upstream and own operations	Implementing best available technology (BAT).	Medium term

E5 RESOURCE USE AND CIRCULARITY

Impact, risk or opportunity	Value chain position	Description	Time horizon
Actual negative impact	Upstream and own operations	Resource intensity	Short term
Risk	Upstream and own operations	Increasing resource scarcity and cost volatility	Medium term
Risk	Upstream and own operations	Increasing regulatory and market pressures related to circularity	Medium term
Opportunity	Upstream and own operations	Adopting more circular business models	Medium term

S1 OWN WORKFORCE

Impact, risk or opportunity	Value chain position	Description	Time horizon
Actual negative impact	Own operations	Occupational health and safety impacting own employees	Short term
Potential negative impact	Own operations	Incidents relating to labour rights and working conditions imapcting own employees	Short term
Actual positive impact	Own operations	Professional development through training and development actions	Medium term
Risk	Own operations	Non-compliance with labour laws and rights	Short term
Risk	Own operations	More challenging talent acquisition and retention	Short term
Opportunity	Own operations	Professional development through training and development actions	Medium term
Opportunity	Own operations	Improved productivity and innovation from employee satisfaction and retention	Medium term

S2 WORKERS IN THE VALUE CHAIN

Impact, risk or opportunity	Value chain position	Description	Time horizon
Actual negative impact	Upstream	Incidents relating to labour rights and working conditions in the supply chain	Short term
Potential positive impact	Upstream	Improved working conditions and more secure employment for suppliers' employees, and economic growth for suppliers	Medium term
Risk	Upstream	Reputational damage from negatives practices within the supply chain	Medium term
Opportunity	Upstream	Supplier engagement and development	Medium term

G1 BUSINESS CONDUCT

Impact, risk or opportunity	Value chain position	Description	Time horizon
Actual positive impact	Own operations	Strong business conduct and corporate culture	Short term
Actual positive impact	Own operations	Transparency and accountability	Medium term
Potential positive impact	Own operations	Protection of whistleblowers	Short term
Potential negative impact	Own operations	Prevention and detection of corruption and bribery	Short term
Risk	Upstream and own operations	Continued legal and regulatory compliance	Medium term
Risk	Upstream	Supply chain disruptions	Medium term
Opportunity	Upstream, own operations and downstream	Taking a leading role in business conduct and prevention of corruption and bribery	Medium term
Opportunity	Upstream, own operations and downstream	Sustainability reporting and stakeholder engagement	Medium term

Process
The impacts, risks and opportunities that together make up the material topics were identified through several steps, described below. We also consider sources such as our whistleblower channel, ongoing internal dialogues, meetings and conferences, and external conferences, studies, and industry analyses.

Workshops
These were designed as interactive sessions where stakeholders from various levels of the organization could engage in open dialogue, share insights, and collaboratively identify and prioritize material ESG topics. They were facilitated by the Group ESG team to ensure objectivity and leverage best practices.

Interviews
Targeted interviews with external stakeholders provided nuanced insights into impact, risks, and opportunities perceptions. These conversations allowed for the exploration of topic issues and the identification of emerging trends that could impact our sustainability journey.

Survey
A survey distributed to a diverse group of internal stakeholders aimed to gather quantitative and qualitative data on perceived materiality of various ESG topics. This ensured a democratized approach, where voices across the organization could contribute to shaping the materiality matrix, making it reflective of a broad set of expectations and concerns.

Stakeholders involved in the process
These stakeholders were directly involved in this year's DMA process. For a full overview of all our stakeholders, please see p. 46.

Group ESG team
This team consists of specialists in ESG trends within the organization. They provide insights into current ESG trends, regulatory landscapes, and internal metrics. Their inclusion ensures the DMA is grounded in both strategic relevance and sustainability expertise.

Key internal stakeholders
This group includes key personnel from functional areas such as finance, HR, legal, operations, quality, and communication/marketing. They possess key knowledge of their respective areas, contributing unique perspectives on the various ESG topics. Their involvement ensures that the DMA reflects a comprehensive understanding of the organization's diverse operations and identifies material topics across all areas of the business.

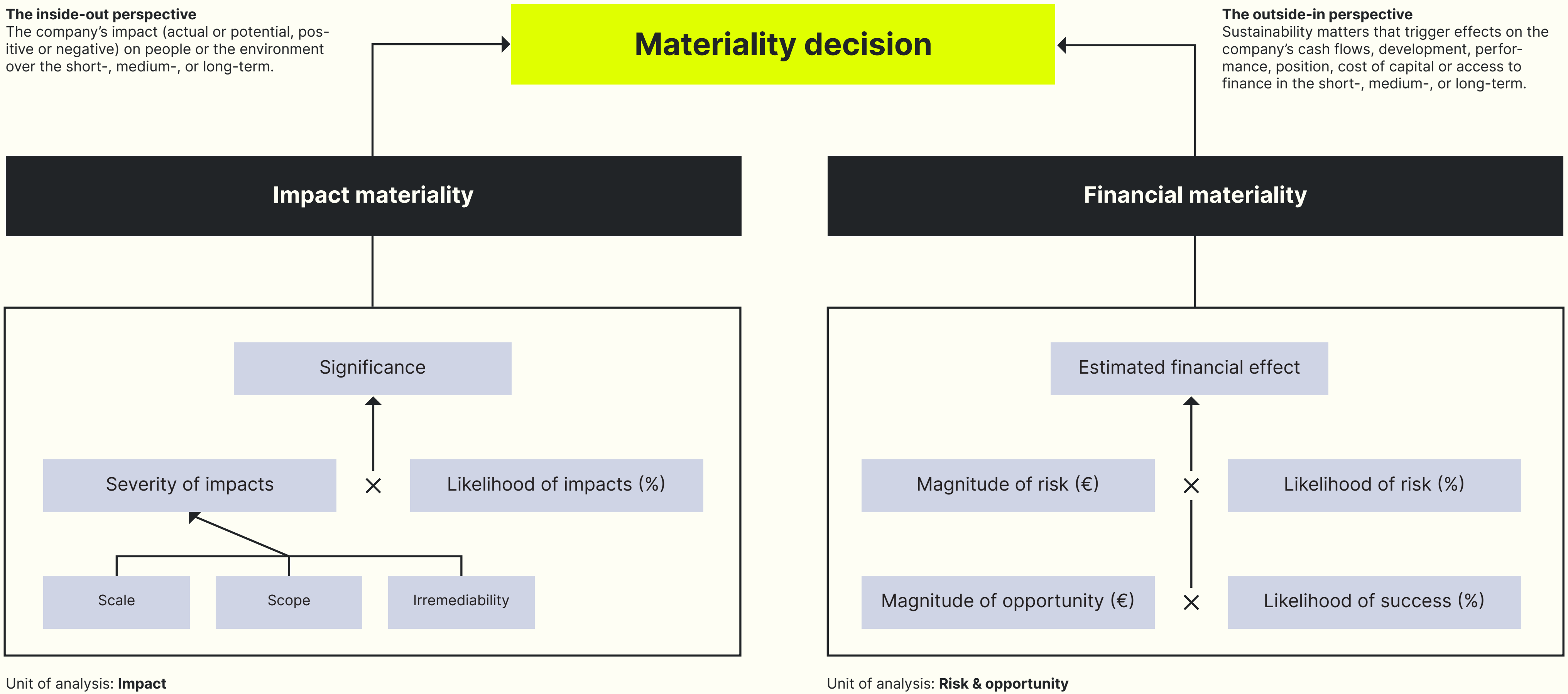
General internal stakeholders
Employees and representatives from across the organization who may not hold leadership positions but have valuable insights into the day-to-day operations and culture of the company.

Group management team
Senior executives responsible for setting the strategic direction of the organization and making high-level operational decisions. Their strategic oversight is essential for ensuring that the DMA findings are aligned with the organization's strategic objectives and that sustainability is integrated into core business strategies.

Board of Directors
The governing body that oversees the management of the organization, responsible for ensuring that it acts in the best interest of shareholders and other stakeholders. Their inclusion ensures that the DMA process is governed and overseen at the highest level, aligning sustainability priorities with shareholder interests and corporate governance principles.

External stakeholders
This group includes customers, suppliers, owners, financial institutions, and industry associations. Incorporating external perspectives ensures that the DMA captures a wide range of ESG expectations and concerns, enhancing the legitimacy and comprehensiveness of the assessment. Engaging with external stakeholders also helps to identify emerging trends, opportunities for collaboration, and areas of potential impact that might not be evident from an internal perspective alone.

Double materiality analysis



Source: Position Green

Methodology
We have based our methodology and assumptions on the latest guidelines available in Q4 2023. Based on learning's from this year's DMA, we will refine out methodology going forward.

Scope
We have assessed impacts, risks, and opportunities in three steps of our value chain: upstream, own operations and downstream activities. We've considered already existing mitigating activities when assessing impacts and risks. In most cases, we've reduced the likelihood of an impact or risk occurring depending on the existing mitigating activities.

Time horizons
To assess the impacts, risks, and opportunities, we have used the time horizons as defined by ESRS. We have considered the time horizons to be backward looking for actual impacts and forward looking for potential impacts, risks, and opportunities. These are:
- Short term: one year
- Medium term: one to five years
- Long term: more than five years

Scoring
We have assessed impacts, risks, and opportunities against five levels.

Impact materiality: We have used the ESRS approach and assessed potential and actual impacts against scale, scope and irremediability, split in five levels:
- Scale: How significant is the impact on people or planet? (i) minimal, (ii) low, (iii) medium, (iv) high and (v) absolute
- Scope: How widespread is the impact on people or planet? (i) limited, (ii) concentrated to Saferoad, (iii), medium, (iv) widespread throughout the value chain, (v) global/total
- Irremediability: How difficult is it to reverse the impact to people or planet? (i) relatively easy or short-term, (ii) with time and cost effort, (iii) difficult or medium-term, (iv) very severe or long-term, (v) not remediable/reversable

Financial materiality: We have assessed financial risks and opportunities using a conservative scale along these five levels: (i) 1 mNOK revenue, (ii) 3 mNOK revenue, (iii) 5 mNOK revenue, (iv) 7 mNOK revenue, (v) 10 mNOK revenue.

Finally, we have assessed impacts, risks, and opportunities by likelihood of occurrence using a conservative scale: (i) remote (<2%), (ii) low (2-10%), (iii) moderate (10-20%), (iv) high (20-50%), (v) extreme (>50%).

Thresholds
Combining the scores using the average of impact and financial materiality per impact, risks and opportunity identified through the process described above, we have given each topic an overall score. All topics with an average score above "iv" either on impact or on financial materiality, are considered material.

We have decided on "iv" as our threshold for both impact and financial materiality to ensure a conservative approach. A topic with a score above "iv" will on average have impacts, risks or opportunities that are more than 20% likely to occur, or in some instances, an actual impact that has occurred. Further, a topic with high severity or high financial consequences, is a topic we strongly believe should have our strategic focus either for mitigation and remediation, or in some cases, for opportunities to pursue. We believe that setting a threshold at a higher level would narrow our scope of work when it comes to sustainability, meaning we miss out on opportunities or we don't sufficiently take responsibility for sustainability impacts and risks, and are thus out of line with our own Code of Conduct and policies.

Our value chain

Saferoad's value chain is complex, covering a range of products and services in the road infrastructure industry. Below, we have sought to simplify and present our stakeholders with a high level snapshot of our value chain. A more detailed description can be found in the Appendix on p. 75.

Upstream

Raw materials
Extracting of minerals and raw materials such as: Minerals and raw materials for primarily steel, aluminium, concrete, plastics and glass beads. Also includes zinc and energy. List is not exhaustive.

Production
Production of primarily steel, aluminium, concrete, plastic materials and goods, glass beads, as well as other finished goods for traffic management and road safety.

Transport
Transport of materials in our supply chain. Transport of produced materials to our business units.

Own operations

R&D
Research and development related to road safety and infrastructure products.

Testing and certification
Rigorous testing to ensure products and systems meet the strictest industry standards for quality, safety, and reliability.

Procurement
Procurement and logistics of materials and components for our own production and assembly, or finished goods for installation, rental and sales.

Production
Forming, coating and manufacturing of primarly steel. Manufacturing and printing of components for road signs and concrete blocks.

Assembly
Assembly of products.

Installation
Installation of primarily steel, aluminium and plastic products.

Warehouse, sales & rental
Storage, sales and rental services of road signs, work zone protection products and other traffic management tools, steel products for road, infrastructure and public spaces

Services
Traffic management and work zone protection services. Road marking. Road maintenance.

Downstream

Use
Road safety, work zone protection, infrastructure and urban furniture products, and road marking used on roads and public spaces for up to 70 years.

Recycling / waste
Biproducts from production, services and road marking. Metal scrap and used metal typically recycled. Other waste typically incinerated or landfilled.

Stakeholder engagement

We believe that understanding and responding to the concerns and expectations of our stakeholders on sustainability will improve our actions, initiatives, performance, and outcomes. We therefore prioritize dialogue and involvement of our stakeholders on an ongoing basis, but critically as part of our DMA. Engagements in 2023 have informed the DMA, which is communicated to the Group management team and to the Board of Directors. In the future, our goal is to approach stakeholder engagement more systematically in order to clearly communicate outcomes and actions from the engagement. When identifying stakeholders, we consider the stakeholders impacted by us, or stakeholders interested in our Sustainability statements.

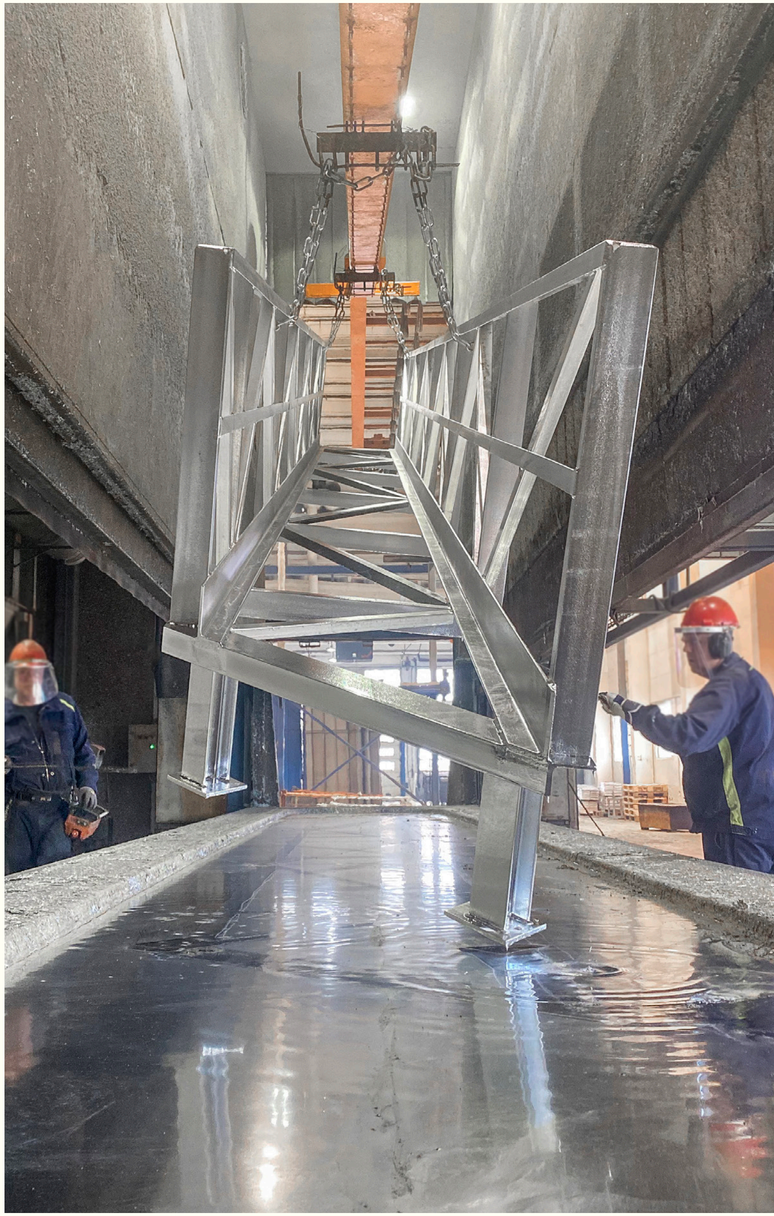
Stakeholder	Purpose and relevance	Type of engagement	Example engagements in 2023
Employees	■ Vital to Saferoad's performance ■ Contribute to a safe, healthy, and thriving workplace	■ Satisfaction surveys such as eNPS ■ Targeted surveys for e.g., DMA ■ Performance appraisals ■ Safety and team meetings ■ Employee-elected board members	■ eNPS ■ Targeted DMA surveys ■ Team meetings
Customers	■ Meet customer needs and requirements ■ Build transparency and trust	■ Customer dialogue ■ Surveys such as cNPS	■ cNPS ■ Customer interviews for DMA
Suppliers	■ Set expectations and ensure compliance with our Supplier Code of Conduct ■ Decarbonization efforts ■ Build transparency and trust	■ Specific supplier dialogue ■ Information gathering e.g., for scope 3 reporting	■ Supplier interviews for DMA
Owners	■ Deliver on owner expectations ■ Collaborate on key initiatives	■ Dialogue meetings ■ Board members ■ Owner conferences	■ Board meetings ■ Owner interview for DMA
Lenders	■ Deliver on lender expectations ■ Build transparency and trust	■ Dialogue meetings ■ Conferences	■ Lender interviews for DMA
Industry association	■ Drive industry collaboration ■ Influence market and policy-makers to set higher ESG expectations	■ Conferences ■ Dialogue meetings	■ Association interviews for DMA ■ Conferences
Regulators and policy-makers	■ Influence policy-makers to set higher ESG expectations	■ Conferences ■ Dialogue meetings ■ Industry association forums	■ Industry association forums
Local communities	■ Understanding and addressing concerns	■ Ad-hoc local dialogue	■ Add
Civil society and NGOs	■ Understanding and learning about impact ■ Build transparency and trust ■ Collaborate on key initiatives	■ Integrate public reports from NGOs in our work	■ IEA: World Energy Outlook 2023
Nature	■ Understanding needs to limit our environmental impact	■ Integrate scientific reports on the status of nature in our work	■ IPCC: AR6 Synthesis Report (Climate Change 2023)
General public	■ Understanding and addressing concerns ■ Limit reputational risk	■ Integrate macro trends and media reports on our work	■ Media coverage e.g., during COP28

Commitments

UN Global Compact
As a signatory to the United Nations Global Compact (UNGC), Saferoad pledges to uphold and promote the UNGC's Ten Principles, encompassing human rights, labour, environment, and anti-corruption. Our Sustainability statements also function as our Communication on Progress (COP) to the UNGC, reaffirming our commitment to integrating these principles into our business strategy and operations. Read how we have worked with the Ten Principles in the Appendix p. 74. By participating in the UNGC, we join thousands of companies worldwide that share our vision for a sustainable future.

UN Sustainable Development Goals
Saferoad is dedicated to contributing to the United Nations Sustainable Development Goals (SDGs), which provide a universal framework for tackling global challenges such as poverty, inequality, and climate change. We have identified four SDGs closely aligned with our core values and operations: SDG 3 (Good Health and Well-being), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation, and Infrastructure), and SDG 12 (Responsible Consumption and Production). By concentrating our sustainability efforts on these goals, we aim to maximize our positive impact and drive significant change in our industry and beyond. Read how we have integrated these four goals in our ESG priorities on p. 36.

Science Based Target initiative
In 2023, Saferoad committed to setting targets according to the Science Based Target initiative, affirming the Group's dedication to acting on climate change. In accordance with the science-based criteria, the Group will be submitting company-wide greenhouse gas (GHG) emission reduction targets for official validation by the SBTi by early 2025 at the latest. As a member of this global initiative, the Group joins a community of like-minded businesses, customers and suppliers that are committed to promoting the most effective methods of reducing emissions and addressing the challenges of climate change. Read more about our climate actions on p. 48.



ESRS E1

Environmental impact

Climate action

ESG priority

We aim to decarbonize our own operations and our value chain based on science-aligned GHG reductions.

We aim to reduce our use of resources, especially energy, by using them more efficiently.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG targets 12.2

KPIs

	2023	2022
GHG emissions (tCO2e) Scope 1, 2, 3 (location-based)	477,267	422,637 (1)
Energy consumption (MWh)	94,311	New KPI

1) The data for 2022 has been updated. Please see p. 51 for more information. 2022 did not include a full scope 3 inventory.

Material impacts, risks and opportunities

Actual negative impact (U+O)	**GHG emissions from sourcing and production of materials, as well as transport.**	S
Actual negative impact (U+O)	**Energy consumption from sourcing and production of materials.**	S
Risk (U+O)	**Increasing cost and/or limited access to energy due to shortage of resources and/or regulations.**	M
Risk (U+O)	**Increasing severe weather impact on operations.**	M
Opportunity (U+O)	**Improving our climate footprint by reducing GHG emissions and energy consumption.**	L

U=Upstream | O=Own operations | D=Downstream | S=Short term | M=Medium term | L=Long Term

Impacts, risks and opportunities: why it's material

Actual negative impact
GHG emissions from sourcing and production of materials, as well as transport
Our operations involve energy use, primarily from non-renewable sources. The materials we source also involve substantial energy use during the extraction, manufacturing, and distribution stages of our supply chain. This contributes to our GHG emissions footprint, posing challenges in aligning with global climate goals.

Actual negative impact
Energy consumption from sourcing and production of materials
The energy-intensive processes required to manufacture steel, aluminium, and plastics significantly contribute to our environmental footprint.

Risk
Increasing cost and/or limited access to energy due to shortage of resources and/or regulations
The Group faces a risk of increasing energy costs and potential limitations in access due to the global shortage of resources and tightening of environmental regulations. This could lead to increased production costs and operational disruptions, emphasizing the importance of diversifying energy sources and investing in energy efficiency.

Risk
Increasing severe weather impact on operations
Climate change increases the frequency and severity of extreme weather events, such as extreme heat, flooding and more frequent precipitation. This poses a risk to operational continuity. This includes potential damage to manufacturing facilities, disruptions in the supply chain, challenges in distributing finished goods and running our operations, such as road marking, road maintenance, traffic management and installations on the road.

Opportunity
Improving our climate footprint by reducing GHG emissions and energy consumption
By optimizing our operations for energy efficiency, investing in renewable energy, and adopting cleaner production technologies, we can significantly reduce our climate footprint. These measures not only mitigate environmental impact but also align with increasing consumer and regulatory demands for sustainable practices.

Our approach and policies

We aim to be a frontrunner in our industry and for our customers and other stakeholders to see us as a long-term partner with a clear and consistent performance on climate action. Reducing our direct and indirect greenhouse gas (GHG) emissions is critical and our highest priority to take action on material impacts, mitigate material risks and pursuing material opportunities related to climate change.

Environmental policies
Our Environmental policy outlines our commitment to measuring and analysing our GHG emissions, and to ensure that our business activities are in line with climate change mitigation and adaptation efforts. Furthermore, Saferoad has committed to setting near- and long-term company-wide emission reductions in line with science-based net-zero with the Science Based Targets initiative (SBTi) (see explanation below). We will be submitting our targets to the SBTi for approval within the SBTi's defined timeframe. This commitment is our driver to set GHG emissions reduction targets for scope 1, 2 and 3, to make decarbonization and transition plans, and to integrate these in our financial and budget planning. Furthermore, we have set targets to increase our energy efficiency. This will contribute toward decarbonization, and mitigate risks related to future energy shortage. Currently, our approach is mainly to mitigate our actual negative impacts on climate change. However, physical climate risks on our operations from increasing severe weather have been identified in the DMA and we therefore intend to assess the risks in a more structured framework in order to understand the approach we need to take on climate change adaptation, and the financial effects.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

About the SBT initiative

SBTi is a collaboration between the Carbon Disclosure Project (CDP), the United Nations Global Compact (UNGC), World Resources Institute (WRI), and the World Wildlife Fund (WWF), which helps companies set and achieve ambitious climate targets aligned with the latest climate science.

Science-based targets show businesses how much and how quickly they need to reduce their greenhouse gas (GHG) emissions to prevent the worst effects of climate change.

In 2018, the Intergovernmental Panel on Climate Change warned that global warming must not exceed 1.5°C to avoid the catastrophic impacts of climate change. There is therefore an urgent need to halve GHG emissions by 2030, and reduce to net-zero by 2050.

Source: Science Based Targets initiative

Transition plan
We are committed to developing transition plans on how to decarbonize our operations and our indirect emissions in line with science-based net-zero targets. This is our highest ESG priority for 2024. We believe the key to success is to integrate the plans into our financial budgeting. This will give us an overview of the investments required by the transition plan, as well as the commercial climate-related opportunities. We are set to lead the industry towards a greener future. At the same time, we remain vigilant of the investment and operational changes necessary to sustain our leading role.

Actions 2023

- Saferoad committed to set near- and long-term company-wide emission reductions in line with science-based net-zero with the SBTi. As part of the target-setting process, we decided on 2023 as a base year and will continue the efforts in 2024 to submit targets to the SBTi for approval within the SBTi's defined timeframe.
- Several of our business units have started replacing smaller fossil fuel vehicles with electric vehicles. The business unit Saferoad Services AS has invested in new, low-emissions road marking trucks to be delivered in 2024.
- Several of the production units are making progress on energy efficiency. Brødrene Berntsen installed heat recovery in the new ventilation system, among several actions. InterMetal has initiated an external review of their energy management, with findings expected in 2024.
- We continued building reporting governance on Scope 1 and 2 GHG emissions, moving to quarterly reporting to better track emissions.
- We expanded reporting on Scope 3 GHG emissions from three Scope 3 categories to all categories (according to the GHG Protocol). This is reflected in the increased Scope 3 GHG emissions for 2023.
- We established a target for emission reductions in 2024 with each business area responsible for initiating improvements to use energy more efficiently in 2024 and forward.

Targets

The initiatives are developed during the annual planning process. The 2026 targets are revised as part of the same process if necessary. Read more about the process on p. 39. Oversight and tracking of the targets follow the same approach as other sustainability matters, see p. 38 for more.

2026 targets	2024 initiatives
Work towards net-zero by 2050	■ Establish targets and roadmaps for Scope 1, 2, 3 aligned with SBTi. ■ Reduce Scope 1+2 up to 6% or in line with new decarbonization plans.
Reduce energy consumption in line with 2050 net-zero target	■ Reduce kWh used by up to 10%.

Metrics

Energy consumption and mix
We use energy for vehicles, machinery, electricity, and district heating. Most of the vehicles across the Group currently use fossil fuel sources such as diesel and petroleum. Machinery also runs on fossil fuel sources such as natural gas. Transitioning to renewable sources for vehicles and machinery will be important to our transition plan. In the Nordics, electricity use is mainly based on renewable sources.

Energy consumption and mix	2023
Fuel consumption from coal and coal products (MWh) (GHG Scope 1)	-
Fuel consumption from crude oil and petroleum products (MWh)(GHG Scope 1)[1]	48,947
Fuel consumption from natural gas (MWh) (GHG Scope 1)	13,350
Fuel consumption from other fossil sources (MWh) (GHG Scope 1)	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh) (GHG Scope 2)	4,714
Total fossil energy consumption (MWh)	**67,011**
Share of fossil sources in total energy consumption (%)	71%
Consumption from nuclear sources (MWh) (GHG Scope 2)	2,028
Share of consumption from nuclear sources in total energy consumption (%)	2%
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh) (GHG Scope 1)	42
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh) (GHG Scope 2)	25,230
The consumption of self-generated non-fuel renewable energy (MWh)[2]	-
Total renewable energy consumption (MWh)	**25,272**
Share of renewable sources in total energy consumption (%)	27%
Total energy consumption (MWh)[3]	**94,311**
Energy intensity (MWh/MNOK revenue)	13.99

1) Included here: diesel and petrol for transportation vehicles, and propane, burning oil, LPG and heavy fuel oil for stationary combustion.

2) Certain BUs have small installations or are piloting different alternatives. These currently contribute to a very small share of our energy consumption. We do not currently have an overview of the energy generated from these sources.

3) To calculate the energy use split into the ESRS fuel categories in this table, values have been rounded to the nearest number. There may therefore be discrepancies between reported values and actual values.

To calculate the split between renewable and fossil fuel energy-based electricity consumption, we use several electricity mix sources by country. Please see Appendix p. 83 for more information. We've opted for this approach because in several of the countries where we operate, such as Norway and Sweden, the share of renewable energy in the energy mix is high. However, we don't currently have sufficient renewable energy certificates, and thus, the conservative market-share approach when calculating the split between renewable and fossil fuel energy-based electricity consumption would give stakeholders an inaccurate picture of our energy consumption. District heating is mostly used in the Nordics, and we assume the source is mainly renewable.

As a manufacturing company that operates in road services, all revenues derive from the high-impact climate sectors "C: Manufacturing" and "H: Transportation and Storage" according to the NACE Sections. Total revenue can be found on p. 102 in the Financial Statements.

GHG emissions

Scope 1 and 2 GHG emissions combined decreased slightly, mainly driven by decreases in our business area Infrastructure and partly due to updates to our 2022 Scope 1 and 2 GHG emissions. Throughout 2023, we have ensured that all locations are accounted for regardless of size and that we have proper documentation of the emissions source, such as electricity invoices.

For 2023, we completed a full inventory of our Scope 3 GHG emissions resulting in an increase in Scope 3 compared to 2022. This means that we have mapped Scope 3 emissions for all business units for the most material categories. Other categories have either been estimated from Group or are not relevant to Saferoad. For a full explanation and calculation method for each category, please see appendix p. 78.

We have decided to set 2023 as our base year. 2023 is the most recent year for which we have data available for a complete base year, and we consider 2023 to be a year of normal business activity.

No carbon credits were purchased in 2023. We do not currently have plans to initiate GHG removal or storage projects, nor to introduce internal carbon pricing.

The data for 2022 has been updated:
- Scope 1 has increased from 13,692 to 16,606 tCo2e
- Scope 2 (location-based) has increased from 3,343 to 3,441 tCO2e
- Scope 3 has increased from 311,708 to 402,590 tCO2e

The change is due to underreporting from several business units in 2022, which has now been corrected.

Total revenue can be found on p. 102 in the Financial Statements. For a detailed overview of GHG emissions per business area, please see the Appendix p. 76.

tCO2e1	2023 (base year)	2022	Change
Total Gross Scope 1	**15,438**	16,606	-7%
Total Gross Scope 2 location-based	**3,898**	3,441	13%
Total Gross Scope 2 market-based	**10,581**	5,603	89%
Total Gross Scope 3 (indirect)	**457,932**	402,590	14%
Purchased goods and services	**337,653**	334,327	
Capital goods	**9,122**	-	
Fuel-and-energy related activities	**4,590**	4,055	
Upstream transportation and distribution	**72,033**	64,208	
Waste	**2,798**	-	
Business travel	**1,149**	-	
Employee commuting	**2,590**	-	
Downstream transportation and distribution	**14,592**	-	
Use of sold products	**29**	-	
End-of life treatment of sold products	**13,375**	-	
Total GHG emissions Scope 1+2-3 location-based	**477,267**	422,637	13%
Total GHG emissions Scope 1+2-3 market-based	**483,950**	424,798	14%
Total GHG emissions intensity (tCo2e/MNOK revenue location-based)	**70.78**	68.47	3%
Total GHG emissions intensity (tCo2e/MNOK revenue market-based)	**71.77**	68.82	4%

1) All values have been rounded to the nearest number. There may therefore be discrepancies between reported values and actual values.

ESRS E2 & E5

Environmental impact

Closing the material loop

ESG priority

We aim to reduce operational and product-related material waste to close to zero through recycling, reprocessing and re-use.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG targets 12.5

KPIs

	2023	2022
Material waste volume (tons)	24,702	New KPI
ISO 14001 certifications of production units (%)	56 (1)	64 (2)

1) Based on 25 production units as of 31.12.2023. In 2024, some units merged.
2) This is based on all business units as of 31.12.2022. For 2023, we have changed the KPI to only account for production units.

Material impacts, risks and opportunities

Actual negative impact (U+O)	**Pollution to air due to fossil fuel usage in transport, sourcing and production of materials.**	S
Actual negative impact (O)	**Pollution of microplastics to soil and/or water due to wear and tear of marking on roads.**	S
Actual negative impact (O)	**Resource intensity**	S
Potential negative impact (O)	**Pollution to air, soil and/or water due to unsafe handling of hazardous waste.**	L
Risk (U+O)	**Pollution to air, soil and/or water due to unsafe handling of hazardous waste.**	L
Risk (U+O)	**Increasing resource scarcity and cost volatility**	M
Risk (U+O)	**Increasing regulatory and market pressures related to circularity**	M
Opportunity (U+O)	**Reducing air pollution using more innovative purification and air filters in transportation vehicles and production locations.**	M
Opportunity (U+O)	**Implementing best available technology (BAT).**	M
Opportunity (U+O)	**Adopting more circular business models**	M

U=Upstream | O=Own operations | D=Downstream | S=Short term | M=Medium term | L=Long Term

Pollution impacts, risks and opportunities: why it's material

Actual negative impact
Pollution to air due to fossil fuel usage in transport, sourcing and production of material
The combustion of fossil fuels in production and transportation processes emits pollutants such as NOx, SO2, PM and lead that degrade air quality and pose health risks to the environment and communities. We follow local, national and EU regulations relating to environmental permits on pollution. Nevertheless, continuing to transition to cleaner energy sources and best available technologies (BAT) is essential to further minimize these impacts.

Actual negative impact
Pollution of microplastics to soil and/or water due to wear and tear of marking on roads
The wear and tear of road markings releases microplastics into soil and water bodies, contributing to the broader issue of plastic pollution. The total contribution toward microplastics from road marking is not clear but is considered low. Innovations in material composition and longevity can mitigate these environmental impacts.

Potential negative impact
Pollution to air, soil and/or water due to unsafe handling of hazardous waste
Inadequate management of hazardous waste from our operations could lead to environmental contamination. Implementing rigorous waste management protocols and technologies is essential to mitigate the potential impact.

Risk
Pollution to air, soil and/or water due to unsafe handling of hazardous waste
Inadequate management of hazardous waste from our operations could lead to environmental contamination and legal liabilities. Implementing rigorous waste management protocols and technologies is essential to mitigate these risks.

Opportunity
Reducing air pollution using more innovative purification and air filters in transportation vehicles and production locations
By adopting more innovative purification technologies and air filters in vehicles and production facilities, we can significantly reduce pollutant emissions. This not only aids us in continued compliance with environmental regulations but also positions us as a leader in sustainable practices, beyond regulations, within the industry.

Opportunity
Implementing best available technology (BAT)
Implementing the best available technology (BAT) for pollution control can decrease the environmental impact of our operations. This approach encourages continuous improvement and innovation, ensuring that production processes are as efficient and clean as possible.

Resource use and circularity impacts, risks and opportunities: why it's material

Actual negative impact
Resource intensity
Our production processes rely on finite resources, which contributes to resource depletion. Emphasizing resource efficiency and exploring alternative, more sustainable materials are critical steps toward reducing this impact.

Risk
Increasing resource scarcity and cost volatility
Resource scarcity and the volatility of raw material costs pose risks to our operational stability and profitability. As resources become scarcer, prices are likely to increase, impacting production costs. This highlights the importance of exploring sustainable materials and recycling initiatives to mitigate these risks.

Risk
Increasing regulatory and market pressures related to circularity
The Group faces regulatory and market pressures related to resource use and environmental impact. Increasingly stringent regulations on resource efficiency and waste management, along with growing consumer demand for sustainable products, necessitate innovation and adaptation in business practices.

Opportunity
Adopting more circular business models
Adopting circular business models presents an opportunity to reduce dependency on virgin materials, decrease environmental impact, and drive innovation. By designing products for longevity and durability, facilitating reuse and recycling, and incorporating recycled materials into production, we can lead the way towards more circular business models in our industry.

Our approach and policies

Environmental policies
Our Environmental policy outlines our commitment to managing and minimizing our environmental impact and risks, as well as pursuing opportunities related to pollution and resource use. We are actively seeking ways to close loops within our production processes and integrate circularity across our operations. Many of our business units offer products with circularity in mind, specifically in terms of durability and the long lifespan of many of our products. We recognize that going forward

our approach will need to be more targeted and systematic across our Group, starting with a strategy for waste management. Over time, we will need to better understand the full life cycle of our products, especially end-of-life pollution such as microplastic pollution to air and soil. We also know that as part of our decarbonization efforts, using more recycled materials as input to our process will play an important role. We have not currently investigated the financial effects of resource use and circular economy risks and opportunities.

We do not currently have a complete overview of pollutants emitted and substances of concern across all our business units. Our road marking uses thermos plastics. Over time with wear and tear, road marking will therefore emit microplastics. However, the amount and impact are unclear, and a better understanding will be needed going forward. As described above, there is a risk of leakage when handling hazardous waste across our operations, from hazardous waste in our galvanization process to chemicals such as oils in our road and traffic management services. The business areas and business units ensure that all regulations, local policies, and environmental permits related to pollution, handling of hazardous waste and environmental incident management are followed. They also ensure that they meet the applicable enforcement requirements for Best Available Techniques (BAT) and are updated on the latest rules on substances of concern.

Certifications
To underpin our environmental efforts, our goal is that all production facilities will implement internationally recognized environmental management systems. To date, over half of our production facilities have ISO 14001 certifications with more planned for 2024 and 2025. This underscores our commitment to continuous improvement in environmental performance.

Actions 2023

- We continued our efforts to certify production units but have been delayed due to production capacity challenges.
- We mapped waste amounts across all business units as part of our GHG accounting for the first time.
- We have started discussions on microplastics in our road marking and need to continue investigating and understanding this challenge more in the years to come.
- Management of hazardous materials, especially chemicals, continues to be high on our agenda. As an example, the production unit Smekab established a Chemicals council. The council meets regularly to monitor EU's candidate list of substances of very high concern (REACH) and national lists, as well as acting as gatekeeper before any new chemicals are allowed to be used in production or products.

Targets

The initiatives are developed during the annual planning process. The 2026 targets are revised as part of the same process if necessary. Read more about the process on p. 39. Oversight and tracking of the targets follow the same approach as other sustainability matters, see p. 38 for more.

2026 targets	2024 initiatives
Reduce our most material waste (metal scrap and hazardous waste) by at least 50%	■ Create baseline for waste, in particular metal scraps and hazardous waste
100% of production units ISO 14001 certified	■ Continue ISO 14001 certifications

Metrics

Resource inflows
To make road safety and infrastructure products, we use a range of materials, listed below. These materials have been procured in the course of 2023. We do not currently have a complete overview of any secondary or recycled materials. In the list, fuel and indirect materials are not included.

Material	Total amount purchased 2023
Steel goods	14,371 tons
Steel flats and longs	79,775 tons
Aluminium goods	1,274 tons
Aluminium flats	534 tons
Concrete goods	5,858 tons
Concrete	35,029 tons
Thermo plastics	7,519 tons
Glass beads and goods	5,744 tons
Zinc	3,980 tons
Chemicals	2,669 tons | 147,866 litres | 36,746 m3
Plastic goods	1,027 tons
Rubber products	703 tons
Reflective tapes and sheets	54 tons
Wood goods	32 tons
Electric components	21 tons
Plastic packaging	17 tons
Wood packaging	1,212 tons
All other packaging (e.g., nylon, steel straps)	111 tons

The data has been extracted from each of the business units' invoicing or procurement systems. Where the actual data was not available, the business units have estimated to their best ability. Note that there is a lack of standardized methodologies for estimating across the business units and there is a significant source of measurement uncertainty.

Resource outflows

Products and materials

Many of the products we produce, such as light masts, telecoms towers and guardrails, are developed with safety and durability in mind. However, we currently do not have a policy in place to design for recycling. Please see p. 12-15 for an overview of the products and services we offer. We do not currently have a complete overview of volumes produced per product group.

Waste

Production sites that are ISO 14001 certified have waste management integrated in their environmental management systems. As part of our continuous improvement, developing a company-wide waste management strategy based on the waste hierarchy will be important to better understand our waste streams.

Our waste can mainly be categorized into the following types: metals, chemicals, wood and plastics. These are biproducts from our production and our road services. In the overview below, all chemicals have been categorized as hazardous, as well as batteries, oils, zinc ash, paint, containers with hazardous waste, whereas metals, woods, plastics are categorized as non-hazardous.

	Hazardous	Non-hazardous	**Total**	Unit
Recycled	2,021	8,462	**10,483**	tons
Incinerated	14	116	**130**	tons
Landfilled	627	6,065	**6,692**	tons
Other/Unknown	64	7,333	**7,397**	tons

The data has been extracted from each of the business units' secondary data from their respective waste management companies. Where the actual data was not available, the business units have estimated to their best ability. Note that there is a lack of standardized methodologies for estimating across the business units and there is a significant source of measurement uncertainty.

Norwegian Transparency Act Statement

Social impact

Human rights due dilligence

Basis for preparation

This Norwegian Transparency Act statement covers the full operations of the parent company Saferoad Holding AS and all its subsidiaries controlled by Saferoad Holding AS, including the Norwegian subsidiaries Vik Ørsta AS, Saferoad Traffic AS, Brødr Berntsen AS and Saferoad Services AS. To align with Safeorad's financial and sustainability reporting structure, this statement covers the period January 1st-December 31st, 2023. Saferoad's Integrated Annual Report, including the Sustainability statements and the sections developed to comply with the Norwegian Transparenyc Act, are approved and signed by the Board of Directors of the parent company Saferoad Holding AS.

Saferoad's human rights due diligence is based on the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidelines on Responsible Business Conduct, and on the UN Global Compact's Ten Principles.

About our business

Please see p. 3-22 (Group overview) for an overview of Saferoad's operations, business activities and organisational structure. Please see p. 35-47 (Sustainability at Saferoad) for an overview of Saferoad's supply chain and value chain.

Our approach to human rights due diligence

Embedding due diligence in governance, strategy and business model
At Saferoad, we perform business in line with basic human rights enshrined in the UN Declaration of Human Rights. We comply with the Core Conventions of the International Labour Organization (ILO) on the right to free organization, prohibition of child labour, prohibition of forced labour, and prohibition of discrimination.

Our respect for human rights is clearly stated in our Code of Conduct (CoC). The CoC applies to all permanent and temporary employees of Saferoad as well as hired personnel, consultants and any other party that has authority to act on our behalf regardless of location. In addition, the CoC also applies to all members of our Board of Directors and Executive Advisors. All employees must sign the CoC prior to employment. All leaders and managers are responsible for setting the right tone at the top to cultivate a strong corporate culture for ethics and compliance. They are expected to act as role models for ethical conduct, educate and support employees in complying with the CoC and underlying policies, perform oversight to detect violations, identify and mitigate compliance risks, and finally yet importantly, promote a culture of speaking up in good faith without fear for retaliation. Employees have access to training on the CoC and a short-hand version is visibly available at all Saferoad locations.

Our Supplier Code of Conduct (SCoC) sets out expectations for our business partners and suppliers. The SCoC outlines our key ethical principles and requirements on human rights, workers' rights, children's rights, the environment, and corruption. This includes the prohibition of forced and child labour. The SCoC applies to business relations, including contractors, agents, and consultants, with contractual obligations with Saferoad. Saferoad further expects its business relations to use their best efforts towards ensuring that equivalent standards are complied with and respected within their own sphere of influence, in particular by their own suppliers. Where differences exist between applicable laws, regulations and the SCoC or requirements of the contract with the supplier, suppliers must follow the strictest requirements.

Other relevant policies are described under "Safe, healthy and thriving people" and "Responsible procurement".
Saferoad's Board of Directors oversees that the

company adheres to national regulations and adequately manages any risks related to adverse impacts on human rights and decent working conditions. The Group management team oversees the day-to-day operational aspects of Saferoad's risks. Read more about oversight on p. 38.

Grievance mechanisms and whistleblower channel
Saferoad has grievance mechanisms and a whistleblower channel available internally for its own employees,
business associates and third parties. The channel allows the user to remain anonymous. Read more about the whistleblower channel on p. 60. Over time, we will work to communicate the whistleblower channel to our suppliers as well.

If we identify adverse impacts that we have caused or contributed to, we work to cooperate in, promote access to, or provide fair remediation. We do not interfere, retaliate, or hinder access to judicial or non-judicial mechanisms. The exact remediation process will vary based on the circumstance.

Identifying, assessing, addressing, and tracking adverse impacts
Own operations
- Using the DMA, we seek to identify actual and risks of potential negative impacts on human rights and decent working conditions. Several sources, including stakeholder engagement and Saferoad's whistleblower channel, serve as input. Read more about the process behind the DMA on p. 40-44. Risks are further detailed and assessed based on the scope, scale and irremediability of the potential impact, and likelihood.
- Potential impacts are followed up with mitigating actions as part of the Group annual plan for ESG. Read more about our annual planning process on p. 39. These can be actions to cease, prevent or minimize the likelihood, or the potential impact. The Board of Directors oversees the plan throughout the year. The business areas are also expected to address potential impacts as part of their annual business planning.

Suppliers
- All suppliers with a spend above NOK 100,000 are screened annually against sector risks and country risks. Sector risks are built on the list of high-risk products from the Norwegian Government Agency for Financial Management (DFØ) and industries in Norway. Country risks are built on a range of human rights rankings, such as the Corruption Perceptions Index, ITUC Global Rights Index, and Civil Liberties Index, provided by the tool BankRight from Nomogaia.
- High risk suppliers receive a self-assessment and suppliers with defined red flags are followed up with supplier dialogue, audits, and corrective action plans. Through Saferoad's ESG priority "Responsible Procurement" we are taking steps to improve our supplier due diligence approach.
- All suppliers and other business partners with a spend above NOK 100,000 are screened on an annual basis against recognized international sanction lists.

Communicating how adverse impacts are addressed
The Sustainability statements in the Integrated Annual Report include an annual update on identified potential or actual adverse impacts, as well as information about how impacts are addressed. Where relevant, we communicate the work we do related to human rights due diligence as part of our stakeholder engagement. In case of actual impact, we engage with affected rightsholders.

Actual and potential impacts, and taking action

Own operations
Actual and potential impacts are described on p. 58-59 (Impacts, risks and opportunities: why it's material). Actions taken are described on p. 60-61 (Actions 2023), while planned actions are described on p. 60 (Targets).

Suppliers
Actual and potential impacts are described on p. 63-64 (Impacts, risks and opportunities: why it's material). Actions taken are described on p. 64 (Actions 2023), while planned actions are described on p. 65 (Targets).

ESRS S1

Social impact

Safe, healthy and thriving people

ESG priority

We aim to provide an inspiring and inclusive workplace where our people come home safe every day.

8 DECENT WORK AND ECONOMIC GROWTH

SDG targets 8.5, 8.8

KPIs

	2023	2022
Fatalities	0	0
LTI	60	57
eNPS	26	29

Material impacts, risks and opportunities

Actual negative impact (O)	**Occupational health and safety impacting own employees**	S	Human rights impact directly caused by us: high leverage to change or influence the impact
Potential negative impact (O)	**Incidents relating to labour rights and working conditions imapcting own employees**	S	Human rights impact directly caused by us: high leverage to change or influence the impact
Actual positive impact (O)	**Professional development through training and development actions**	M	Human rights impact directly caused by us: high leverage to change or influence the impact
Risk (O)	**Non-compliance with labour laws and rights**	S	
Risk (O)	**More challenging talent acquisition and retention**	S	
Opportunity (O)	**Professional development through training and development actions**	M	
Opportunity (O)	**Improved productivity and innovation from employee satisfaction and retention**	M	

U=Upstream | O=Own operations | D=Downstream | S=Short term | M=Medium term | L=Long Term

Impacts, risks and opportunities: why it's material

Actual negative impact (human rights impact)
Occupational health and safety impacting own employees
Our production and operations involve risks to occupational health and safety, given the use of heavy machinery, handling of hazardous materials, intensive labour processes and work zones along roads. In light of our increasing LTI, it's crucial to maintain rigorous safety standards and practices to protect employees from accidents and health hazards. This reflects our deep commitment to our workforce.

Potential negative impact (human rights impact)
Incidents relating to labour rights and working conditions impacting own employees
As an employer, we are responsible for creating a workplace and a corporate culture that respects human and labour rights, and with acceptable working conditions. This work never finishes, and we constantly need to unsure that terms of employment, working hours, compensation and leave of absence are fair and at a minimum follow national standards in the EU/EEA country of operation, that there is freedom of association, and zero tolerance for workplace discrimination and harassment. While no concrete incident of actual negative impact directly related to Saferoad has been identified in 2023 that we can report on, we are aware that this this does not mean there are no actual adverse impacts, it's just that these have not been possible to identify with the current measures and structures in place.

Actual positive impact (human rights impact)
Professional development through training and development actions
Offering comprehensive training and development programs presents an opportunity to enhance the skills and knowledge of our employees. This benefits the employees through personal and professional growth and fosters a highly skilled and motivated team where employees can thrive.

Risk
Non-compliance with labour laws and rights
The Group must navigate the complexities of labour laws and workers' rights, ensuring compliance to avoid legal issues and reputational damage. This includes adhering to fair labour practices, ensuring equal opportunities, and fostering a workplace free from discrimination and harassment.

Risk
More challenging talent acquisition and retention
In a competitive labour market, the risk of losing talented employees or facing challenges in attracting skilled workers is significant. We therefore invest in attractive remuneration packages, career development opportunities, and a positive work culture to secure and maintain a skilled workforce.

Opportunity
Professional development through training and development actions
Offering comprehensive training and development programs presents an opportunity to enhance the skills and knowledge of the workforce. This not only benefits the employees through personal and professional growth but also contributes to the Group's innovation and competitiveness by fostering a highly skilled and motivated team.

Opportunity
Improved productivity and innovation from employee satisfaction and retention
Employee satisfaction and retention are directly impacted by our work environment, culture, and policies. A positive, inclusive, and supportive work environment not only enhances employee satisfaction but also aids in retaining talent, crucial for our long-term success, productivity, and innovation.

Our approach and policies

The well-being of our employees is paramount to our long-term success. We believe that a safe, healthy, engaged and thriving workforce is essential for achieving sustainable growth. To ensure the health, safety, and well-being of our employees, we have introduced policies and programs that promote a positive work environment, encourage professional growth, and provide access to essential resources. We also actively engage with our employees, seeking their input and feedback to identify areas for improvement and to foster a culture of collaboration and mutual respect. The starting point is our Code of Conduct (CoC), which explicitly describes our commitment to perform business in line with basic human rights, including the right to free organization, prohibition of child labour, prohibition of forced labour, and prohibition of discrimination. See more about our Code of Conduct and due diligence process on p. 56-57.

Health and safety
Our health and safety management system is anchored in our HSE procedure, which sets out requirements for risk management, safety procedures, safety training and incident management. These are the minimum requirements for the Group, across all business units and countries. Unfortunately, we've seen an increasing number of accidents in the past two years and are therefore stepping up our efforts to improve the quality of reporting and investigations, and importantly

learn from incidents and near-misses to improve our training and HSE leadership.

Leadership, training, and development
Saferoad has established leadership principles that help guide all managers in Saferoad. The leadership principles are the fundament to building a company culture of dialogue, inclusivity, learning and growth. All managers receive training in the principles when taking part in leadership development and are expected to follow them.

Business units and business areas are responsible for providing training and development to their employees. We do not currently have information and data on training hours or the percentage of employees that participated in performance and development reviews.

Every year, Group organizes a company-wide development program for professional growth and networking. The development program is important for building a talent pipeline and addressing the challenge of retention and hiring the right skills across our Group. It also helps define a common set of leadership practice using the leadership principles as guidance. Furthermore, Group gathers all direct reports to the Group management team at an annual conference (LEAD) to set the tone from the top and a common direction, as well as alignment of priorities and exploring business opportunities across business areas. The conference is an important driver for the company culture.

To promote a more inclusive workplace and understand insights from a marginal group of employees in Saferoad, a Women's network has been established. Going forward, the network will work to provide the Group management team with initiatives and targets as a first step in developing a diversity and inclusion focus in Saferoad.

Employee engagement and grievances
We are committed to creating a culture of feedback in which everyone feels safe to voice their opinions. Our two main engagement tools are the annual employee engagement survey (eNPS) and the whistleblower channel. Ongoing team meetings, safety and working environment meetings, performance appraisals, and development dialogue are also integral to our ongoing engagement. Furthermore, we use targeted employee surveys to ensure employees' voices and opinions are systematically included in our DMA. See more about engagement on p. 46.

It's important that an employee who discovers wrongdoing by the company or any of our employees, consultants, contractors, or suppliers, can report it without risk of retaliation or discrimination. Whistleblowing helps investigate and rectify unacceptable circumstances and strengthens our company by building good business practices and a better work culture. The channel allows the whistleblower to remain anonymous. Through the whistleblower channel policy and procedure for handling reported issues of concerns, we follow strict processes to ensure that all reports are taken seriously and investigated in a timely manner, and that whistleblowers reporting in good faith will not be subject to reprisals. The cases reported in the past year relate to work environment, concerns about a potential dismissal process, and a conflict of interest. We are concerned about the low number of issues raised. Going forward, we want to promote the whistleblower channel in order to encourage more employees to raise concerns.

While discrimination and harassment has not been a reported concern, we nevertheless see an improvement opportunity in our commitment to prohibit discrimination by introducing stand-alone policies, procedures, and training. We are therefore increasing our focus on this going forward.

We respect the right to collective bargaining and to freedom of association. In several of our Nordic business units, union and worker representation is high. We do not currently have information on the percentage of employees covered by collective bargaining agreements, nor covered by worker's representatives, such as a Works Councils. Going forward, we want to understand how we can improve structured union and worker's representative dialogue and viewpoints across more business units and regions in Saferoad.

Employment conditions
All employees receive at least the minimum wage in the EU/EEA country where they work, or according to the collective bargaining agreement for EEA countries without minimum wage (such as Norway). All employees are covered by social protection terms in their respective EU/EEA country of employment. In addition, all employees are entitled to family-related leave according to terms in their respective EU/EEA county of employment. We do not currently have information on gender pay-gap. For information about remuneration and compensation, please see p. 106-107 in the Financial statements.

Actions 2023

- Health and safety continued to be a heightened priority in 2023. Health and safety learnings and improvements were discussed regularly in the Group management team as well as the Monthly operations review. Management continued to reinforce the importance of actions to prevent accidents and injuries. However, LTI increased in 2023 to 60, a clear indication to continue improving health and safety management in 2024.

- We hosted the first leadership program with a total of 18 participants, several of whom have since been promoted.
- The results from eNPS and action plans from each of the business areas were followed up quarterly. eNPS fell from 29 to 26 in 2023 due to a turbulent market causing volatile working conditions in some of the business units. The response rate has been consistent. The business areas have been tasked with new, targeted improvement plans to be implemented through 2024.

Targets

The initiatives are developed during the annual planning process. The 2026 targets are revised as part of the same process if necessary. Read more about the process on p. 39. Oversight and tracking of the targets follow the same approach as other sustainability matters, see p. 38 for more.

2026 targets	2024 initiatives
1. Zero fatalities 2. LTI >30	■ Map how employees are involved and engaged in health and safety work. ■ Strengthen health and safety LTI-reporting and investigation. LTI <45.
1. eNPS > 70 2. No negative eNPS scores across all business units	■ eNPS >30 with special attention on follow-up plans after eNPS.
Improved working conditions	■ Review compliance in terms of official employment status for all employees. ■ Strengthen awareness and reporting on harassment in the workplace.

Metrics

Notes on the metrics:
- All metrics are as of December 31st, 2023.
- All metrics are for employees the company has a responsibility for, including temporary workers, part-time workers, and employees on parental leave, unless otherwise specified (contracted or agency workers are included in ESRS S2 Workers in the value chain).

Employee headcount by gender

Gender	Headcount – FTEs in brackets
Male	2,124
Female	442
Total employees	**2,566 (2,411)**

Employee headcount by country

The list below presents the country of the business units in which the employees work. The actual working location of individual employees may vary from this list.

Country	Headcount
Norway	612
Sweden	584
Denmark	140
Finland	49
Netherlands	13
Poland	666
Czech Republic	67
Romania	25
Germany	342
United Kingdom	61
Lithuania	7
Total	**2,566**

Employee headcount by contract type and gender

We do not currently have data available on non-guaranteed hours employees, and the split between full-time and part-time employees.

Male	Female	Not disclosed	Total
Number of employees			
2,124	442		2,566
Number of permanent employees			
			2,079
Number of temporary employees			
			487

Employee diversity

Group	Male head-count	Female head-count	% females (by headcount)
Board of directors	7	1	12.5
Group management team	9	0	0
Direct reports to Group management team	36	10	27.8
All employees	2,124	442	17.2

We do not currently have data available on the age distribution of all employees, nor information on persons with disabilities.

Health and safety

Metric	2023	2022
% employees covered by health & safety management system	**100**	100
# of work-related fatalities	**0**	0
Lost-time injuries (LTI)	**60**	57
Lost-time injury frequency/H1 (lost-time injuries per million hours worked)	**13**	12
Sick-leave absence	**5.00%**	5.20%

We do not currently have data available on total recordable injuries or work-related ill health. Sick-leave absence includes both short-term absences covered by the company, as well as long-term absence covered by social protection.

Incidents, complaints, and severe human rights impacts

Metric	2023	Comments
Total cases reported through the Whistleblower channel	**2**	One (1) additional case was reported by email.
Total reported cases of discrimination and harassment	**0**	
Number of severe human rights incidents	**0**	Defined as incidents of forced labour according to the Forced Labour Convention (ILO Convention 29) or child labour according to the Minimum Age Convention (ILO Convention 138).
Total amount of fines, penalties, compensation paid related to the above cases	**0**	

ESRS S2

Social impact

Responsible procurement

ESG priority

We aim to set the highest sustainability expectations towards our business partners and contribute to their improvements.

8 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

SDG targets 8.7, 8.8, 12.2, 12.5

KPIs

	2023	2022
Progress on supply chain overview (status)	New KPI	New KPI
Progress on responsible procurement program (status)	Most initiatives completed: SCoC implemented by all business units, self-assessment filled out by the majority of critical suppliers. Corrective action plans not fully rolled out.	New KPI

Material impacts, risks and opportunities

Actual negative impact (U)	**Incidents relating to labour rights and working conditions in the supply chain**	S	Human rights impact linked to us: low leverage to change or influence the impact
Potential positive impact (U)	**Improved working conditions and more secure employment for suppliers' employees, and economic growth for suppliers**	M	Human rights impact through contribution: medium leverage to change or influence the impact
Risk (U)	**Reputational damage from negatives practices within the supply chain**	M	
Opportunity (U)	**Supplier engagement and development**	M	

U=Upstream | O=Own operations | D=Downstream | S=Short term | M=Medium term | L=Long Term

Impacts, risks and opportunities: why it's material

Actual negative impact (human rights impact)
Incidents relating to labour rights and working conditions in the supply chain
We have set clear expectations towards our direct suppliers in our Supplier Code of Conduct. While no concrete incident of actual negative impact directly related to Saferoad has been identified in 2023 that we can report on, we are aware that this this does not mean there are no actual adverse impacts, it's just that these have not been possible to identify with the current measures and structures in place. Suppliers in our supply chain may not hold the same standard we expect, leading to risks such as modern slavery, poor working conditions and poor occupational health and safety standards. Labour rights challenges are more prevalent in certain supply chains, such as metals and cement/concrete supply chains, and with certain service sectors such as transportation and waste management.

Potential positive impact (human rights impact)
Improved working conditions and more secure employment for suppliers' employees, and economic growth for suppliers
Using our leverage as a buyer, we can influence and collaborate with our suppliers to help them strengthen their business by improving their sustainability performance. This can help the supplier attract more business and become more competitive in a market with increasing sustainability standards. Ultimately, this strengthens the supplier, making it a more secure employer, and in some cases, able to grow and hire more people.

Risk
Reputational damage from negatives practices within the supply chain
Negative practices within the supply chain, such as poor labour conditions or environmental harm, can significantly damage the Group's reputation. In an era where information is readily accessible, it's crucial to maintain transparency and uphold high sustainability standards.

Opportunity
Supplier engagement and development
Engaging and developing suppliers through training, capacity building, and shared sustainability goals can lead to a more resilient and sustainable supply chain. This collaborative approach not only improves supply chain practices but also fosters long-term relationships and mutual growth, enhancing overall supply chain performance and sustainability.

Our approach and policies

Our approach to supply chain management centres around our responsible procurement program. It consists of the implementation of the Supplier Code of Conduct (SCoC) across all business units, digital supplier self-assessments, and the development of mitigating plans for critical suppliers with low self-assessment scores. The procurement policy sets out the steps that all business units must follow. We are working to improve our supplier due diligence processes with a more structured approach to evaluating both criticality and risks of human rights breaches in order to prioritize following up suppliers with the highest risks more systematically. Over time, we also want to improve our approach to social audits and corrective action plans to help develop suppliers. This will also drive our engagement on social impact and human rights challenges with our high-risk suppliers, and in the high-risk supply chains. For more information about our Supplier Code of Conduct, supplier due diligence and supplier remediation see p. 56-57. See more about engagement on p. 46.

Understanding our high-risk supply chains is also a priority going forward. We are especially interested in understanding the supply chain of key materials, and to start with, steel. While we have a clear overview of our direct steel suppliers, we need to better understand and map the risks along the full supply chain of our steel. For instance, the iron ore source of our steel is not clear to us and there is a risk that the source is in countries with high risks of human rights breaches and poor environmental standards such as India, China, Russia, or Kazakhstan.

With our focus on climate action, sourcing of low-carbon materials will become increasingly important for us. We expect to increase engagement with our suppliers on their decarbonization plans.

Actions 2023

- In 2022, all businesses screened the suppliers by criticality. 94% of critical suppliers successfully completed the self-assessment in 2022 and 2023. The business units developed corrective action plans for critical suppliers with low scores on their self-assessments. However, we're still awaiting responses on the plan from several suppliers.
- We have revised our supplier screening to add risks of human rights breaches alongside criticality. The first screening using our new method is underway and will help us better identify suppliers that may be exposed to a higher likelihood of human right breaches. We will follow up these with new self-assessments,

more structured follow-up, and mandatory corrective action plans.

Targets

The initiatives are developed during the annual planning process. The 2026 targets are revised as part of the same process if necessary. Read more about the process on p. 39. Oversight and tracking of the targets follow the same approach as other sustainability matters, see p. 38 for more.

2026 targets	2024 initiatives
1. Transparency within our supply chain for high-risk products, materials and services	■ Integrate human rights risk-based approach in supplier due diligence process.
2. Responsible procurement program with risk-based due diligence, audit, supplier improvement and development, CoC and contract clauses in place	■ Audit up to 50% of high-risk suppliers with corrective action plans.

ESRS G1

Governance impact
Culture of integrity

ESG priority

We always follow the highest standards of responsible business practices.

We always treat people with respect for their rights, dignity and needs.

8 DECENT WORK AND ECONOMIC GROWTH

SDG targets 8.5, 8.7

KPIs

	2023	2022
Training and awareness (hours/people trained)	New KPI	New KPI
Cases of confirmed corruption and fraud (#)	0	0
Progress on human rights program (status)	New KPI	New KPI
Cases of confirmed modern slavery or child labour abuse (#)	0	0

Material impacts, risks and opportunities

Actual negative impact (O)	**Strong business conduct and corporate culture**	S
Actual positive impact (O)	**Transparency and accountability**	M
Potential positive impact (O)	**Protection of whistleblowers**	S
Potential negative impact (O)	**Prevention and detection of corruption and bribery**	S
Risk (U+O)	**Continued legal and regulatory compliance**	M
Risk (U)	**Supply chain disruptions**	M
Opportunity (U+O+D)	**Taking a leading role in business conduct and prevention of corruption and bribery**	M
Opportunity (U+O+D)	**Sustainability reporting and stakeholder engagement**	M

U=Upstream | O=Own operations | D=Downstream | S=Short term | M=Medium term | L=Long Term

Impacts, risks and opportunities: why it's material

Actual positive impact
Strong business conduct and corporate culture
Our Corporate compliance program involves adhering to laws and regulations, ensuring fair dealings, and maintaining integrity in all business practices. Strong business conduct contributes to economic stability by fostering fair competition and preventing corruption and fraud. A robust corporate culture can attract investments, driving economic growth and job creation, which benefits society at large.

Actual positive impact
Transparency and accountability
Transparency and accountability in business practices are key to building stakeholder trust. This includes clear reporting on sustainability practices, financial performance, and corporate governance. A lack of transparency can erode stakeholder confidence and lead to scrutiny, emphasizing the need for open communication and responsible reporting.

Potential positive impact
Protection of whistleblowers
Whistleblower protection encourages individuals to come forward with information about illegal, unethical, or dangerous practices without fear of retaliation. This openness is vital for maintaining transparency and holding us accountable. While our whistleblower channel policies and procedures are clear, we need to increase awareness and training about the channel.

Potential negative impact
Prevention and detection of corruption and bribery
Preventing corruption and bribery is central to our Corporate compliance program. However, in a competitive industry, our continued focus and dedication to preventing and detecting corruption and bribery is paramount. There were no corruption or bribery incidents in 2023, but related cases are described in this chapter.

Risk
Continued legal and regulatory compliance
The Group faces risk of non-compliance with an increasingly complex legal and regulatory landscape, especially concerning environmental, labour, and corporate governance laws. Non-compliance can result in fines, legal battles, and reputational damage, stressing the importance of a robust compliance framework and continuous monitoring.

Risk
Supply chain disruptions
The Group faces potential disruptions in the supply chain due to labour issues, geopolitical tensions, natural disasters, or logistical challenges. Such disruptions can lead to delays, increased costs, and inability to meet customer demand, highlighting the importance of supply chain resilience and diversification.

Opportunity
Taking a leading role in business conduct and prevention of corruption and bribery
The Group has an opportunity to excel in governance and business conduct, setting a standard in the industry. By fostering a culture of integrity, having clear policies and procedures, and continuously implementing training, we can inspire confidence among stakeholders and attract like-minded partners, customers, and talent.

Opportunity
Sustainability reporting and stakeholder engagement
Regular sustainability reporting and proactive stakeholder engagement present an opportunity to strengthen relationships, build trust, and showcase our commitment to sustainable practices. This enhances our reputation and encourages stakeholder feedback and collaboration, leading to improved sustainability outcomes.

Our approach and policies

Corporate culture and business conduct policies
We are dedicated to transparency, accountability and compliance at all times. We are fully committed to running our business in line with all applicable rules and regulations. We foster a culture that encourages open communication and empowers employees to come forward with any concerns or instances of non-compliance.

To ensure compliance with legislations and regulations across the Group, we have defined a comprehensive Corporate compliance program that encompasses guidelines and policies on competition compliance, anti-bribery, trade sanctions, data protection, information security and whistleblowing. These guidelines and policies serve to create a robust framework that promotes responsible business conduct throughout our organization, while also minimizing potential risks associated with non-compliance. Our Corporate compliance program applies to all employees and representatives, thereby ensuring a consistent commitment to ethical behaviour across all levels of our organization. All policies mentioned in this paragraph are reviewed on an annual basis and approved by the Board of Directors.

The Code of Conduct (CoC) is the basis of our corporate culture. To promote the corporate culture, all new employees must make themselves familiar with the CoC. We've also established a short-hand version is visibly available at all Saferoad locations. Read more about our CoC on p. 56. Employees are also expected to make themselves familiar with the whistleblower policy and the anti-bribery policy. An e-learning is also available. However, the e-learning is being renewed and we are planning a new roll-out. Employees with access to email accounts are furthermore expected to understand the data protection policy and the information security policy. When relevant for the position, employees are also expected to understand the trade sanctions and competition compliance policy.

Any employee that observes a possible violation of the CoC, other underlying policies in the Corporate compliance program, or applicable laws and regulations must report the concern without undue delay through the whistleblower channel, or in certain cases to Legal, HR, directly to the CEO, or alternatively, to the Chairman of the Board. This is Saferoad's main mechanism for identifying concerns. To read more about the whistleblower channel, see p. 60. Read more about human rights due diligence, and human rights of own workers and workers in the value chain on p. 56-57.

Prevention and detection of corruption and bribery
The policy on anti-bribery includes a clear zero tolerance for corruption and money laundering, as well as clear requirements on gifts, hospitality and entertainment, relationships with third parties such as agents and public officials, charitable donations, and sponsorships. We do not currently perform independent risk assessments of corruption and bribery per business unit. Corruption and bribery are assessed as part of the DMA possess (see p. 40-44)

The procedure for handling reported issues of concern explains our approach to investigating business conduct incidents, including incidents on corruption and bribery. The steps in the procedure ensure independent and objective internal investigations. Depending on the concern, either the CEO, Legal, or the Chairman of the Board are informed and involved in the first steps of risk assessment and quality assurance. If an investigation is necessary, an assessment will be made to decide if an internal team or external advisors run it. This assessment is based on the nature of the violation, resources available and competence needed to conduct the investigation. Generally, less severe cases can be conducted internally by internal resources, while more serious cases should be handled by external advisors. A summary report of the investigation is reviewed by either the CEO, Chairman of the Board, or external party, depending on the case. At each board meeting, a report on newly received incident reports, the results of investigations and ongoing legal disputes is shared. If violations of the law come to light, the Board is responsible for evaluating whether Saferoad must report to the relevant governmental control authority, such as the police.

Political influence and lobbying activities
We carry out industrial lobbying activity to drive sustainable development in the local markets of our business units. However, we do not currently have a full overview. Going forward, we intend to structure our influencing activities to work more strategically, get an overview, and better align with our ESG plans, especially in terms of improving framework conditions for decarbonization.

Managing supplier relationships and payment practices
We currently do not have a complete overview of actual payment practices across the business units. Our goal is to consider the supplier's size and supply chain when deciding payment terms. Our supplier due diligence process is described on p. 56-57.

Actions 2023

- The annual review of the policies yielded changes to the Sanctions manual and the Sanctions Compliance procedure. The changes to the Sanctions manual related to new sanctions imposed due to the situation in Ukraine.
- We rolled out a Conflict-of-Interest self-assessment to the Group management team. Based on a risk assessment conducted by local HR, several managers also participated in the self-assessment.
- To align with the new Norwegian Transparency Act, we developed a first Transparency Act statement for 2022 for all Norwegian business units. The statement for the full 2023 year is included in the Sustainability statements on p. 56-57.
- In an increasingly complex legal and regulatory landscape, especially concerning environmental, labour, and corporate governance laws and international standards, the risk of non-compliance increases. We therefore prioritize staying up to date on the latest hard and soft law developments, and understanding geopolitical developments that may influence our material sustainability impacts, risks and opportunities. One example is the increased conflict level in the Middle East. This has triggered an internal review to ensure that no business partner is contributing to or linked to human rights breaches in Israel and the Occupied Palestin-

ian Territories. We currently have one licensed partner in Israel. The review continues, however there is no indication of non-compliance to date.

Targets

The initiatives are developed during the annual planning process. The 2026 targets are revised as part of the same process if necessary. Read more about the process on p. 39. Oversight and tracking of the targets follow the same approach as other sustainability matters, see p. 38 for more.

2026 targets	2024 initiatives
1. Maintain a culture of integrity through systems, controls and processes	■ Build awareness about Saferoad's whistleblower channel and Code of Conduct.
2. Zero confirmed cases of corruption and fraud	■ Refresh trainings on Saferoad's policies and Conflict of Interest self-assessments. ■ 90% of target employees completed renewed Code of Conduct e-learning.
Zero tolerance of human rights breaches through systems, controls and processes	■ Integrate sustainability and human rights into Saferoad's risk management system, including conducting DMA.

Metrics

Confirmed incidents of corruption or bribery

Metric	**2023**	2022
Convictions for violation of anti-corruption and anti-bribery laws	**0**	0
Confirmed incidents of corruption and bribery	**0**	0
Confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	**0**	0
Public legal cases regarding corruption or bribery brought against Saferoad and our own workers during the reporting period and the outcomes of such cases. This includes cases that were initiated in previous years where the outcome was only established in the reporting year.	**0**[1]	0

1) See Appendix p. 74 for related information.

Governance impact

Products and services as a force for good

ESG priority

We aim to contribute to safe journeys on the road through our product innovation and road services.

We aim to drive the market demand for low-carbon and responsible road and infrastructure solutions designed to last, through customer and industry collaboration.

3 GOOD HEALTH AND WELL-BEING

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

SDG targets 3.6, 9.1, 9.4

KPIs

	2023	2022
Low-carbon products or services available by 2030 (#)	New KPI	New KPI
Taxonomy alignment (revenue-based %)	New KPI	New KPI
Products and services with positive UN SDG contribution (%)	100	New KPI
BUs with EPD generator system (%)	New KPI	New KPI
Collaboration initiatives (#)	New KPI	New KPI
Data gaps in reporting (%)[1]	45	New KPI

1) Calculated as reporting met, partially met or not met across the ESRS data points. A data gap of 0% indicates all reporting is met.

Our approach and policies

We are steadfast in our belief that the products we produce are a necessity and contributor towards a more sustainable future. It's important for us that all the products and services we offer make a positive contribution to the Sustainable Development Goals.

Vision Zero and the road safety target under Sustainable Development Goal 3 are central to our commitment to sustainability, representing our vision for our safety solutions. It's our vision to help reduce traffic-related fatalities and severe injuries through the products we offer to the market, be it guardrails, crash barriers, traffic signs, work zone protection, or light masts. The same is true for the road services we offer, such as road marking and maintenance.

Being a positive force in developing robust infrastructure is equally important for us under Sustainable Development Goal 9. This can take the form of road infrastructure, but also other key components and materials needed for the energy transition. Infrastructure for urban solutions is also central to what we offer, developing products for more liveable and inclusive spaces, such as light poles, outdoor public furniture, and bike racks.

We recognize that to continue playing a positive role through our products and services, we must also work hard to avoid negative impacts from our production. As a front runner, it's our responsibility to take a leading role in helping drive the market demand for low-carbon and responsible solutions. We aim to do this through our ESG priorities. At the same time, we remain vigilant of the investment and operational changes necessary to sustain our leading role. Read more about the priorities on p. 36. To be a frontrunner, we need useful information and data on specific products, readily available for our customers through Environmental Product Declarations. In the Nordics, most of our business units have robust systems for delivering EPDs on demand per project and can thus continuously compare the environmental performance of their products. We aim to roll out the same approach in our other regions to prepare for what we expect will be an increasing demand from our customers going forward.

To achieve our targets across our ESG priorities, we depend on collaboration and openness. This is why we're ramping up our reporting to try to align as much as possible to the ESRS, and why we in 2024 are aiming to join networks with likeminded and ambitious companies that are also looking to drive sustainability in their industries. In the years to come, we believe collaboration across our own value chain will be key to unlocking opportunities and welcome action for collaboration from our stakeholders.

Actions 2023

- To start preparing our full organization for EPDs, our largest business area, Restraint Systems, continued its mission to roll out EPDs for some of its largest product groups. The project is nearing completion.
- Our commitment to SBTi (read more on p. 49) in 2023 was our starting point for the work to develop decarbonization plans and products with lower carbon footprint to help drive the market demand for low-carbon products. The work continues in 2024.

Targets

The initiatives are developed during the annual planning process. The 2026 targets are revised as part of the same process if necessary. Read more about the process on p. 39. Oversight and tracking of the targets follow the same approach as other sustainability matters, see p. 38 for more.

2026 targets	2024 initiatives
1. Support customers with Vision Zero (eliminate all traffic fatalities and severe injuries) 2. All units have EPD generator system	■ Continue rolling out EPDs
1. Work towards offering low-carbon product or service by 2030 2. Establish customer, supplier and industry collaboration on ESG matters, especially low-carbon solutions 3. Grow business in activities with positive UN SDG impact or aligned with the EU Taxonomy, including renewable energy infrastructure 4. Maintain transparency on our sustainability efforts and challenges	■ Develop roadmaps for how to offer at least one low-carbon product or service by 2030 ■ Strengthen communication on sustainability risks and opportunities by aligning reporting with CSRD, implementing new ESG reporting software and improving available information in our communication channels ■ Join at least one sustainability-related association or network

Appendix
Sustainability statements

ESRS index: disclosure requirements overview for "incorporation by reference"

The table below shows where the different ESRS disclosure requirements can be found in our Sustainability statements or in other parts of this Integrated Annual Report. All material topics as defined by our DMA (see more on p. 40-44) are included in this table. Non-material topics are not included. Disclosure requirements where we don't have information or data are left blank in the reference page.

ESRS 2	General disclosures			
Disclosure requirement		**Section**	**Pages**	**Comment**
BP-1	General basis for preparation of the sustainability statement	Section 3	35-36	
BP-2	Disclosures in relation to specific circumstances	Section 3	35-36	
GOV-1	The role of the administrative, management and supervisory bodies	Section 1 Section 3	16-18, 31-33, 38-39	
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Section 3	38-39	
GOV-3	Integration of sustainability-related performance in incentive schemes	Section 3	39	
GOV-4	Statement on sustainability due diligence	Section 3	74	
GOV-5	Risk management and internal controls over sustainability reporting	Section 3	39	
SBM-1	Strategy, business model and value chain	Section 1	4-15, 36, 45, 75	
SBM-2	Interests and views of stakeholders	Section 3	46	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Section 3	40-41, 48-49, 52-53, 58-59, 63-64, 66-67	
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	Section 3	40-44	
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Section 3	72-73	
	EU Taxonomy	-	-	We intend to start reporting on this next year.
	Datapoints that derive from other EU legislation	-	-	We intend to start reporting on this next year.

ESRS E1	Climate change			
Disclosure requirement		**Section**	**Pages**	**Comment**
GOV-3	Integration of sustainability-related performance in incentive schemes	Section 3	39	
E1-1	Transition plan for climate change mitigation	Section 3	50	
SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	Section 3	48-49	
IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Section 3	40-44	
E1-2	Policies related to climate change mitigation and adaptation	Section 3	49	
E1-3	Actions and resources in relation to climate change policies	Section 3	50	
E1-4	Targets related to climate change mitigation and adaptation	Section 3	50	
E1-5	Energy consumption and mix	Section 3	50-51	
E1-6	Gross Scopes 1, 2, 3 and total GHG emissions	Section 3	51	
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Section 3	51	No carbon credits were purchased in 2023. We do not currently have plans to initiate GHG removal or storage projects.
E1-8	Internal carbon pricing	Section 3	51	We do not currently have plans to introduce internal carbon pricing.
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	-	-	We intend to start reporting on this next year.

ESRS E2	Pollution			
Disclosure requirement		**Section**	**Pages**	**Comment**
IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Section 3	40-44	
E2-1	Policies related to pollution	Section 3	53-54	
E2-2	Actions and resources related to pollution	Section 3	54	
E2-3	Targets related to pollution	Section 3	54	
E2-4	Pollution of air, water and soil	Section 3	54	We do not currently have a complete overview of pollutants emitted.
E2-5	Substances of concern and substances of very high concern	Section 3	54	We do not currently have a complete overview of substances of concern-
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	-	-	

ESRS E5	Resource use and circular economy			
Disclosure requirement		**Section**	**Pages**	**Comment**
IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Section 3	40-44	
E5-1	Policies related to resource use and circular economy	Section 3	53-54	
E5-2	Actions and resources related to resource use and circular economy	Section 3	54	
E5-3	Targets related to resource use and circular economy	Section 3	54	
E5-4	Resource inflows	Section 3	54-55	
E5-5	Resource outflows	Section 3	55	
E5-6	Anticipated financial effects from material resource use and circular economy-related risks and opportunities	-	-	

ESRS S1	Own workforce			
Disclosure requirement		**Section**	**Pages**	**Comment**
SBM-2	Interests and views of stakeholders	Section 3	46	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Section 3	58-59	
S1-1	Policies related to own workforce	Section 3	59-60	
S1-2	Processes for engaging with own workers and workers' representatives about impacts	Section 3	46, 60	
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Section 3	56-57, 60	
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Section 3	56-57, 60-61	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Section 3	61	
S1-6	Characteristics of the undertaking's employees	Section 3	61	
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	Section 3	61	We do not currently have data available on non-guaranteed hours employees, and the split between full-time and part-time employees.
S1-8	Collective bargaining coverage and social dialogue	Section 3	60	We do not currently have information on the percentage of employees covered by collective bargaining agreements, nor covered by worker's representatives, such as a Works Councils.
S1-9	Diversity metrics	Section 3	61	We do not currently have data available on the age distribution of all employees.
S1-10	Adequate wages	Section 3	60	
S1-11	Social protection	Section 3	60	
S1-12	Persons with disabilities	Section 3	61	We do not currently have information available on persons with disabilities.
S1-13	Training and skills development metrics	Section 3	60	We do not currently have information and data on training hours or the percentage of employees that participated in performance and development reviews.
S1-14	Health and safety metrics	Section 3	61-62	We do not currently have data available on total recordable injuries or work-related ill health.
S1-15	Work-life balance metrics	Section 3	60	
S1-16	Compensation metrics (pay gap and total compensation)	Section 3	60	We do not currently have information on gender pay-gap.
S1-17	Incidents, complaints and severe human rights impacts	Section 3	62	

ESRS S2	Workers in the value chain			
Disclosure requirement		**Section**	**Pages**	**Comment**
SBM-2	Interests and views of stakeholders	Section 3	46	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Section 3	63-64	
S2-1	Policies related to value chain workers	Section 3	64	
S2-2	Processes for engaging with value chain workers about impacts	Section 3	46, 56-57, 64	
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Section 3	56-57	
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Section 3	64	
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Section 3	65	

ESRS G1	Business conduct			
Disclosure requirement		**Section**	**Pages**	**Comment**
GOV-1	The role of the administrative, management and supervisory bodies	Section 1 Section 3	16-18, 31-33, 38-39	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Section 3	40-44	
G1-1	Business conduct policies and corporate culture	Section 3	60, 67-68	
G1-2	Management of relationships with suppliers	Section 3	56-57, 64-65	
G1-3	Prevention and detection of corruption and bribery	Section 3	68	
G1-4	Incidents of corruption or bribery	Section 3	69	
G1-5	Political influence and lobbying activities	Section 3	68	
G1-6	Payment practices	Section 3	68	We currently do not have a complete overview of actual payment practices. We have chosen not to disclose our standard payment practices in detail as this would in many cases impede our negotiation abilities and requires a case-by-case assessment against national competition laws.

Statement on due diligence

Saferoad's due diligence approach is explained on the following pages:

Core elements of due diligence	Pages in the sustainability statements
Embedding due diligence in governance, strategy and business model	36-39, 56-57
Engaging with affected stakeholders in all key steps of the due diligence	46, 56-65
Identifying and assessing adverse impacts	56-57
Taking actions to address those adverse impacts	58-65
Tracking the effectiveness of these efforts and communicating	56-65

Related information for Disclosure requirement G1-4

After identifying fraudulent behaviour in 2021 towards one of our business units, the former CEO and CFO of the business unit were sentenced to prison in 2023. Both have appealed against the ruling.

UN Global Compact Index

The table below shows where information pertaining to the UN Global Compact's Ten Principles can be found in our Sustainability statements. It serves as our Communication on Progress, explaining to our stakeholders the progress we've made to uphold and improve our commitment to the UN Global Compact's Ten Principles.

Area	Principle	Pages in the sustainability statements
Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	56
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	56-65
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	56-65
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.	56-65
	Principle 5: Businesses should uphold the effective abolition of child labour.	56-65
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	56-65
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	48-55
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	48-55
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	48-55, 70-71
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	66-69

Value chain overview

	Up-stream activities			Own activities								Down-stream activities	
	Raw materials	Production	Transport	R&D	Testing and certification	Procurement	Production	Assembly	Installation	Warehouse, sales and rental	Services	Use	Recycling / waste
Description of activity	**Extracting of minerals and raw materials described below.**	**Production of primarily steel, aluminium, concrete, plastic materials and goods, glass beads, as well as other finished goods for traffic management and road safety.**	**Transport of materials in our supply chain. Transport of produced materials to our business units.**	**Research and development related to road safety and infrastructure products.**	**Rigorous testing to ensure products and systems meet the strictest industry standards for quality, safety, and reliability.**	**Procurement and logistics of materials and components for our own production and assembly, or finished goods for installation, rental and sales.**	**Forming, coating and manufacturing of primarly steel.** **Manufacturing and printing of components for road signs and concrete blocks.**	**Assembly of products.**	**Installation of primarily steel, aluminium and plastic products.**	**Storage, sales and rental services of road signs, work zone protection products and other traffic management tools, steel products for road, infrastructure and public spaces.**	**Traffic management and work zone protection services. Road marking. Road maintenance.**	**Road safety, work zone protection, infrastructure and urban furniture products, and road marking used on roads and public spaces for up to 70 years.**	**Biproducts from production, services and road marking. Metal scrap and used metal typically recycled. Other waste typically incinerated or landfilled.**
Material resources	Minerals and raw materials for mainly primarily steel, primary aluminium, concrete, plastics and glass beads. Also includes zinc and energy. List is not exhaustive.	Energy and raw materials as described to the left.	Energy.				Steel, alumniunum, concrete, plastics, zinc, energy. List is not exhaustive.	Finished goods, components made of steel, alumnium, concrete, plastics. List is not exhaustive.	Finished goods, energy.	Energy.	Glass beads, thermo plastics, energy. List is not exhaustive.		
Location	Global	Global	Global	Europe	Europe	Europe	Europe	Europe	Europe	Europe	Europe	Europe	Europe

GHG emissions per business area

	2023					
tCO2e1	Restraint Systems	Infrastructure	Traffic	Services	Headquarters (SF Holding)	**Total**
Total Gross Scope 1	7,091	505	3,822	4,020		**15,438**
Total Gross Scope 2 location-based	3,384	165	118	231		**3,898**
Total Gross Scope 2 market-based	4,491	4,703	1,010	365	13	**10,581**
Total Gross Scope 3 (indirect)	333,220	65,697	26,844	28,431	3,739	**457,932**
Purchased goods and services	243,460	55,130	17,366	21,698		**388,383**
Capital goods	2,406	2,065	3,426	1,226		**9,122**
Fuel-and-energy-related activities	2,443	186	981	980		**4,590**
Upstream transportation and distribution	60,459	6,742	2,309	2,523		**74,411**
Waste	2,527	46	94	132		**2,798**
Business travel[2]					1,149	**1,149**
Employee commuting[2]					2,590	**2,590**
Downstream transportation and distribution	13,894	634	6	58		**14,592**
Use of sold products			29			**29**
End-of life treatment of sold products	8,031	895	2,635	1,814		**13,375**
Total GHG emissions Scope 1+2-3 location-based	343,695	66,367	30,784	32,682	3,740	**477,267**
Total GHG emissions Scope 1+2-3 market-based	344,802	70,905	31,675	32,816	3,752	**483,950**

1) All values have been rounded to the nearest number. There may therefore be discrepancies between reported values and actual values.

2) Estimated for the full Group.

Greenhouse gas (GHG) emissions methodology

Our emissions calculations follow the GHG Protocol Corporate Accounting and Reporting Standard.

Scope 1 and 2

Our Scope 1 and 2 is further explained in the table below. We use the same emissions factors for scope 1 and 2 as explained for scope 3 below.

What we measure	Measurement units	Percentage of our emissions covered
SCOPE 1		
Emissions from own vehicles		
• Consumption of fossil fuel sources for vehicles and transportation during the quarter. • This is consumption for vehicles that we own and that we lease (either financial lease or any other type of leasing). • For leasing, the only exception is if we as a leasee/leaseholder/renter can prove that we have no control or influence over the energy use of the vehicle. This means that e.g., we cannot control the use of the vehicle, the type of fuel used, or the type of vehicle rented in the first place - and we can document this.	Liters	100%
Emissions from own stationary combustion		
• Consumption of fossil fuel sources for heat or energy in buildings and production processes during the quarter, such as boilers, burners, furnaces, blast furnaces, combustion engines. • This is the consumption for machinery and equipment that we own and that we lease (either financial lease or any other type of leasing). • For leasing, the only exception is if we as a leasee/leaseholder/renter can prove that we have no control or influence over the energy use of the machinery or equipment. This means that e.g., we cannot control the use of the machinery or equipment, the type of fuel used, or the type of machine or equipment rented in the first place - and we can document this.	Liters Kg	100%
SCOPE 2		
District heating (steam and cooling)		
• Consumption of local energy sources from district heating during the quarter. • This includes consumption for buildings, machines, equipment, and other assets that we own and that we lease (either financial lease or any other type of leasing). • For leasing, the only exception is if we as a tenant can prove that we have no control or influence over the energy use. This means that e.g., heating or cooling is centrally controlled, and we can document that we can't ask or complain to have the temperature adjusted, for example, at night. • In cases where several Saferoad companies or business units share a building or office, the emissions from district heating is split the same way financial costs are split. If this is not possible, we use the estimated share of the rented space.	kWh/MWh	100%
Electricity		
• Consumption of grid energy during the quarter. • This includes consumption for vehicles, buildings, machines, equipment, and other assets that we own and that we lease (either financial lease or any other type of leasing). • For leasing or renting, the only exception is if we as a tenant can prove that we have no control or influence over the energy use. This means that e.g., electricity for lighting or heating is centrally controlled and we can document that we can't ask or complain to have the temperature adjusted or lights turned off at night. As a tenant, in most cases we can adjust the use of electricity ourselves, for example turn off lights in areas that are not in use all the time. • In cases where several Saferoad companies or business units share a building or office, the emissions from district heating is split the same way financial costs are split. If this is not possible, we use the estimated share of the rented space.	kWh/MWh	100%

Scope 3
The GHG Protocol defines 15 categories that together make up a company's Scope 3 emissions. In the following tables, each category is introduced with definitions and explanations related to Saferoad's emissions. Categories not relevant and therefore not included in Saferoad's Scope 3 emissions are clearly indicated with an explanation.

Included/excluded in the category's boundaries
The GHG Protocol has pre-defined minimum boundaries, meaning what activities (that create the emissions) must be included in a category. These can be found in the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (v1): Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. All categories included in Saferoad's Scope 3 emissions cover the minimum boundary defined by the GHG Protocol. For clarity, each category below includes an explanation of how these minimum boundaries have been translated to specific Saferoad activities or materials, including which activities or materials have been included for the calculation of the category's emissions, and which activities or materials have not been included for full transparency.

Calculation method
The GHG Protocol has pre-defined acceptable calculation methods for each category. These can be found in the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (v1): Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The applied calculation method is explained below for each category.

Emission factors
CEMAsys provides the emissions factors for all categories except for Category 6, Business travel. This category is based on data that has used emissions factors from DEFRA/BEIS (annual conversion factors from UK government). The main emissions factors used by CEMAsys are:

- DEFRA (2023). UK Government GHG Conversion Factors for Company Reporting, Department for Business, Energy & Industrial Strategy (DEFRA)
- IEA (2023). Emission Factors database, International Energy Agency (IEA), Paris.
- EcoInvent 3.8, 3.9.1, and 3.10. Wernet, G., Bauer, C., Steubing, B., Reinhard, J., Moreno-Ruiz, E., and Weidema, B., 2016. The ecoinvent database version 3 (part I): overview and methodology. The International Journal of Life Cycle Assessment.
- IMO (2020). Reduction of GHG emissions from ships - Third IMO GHG Study 2014 (Final report). International Maritime Organisation, https://www.imo.org/en/ourwork/environment/pages/greenhouse-gas-studies-2014.aspx
- IPCC (2007). IPCC Fourth Assessment Report: Climate Change 2007 (AR4). https://www.ipcc.ch/report/ar4/
- IPCC (2014). IPCC fifth assessment report: Climate change 2013 (AR5 updated version November 2014). http://www.ipcc.ch/report/ar5/
- AIB (2023). European Residual Mixes 2022, Association of Issuing Bodies.
- WBCSD/WRI (2004). The greenhouse gas protocol. A corporate accounting and reporting standard (revised edition). World Business Council on Sustainable Development (WBCSD), Geneva, Switzerland /World Resource Institute (WRI), Washington DC, USA, 116 pp.
- WBCSD/WRI (2011). Corporate value chain (Scope 3) accounting and reporting standard: Supplement to the GHG Protocol corporate accounting and reporting standard. World Business Council on Sustainable Development (WBCSD), Geneva, Switzerland /World Resource Institute (WRI), Washington DC, USA, 149 pp.
- WBCSD/WRI (2015). GHG protocol Scope 2 guidance: An amendment to the GHG protocol corporate standard. World Business Council on Sustainable Development (WBCSD), Geneva, Switzerland /World Resource Institute (WRI), Washington DC, USA, 117 pp.

A note from CEMAsys: The reference list above is not necessarily complete but contains the most essential references used in CEMAsys. In addition, several local/national sources may be used, depending on the selection of emission factors.

Category inclusion
The GHG Protocol has defined criteria to consider when deciding whether to include or exclude a category from Saferoad's Scope 3 emissions. These can be found in the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (v1): Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. For Saferoad to include a category in our Scope 3 emissions, at least one of the criteria must be relevant. In many cases, several criteria are relevant but only the most significant criteria are included in the explanation for each category. The criteria are:

- Size: They [emissions from the category in question] contribute significantly to the company's total anticipated scope 3 emissions
- Influence: There are potential emissions reductions that could be undertaken or influenced by the company
- Risk: They contribute to the company's risk exposure (e.g., climate change related risks such as financial, regulatory, supply chain, product and technology, compliance/litigation, and reputational risks)
- Stakeholders: They are deemed critical by key stakeholders (e.g., customers, suppliers, investors or civil society)
- Outsourcing: They are outsourced activities previously performed in-house or activities outsourced by the reporting company that are typically performed in-house by other companies in the reporting company's sector

- Sector guidance: They have been identified as significant by sector-specific guidance
- Spending or revenue analysis: They are areas that require a high level of spending or generate a high level of revenue (and are sometimes correlated with high GHG emissions)
- Other: They meet any additional criteria developed by the company or industry sector

What we measure	Included in the boundary	Excluded in the boundary	Calculation method	Category inclusion	Percentage of our emissions in this category covered
Category 1: Purchased goods and services					
• All upstream (i.e., cradle-to-gate) emissions from the production of products purchased or acquired. Products include both goods (tangible products) and services (intangible products). • These are goods and services to be used in our processes or activities (input). • The goods and services are purchased and paid for during the reporting year.	Direct materials (traded goods and raw materials): • Steel finished goods (railings, components, fasteners etc.) • Steel longs (tubes, rebars, profiles etc.) • Steel flats (coil, plates)• • Zinc • Aluminium • Plastics (thermoplastic, reflective sheeting, plastic traffic safety products, rubber plastics, etc.) • Chemicals • Concrete • Electrical components • Glass beads Direct services, such as: •Contracted services for winter maintenance Indirect materials, such as: • Packaging Indirect services, such as: • Finance, IT & Comms, Professional services, Marketing, HR, Travel, Office admin services • Facility management services • MRO (maintenance, repairs, operations) including consumables, services and material for this	• Purchased energy & utilities: this is accounted for under scope 2 • Leased facilities or offices: this is accounted for under scope 1 and 2 • Purchased vehicles, machinery, and equipment: this is accounted for in "Capital goods" under scope 3 • Intra-Saferoad business units purchases	• Average-data method for direct materials and services, and for packaging. We collect volume and multiply by relevant emissions factor. • Spend-based method for all other indirect materials and MRO. Indirect materials and MRO account for a small part of emissions from this category. We collect spend and multiply by relevant emissions factor.	Relevant under the criteria "Size" and "Influence": Significant emissions that we can directly influence to reduce.	90-95% Emission sources from all the business units have been mapped, but some data may have been emitted by the business unit for one of several reasons: • Very low volume or spend, although we have not set a lower threshold • A product or service not included or not considered relevant by mistake (e.g., non-compliance with our internal reporting guidelines) • Human errors when reporting For this reason, we estimate that 90% (conservative estimate) to 95% of all purchased products and services are covered in this category's emissions.
Category 2: Capital goods					
• All upstream (i.e., cradle-to-gate) emissions from the production of capital goods acquired during the reporting year.	• Machinery and vehicles purchased during the reporting year defined as Capex in the financial accounting, and above NOK 10.000. • Includes investments and financial leasing of assets.	• Capex below NOK 10.000. • Capex such as software, write-downs, other non-physical Capex, and R&D. • Use of capital goods: this is accounted for in either scope 1 (e.g., for fuel use) or scope 2 (e.g., for electricity use). • Operational leasing of assets: this is accounted for in either scope 1 (e.g., for fuel use) or scope 2 (e.g., for electricity use), but not considered our capital good.	Average spend-based method: we collect spend and multiply by relevant emissions factor.	Relevant under the criteria "Size" and "Influence": Significant emissions that we can directly influence to reduce.	90-95% Capex from all the business units have been mapped, but some data may have been emitted by the business unit for one of several reasons: • Unclear Capex definitions • A capital good not included or not considered relevant by mistake (e.g., non-compliance with our internal reporting guidelines) • Human errors when reporting For this reason, we estimate that 90% (conservative estimate) to 95% of all capital goods are covered in this category's emissions.
Category 3: Fuel-and-energy related activities					
• Extraction, production, and transportation of fuels and energy purchased or acquired in the reporting year, not already accounted for in scope 1 or scope 2.	All emissions reported under scope 1 and 2.	-	Average-data method: we collect fuel consumption and multiply by relevant emissions factor.	Relevant under the criteria "Influence": Emissions that we can directly influence to reduce.	100%

What we measure	Included in the boundary	Excluded in the boundary	Calculation method	Category inclusion	Percentage of our emissions in this category covered
Category 4: Upstream transportation and distribution					
• Emissions from all third-party inbound transportation and distribution (Scope 1 and 2 for the transportation company) during the reporting year. • Emissions from third-party outbound transportation and distribution (Scope 1 and 2 for the transportation company) during the reporting year paid directly by the business unit or paid by the business unit and then invoiced to a customer. • Mode of transportation is decided by the business unit.	• All inbound and outbound transportation where the transportation mode is decided by the business unit. This is mainly intra-country or intra-Europe road transportation from supplier to our business unit locations. • In some cases, this is intra-country or intra-Europe road transportation from our business units to customers. • This also includes intra-Saferoad business unit/location transportation by third-party transporters.	• Transportation in vehicles owned, leased, or operated by us: this is accounted for under scope 1 and 2. • Transportation where a third-party such as a customer decides the mode of transportation and pays directly for it (not paid by us): this is accounted for in "Downstream Transportation and Distribution" under scope 3. • Transportation by a third-party to or from a supplier providing an indirect or direct service (e.g., paint, powder coating, repairs).	Distance-based method: we collect ton-kilometre and multiply by relevant emissions factor. To calculate ton-kilometre we have used two different approaches: • Transport from supplier to a business unit: total tonnes transported during the reporting year per supplier multiplied with the distance between the specific supplier and business unit. • Transport from a business unit to customers: total tonnes transported during the reporting year for all transport multiplied with the average distance between the business unit and a customer.	Relevant under the criteria "Size" and "Influence": Significant emissions that we can directly influence to reduce.	90-95% Emission sources from all the business units have been mapped, but some data may have been emitted by the business unit for one of several reasons: • Very low spend or km transported between the business unit and third-party, although we have not set a lower threshold • Transportation has not been included or not considered relevant by mistake (e.g., non-compliance with our internal reporting guidelines) • Human errors when reporting For this reason, we estimate that 90% (conservative estimate) to 95% of all upstream transport are covered in this category's emissions.
Category 5: Waste generated in operations					
• Disposal and treatment of waste generated in the business units' facilities during the reporting year (Scope 1 and 2 of waste disposal companies disposing of our waste).	Metal scraps, plastics, wood, paper, carton, residual waste, hazardous waste such as electronics, batteries, zinc ash, paint, paint containers, spray cans, acids, oils and other chemicals.	-	Waste-type-specific method: we collect waste by type and volume and multiply by relevant emissions factor.	Relevant under the criteria "Influence": Emissions that we can directly influence to reduce.	85-90% Waste volumes from all the business units have been mapped, but some data may have been emitted by the business unit for one of several reasons: • Unclear waste definitions • Waste types not included or not considered relevant by mistake (e.g., non-compliance with our internal reporting guidelines) • Human errors when reporting The level of detail and overview of waste streams varies significantly between business units. For this reason, we estimate that 85% (conservative estimate) to 90% of all waste is covered in this category's emissions.
Category 6: Business travel					
• Emissions from the transportation of employees for business-related activities operated by third parties during the reporting year.	Air travel and hotel nights.	Train and road travel.	Distance-based method: we use emissions data provided by the travel booking service Egencia. Egencia uses segment distances multiplied by emissions factors from DEFRA/BEIS (annual conversion factors from UK government). Approximately 16% of Saferoad's employees have access to Egencia. Egencia data is extrapolated to cover the rest of the company. The majority of Saferoad's travel is logged in Egencia because Saferoad's management uses Egencia. The management team accounts for a significant amount of Saferoad's travel. Using Egencia to extrapolate can therefore be considered a conservative approach.	Relevant under the criteria "Influence": Emissions that we can directly influence to reduce.	90% The calculation is based on travel registered in the travel portal. We estimate that 10% of travel that should have been booked through the travel portal have been booked using other methods.

What we measure	Included in the boundary	Excluded in the boundary	Calculation method	Category inclusion	Percentage of our emissions in this category covered
Category 7: Employee commuting					
• Emissions from the transportation of employees between their homes and their worksites during the reporting year.	Commuting by car.	Commuting using public transport. The majority of Saferoad's offices and sites are not in proximity to public transport.	Average-data method: for a conservative estimation, we estimate that the average commute for employees is 20km per day and multiply this by the number of employees at the end of the reporting year and by the relevant emission factor.	Relevant under the criteria "Influence": Emissions that we can directly influence to reduce.	100%
Category 8: Upstream leased assets					
• Emissions from the operation of assets that we lease, and not already accounted for in scope 1 and scope 2.	-	-	-	Not relevant. None of the criteria apply. Saferoad has operational control over all vehicles or facilities leased, accounted for under scope 1 and 2. In rare instances where we do not have operational control, the majority of our materials and products do not require heating or cooling, limiting the use of fuels.	-
Category 9: Downstream transportation and distribution					
• Emissions from third-party outbound transportation and distribution of sold products during the reporting year (Scope 1 and 2 of transportation company), but not paid by the business unit. • Mode of transportation is decided by the third-party.	Outbound transportation that the business units have no direct influence over. Transportation is paid by a third-party, usually a customer.	• Transportation in vehicles owned or operated by us: this accounted for under scope 1. • Outbound transportation paid by us: this is accounted for in "Upstream Transportation and Distribution" under scope 3.	Distance-based method: we collect ton-kilometre and multiply by relevant emissions factor. Ton-kilometre is calculated using the total tonnes transported during the reporting year for all transport multiplied with the average distance between the business unit and a customer.	Relevant under the criteria "Size": Significant emissions.	90-95% Emission sources from all the business units have been mapped, but some data may have been emitted by the business unit for one of several reasons: • Very low spend or km transported between the business unit and third-party, although we have not set a lower threshold • Transportation has not been included or not considered relevant by mistake (e.g., non-compliance with our internal reporting guidelines) • Human errors when reporting For this reason, we estimate that 90% (conservative estimate) to 95% of all upstream transport are covered in this category's emissions.
Category 10: Processing of sold products					
• Emissions from the processing of intermediate products sold by us in the reporting year to customers (e.g., manufacturers).	-	-	-	Not relevant. None of the criteria apply. Saferoad's products do not undergo processing. Some customers will assemble or install products; however these activities require limited amounts of energy. In addition, such activities are, under the GHG Protocol, a part of "Use of sold products" albeit beyond the minimum boundary. Assembly and installation that we do ourselves is included under scope 1 and 2.	-
Category 11: Use of sold products					
• Emissions from the use of goods and services that are sold by us during the reporting year.	Products that directly consume energy during use, notably digital and LED signs.	• Indirect use-phase, such as the energy use from light poles. We do not install the electric component of light poles. • Assembly and installation not done by us: this is outside the GHG Protocol's minimum boundaries.	Direct use-phase emissions from products that directly consume energy (fuels or electricity) during use: we estimate the average kWh consumption per year per product group and multiply this by emissions factors per country and the estimated average lifespan. For LED, this is estimated to be 7 years on average.	Relevant under the criteria "Influence": Emissions that we can directly influence to reduce, by e.g., developing signs with solar panels.	100%

What we measure	Included in the boundary	Excluded in the boundary	Calculation method	Category inclusion	Percentage of our emissions in this category covered
Category 12: End-of-life treatment of sold products					
• Emissions from waste disposal and treatment of products at the end of their life (Scope 1 and 2 of waste disposal companies disposing of products no longer in use), sold by us during the reporting year.	End-of-life treatment based on purchased materials and goods.	• Products and goods used in purchased services, such as repairs, have been excluded. • Some of the products we sell will have a natural end-of-life through wear and tear, such as road marking. There is pollution to nature, but no GHG emissions.	Average-data method: we estimate the volume of waste from sold products using the volume of materials purchased during the reporting year and multiply by relevant emissions factor.	Relevant under the criteria "Influence": Emissions that we can directly influence to reduce, by e.g., designing for circularity.	90-95% Depends on the materials and goods purchased. See "Purchased goods and services".
Category 13: Downstream leased assets					
• Emissions from operation of assets owned by us and rented out to customers during the reporting year.	-	-	-	Not relevant. None of the criteria apply. Saferoad does not lease products that use energy in 2023.	-
Category 14: Franchise					
• Emissions from the operation of franchises during the reporting year, not included in scope 1 or scope 2. • Franchisors are defined as companies that grant licenses to other entities to sell or distribute its goods or services in return for payments, such as royalties for the use of trademarks and other services.	-	-	-	Not relevant. None of the criteria apply. Saferoad does not have license agreements for products that directly consume energy during use. Saferoad does have license agreement on other products that do not consume energy during use.	-
Category 15: Investments					
• Emissions from investments during the reporting year, not included in scope 1 or scope 2.	-	-	-	Not relevant. None of the criteria apply. Saferoad does not provide capital or financing as a service.	-

Energy mix basis for Disclosure requirement E1-5

To calculate the share of renewable and fossil fuel energy from our consumption of electricity, we use several electricity mix sources. For Norway, we use electricity mix sources provided by NVE, for the UK we use the Department for Energy Security and Net Zero, and for all other countries, we use data from Ember. The share per country is listed below.

Country	Energy source	Share of total energy source (%)
Norway	Gas	1.00
	Coal	0.84
	Nuclear	1.62
	Other fossil	1.50
	Renewables	95.00
Romania	Gas	14.77
	Coal	14.38
	Nuclear	19.87
	Other fossil	0.59
	Renewables	50.40
Poland	Gas	8.74
	Coal	61.05
	Other fossil	3.06
	Renewables	27.15
Czech Republic	Gas	3.11
	Coal	40.20
	Nuclear	39.91
	Other fossil	1.90
	Renewables	14.87
Sweden	Gas	0.09
	Coal	0.01
	Nuclear	29.09
	Other fossil	1.65
	Renewables	69.16
Germany	Gas	15.56
	Coal	8.37
	Lignite	17.67
	Nuclear	1.71
	Other fossil	3.20
	Renewables	53.48
UK	Gas	38.40
	Coal	1.70
	Nuclear	14.70
	Oil & other fossil	3.70
	Renewables	41.50

Country	Energy source	Share of total energy source (%)
Netherlands	Gas	37.95
	Coal	7.08
	Nuclear	3.29
	Other fossil	4.24
	Renewables	47.43
Denmark	Gas	2.53
	Coal	7.94
	Other fossil	1.93
	Renewables	87.61
Finland	Gas	0.63
	Coal	1.99
	Nuclear	42.75
	Other fossil	2.99
	Renewables	51.64
Italy	Gas	45.28
	Coal	5.29
	Nuclear	-
	Renewables	49.43
Latvia	Gas	23.40
	Other renewables	76.61

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Consolidated statement of comprehensive income 1.1.-31.12.

NOK 1000	Notes	**2023**	2022
PROFIT AND LOSS			
Revenue		**6,712,492**	6,145,975
Other operating revenue		**30,706**	27,359
Total operating revenue	6, 7	**6,743,198**	6,173,334
Cost of goods sold	8	**3,471,955**	3,323,280
Personnel costs	9, 10	**1,684,796**	1,513,379
Depreciation and impairment property, plant and equipment	17	**146,984**	134,084
Depreciation and impairment right of use assets	18	**122,783**	109,012
Amortisation and impairment	16	**55,075**	50,157
Other operating costs	11	**916,714**	822,403
Total operating costs		**6,398,308**	5,952,316
Operating profit/(loss)		**344,891**	221,018
Financial income	12	**20,013**	5,091
Financial expenses	12	**343,525**	268,309
Net exchange rate gain/(loss)	12	**(104,106)**	(45,236)
Share of profit/(loss) of associated companies	12, 13	**655**	442
Net financial income/(expenses)		**(426,963)**	(308,012)
Profit/(loss) before tax		**(82,072)**	(86,994)
Tax	14	**(50,230)**	22,805
Profit/(loss) for the year		**(132,302)**	(64,189)

NOK 1000	Notes	**2023**	2022
OTHER COMPREHENSIVE INCOME			
Items to be reclassified to profit/loss in subsequent periods			
Exchange differences on translation of foreign operations		**113,719**	23,470
Exchange differences on loans treated as net investments		**46,493**	45,982
Hedge accounting	25	**(37,841)**	109,077
Items not to be reclassified to profit/loss in subsequent periods			
Remeasurement of net defined benefit liability	10, 14	**396**	11,975
Other		**0**	(3,171)
Other comprehensive income for the year, net of tax		**122,766**	187,332
Total comprehensive income for the year		**(9,536)**	123,143
Profit/(loss) for the year attributable to:			
Equity holders of the parent company		**(133,070)**	(65,563)
Non-controlling interests		**768**	1,374
		(132,302)	(64,189)
Total comprehensive income attributable to:			
Equity holders of the parent company		**(10,630)**	121,357
Non-controlling interests		**1,095**	1,786
		(9,536)	123,143

Consolidated statement of financial position (assets)

NOK 1000	Notes	31.12.2023	31.12.2022
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Development	16	**106,125**	101,614
Licenses, product rights etc.	16	**2,928**	2,655
Goodwill	16	**424,516**	415,773
Customer relationships	16	**87,571**	103,248
Other intangible assets	16	**30,949**	13,265
Total intangible assets		**652,089**	636,555
Tangible assets			
Land	17	**37,151**	33,899
Buildings	17	**288,425**	280,050
Machines and equipment	17	**411,643**	392,743
Construction in progress	17	**59,218**	22,994
Rental equipment, furniture and vehicles	17	**147,380**	139,455
Right-of-use assets	18	**363,509**	284,232
Total fixed assets		**1,307,326**	1,153,373
Financial non-current assets			
Investment in associated companies	13	**2,822**	1,863
Other investments	13, 26	**685**	625
Non-current receivables		**29,928**	21,785
Financial derivatives	25	**151,084**	219,347
Total financial assets		**184,518**	243,619
Deferred tax assets	14	**101,477**	72,677
Total non-current assets		**2,245,410**	2,106,224
CURRENT ASSETS			
Inventories	8	**1,025,349**	1,074,950
Receivables			
Trade receivables	4	**842,814**	814,436
Other receivables	7, 19	**354,331**	331,939
Total receivables		**1,197,145**	1,146,375
Cash and cash equivalents	20	**304,733**	377,711
Total current assets		**2,527,228**	2,599,037
Total assets		**4,772,637**	4,705,261

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

NOK 1000	Notes	31.12.2023	31.12.2022
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	28	**25,766**	25,766
Share premium	28	**385,469**	385,469
Hedge reserve		**71,236**	109,077
Currency translation reserve		**217,199**	57,314
Other equity		**(196,727)**	(63,800)
Total shareholders' equity attributable to the shareholders of the parent company		**502,943**	513,827
Non-controlling interests	28	**5,997**	4,903
Total equity		**508,940**	518,730
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	4, 21, 26, 29	**2,538,673**	2,660,071
Other non-current liabilities	4, 21, 23, 26, 29	**324,253**	257,869
Financial derivatives	25	**59,755**	79,609
Pension obligations	10	**30,008**	31,751
Deferred tax liabilities	14	**24,777**	23,778
Other provisions	22	**5,241**	6,380
Total non-current liabilities		**2,982,706**	3,059,456
Current liabilities			
Liabilities to credit institutions	21	**197**	367
Accounts payables		**574,220**	458,407
Current tax liabilities	14	**40,579**	14,139
Public duties (VAT, social benefits etc.)		**165,354**	157,964
Other current liabilities	7, 23, 24	**385,272**	398,380
Other provisions	22	**1,241**	8,386
Current portion of non-current liabilities	21	**114,129**	89,431
Total current liabilities		**1,280,991**	1,127,074
Total liabilities		**4,263,697**	4,186,530
Total shareholders' equity and liabilities		**4,772,637**	4,705,261

Consolidated statement of changes in equity

NOK 1000	Share capital	Share premium	Hedge reserve	Currency translation reserve	Other equity	**Total**	Non-controlling interests	**Total equity**
Note	28	28					28	
Equity at 31.12.2021	25,766	385,469	0	(11,591)	(3,515)	**396,129**	6,781	**402,910**
Dividends to shareholders and non-controlling interests						**0**	(3,665)	**(3,665)**
Group contribution					(3,659)	**(3,659)**		**(3,659)**
Profit/(loss) for the year					(65,563)	**(65,563)**	1,374	**(64,189)**
Other comprehensive income net of tax:								
Actuarial gain/(loss)					11,975	**11,975**		**11,975**
Hedge accounting			109,077			**109,077**		**109,077**
Exchange differences on translation of foreign operations				23,057		**23,057**	412	**23,470**
Exchange differences on loans treated as net investments				45,982		**45,982**		**45,982**
Other				(133)	(3,038)	**(3,171)**		**(3,171)**
Total other comprehensive income net of tax	0	0	109,077	68,906	8,937	**186,920**	412	**187,332**
Total comprehensive income	0	0	109,077	68,906	(56,626)	**121,357**	1,786	**123,143**
Equity at 31.12.2022	25,766	385,469	109,077	57,314	(63,800)	**513,827**	4,903	**518,730**
Group contribution					(253)	**(253)**		**(253)**
Profit/(loss) for the year					(133,070)	**(133,070)**	768	**(132,302)**
Other comprehensive income net of tax:								
Actuarial gain/(loss)					396	**396**		**396**
Hedge accounting			(37,841)			**(37,841)**		**(37,841)**
Exchange differences on translation of foreign operations				113,392		**113,392**	327	**113,719**
Exchange differences on loans treated as net investments				46,493		**46,493**		**46,493**
Total other comprehensive income net of tax	0	0	(37,841)	159,885	396	**122,439**	327	**122,766**
Total comprehensive income	0	0	(37,841)	159,885	(132,674)	**(10,630)**	1,095	**(9,536)**
Equity at 31.12.2023	25,766	385,469	71,236	217,199	(196,727)	**502,943**	5,997	**508,940**

The share capital of NOK 25.8 million in Saferoad Holding AS as of 31 December 2023 consists of 26 675 509 class A shares (common shares) and 102 155 869 class B shares (preference shares), in total 128 831 378 shares, with nominal value of NOK 0.20 per share.

Consolidated cash flow statement

NOK 1000	Notes	**2023**	2022
Cash flow from operations			
Profit/(loss) before tax		**(82,072)**	(86,994)
Income tax paid	14	**(34,022)**	(2,358)
Profit from sale and disposal of tangible assets		**(5,718)**	(4,808)
Loss on sale of tangible assets		**774**	614
Net depreciation, amortisation and impairment	16, 17, 18	**324,843**	293,254
Impairment of inventory	8	**4,391**	(3,579)
Net currency (gains)/losses not relating to operating activities		**92,139**	45,454
Interest income and other financial income	12	**(20,013)**	(5,091)
Interest costs and other financial expenses	12	**343,525**	268,309
Changes in inventory	8	**110,228**	(9,720)
Changes in trade receivable	4	**18,745**	(67,804)
Changes in accounts payable		**84,042**	(76,874)
Income from using equity method	13	**(655)**	(442)
Changes in other current receivables and liabilities		**(40,740)**	132,554
Net cash flow from operations		**795,466**	482,513
Cash flow from investment activities			
Interest received	12	**20,013**	5,091
Acquisition of business	5	**(4,956)**	0
Buy-out of non-controlling interests and payments for acquired shares	23	**0**	0
Purchase/production of fixed and intangible assets	16, 17, 18	**(203,502)**	(166,715)
Proceeds from sale of fixed assets		**7,230**	8,590
Other changes		**(6,936)**	(3,222)
Net cash flow from investment activities		**(188,151)**	(156,256)
Cash flow from financing activities			
Proceeds from borrowings		**217,736**	358,321
Repayment of borrowings		**(463,983)**	(454,702)
Group contribution		**(253)**	0
Dividends to shareholders and non-controlling interests		**0**	(3,665)
Repayment of financial lease liabilities		**(143,420)**	(121,782)
Interest paid		**(303,350)**	(230,323)
Net cash flow from financing activities	27	**(693,271)**	(452,150)
Net increase/(decrease) in cash and cash equivalents		**(85,956)**	(125,892)
Effect of exchange rate differences on cash and cash equivalents		**12,978**	1,225
Cash and cash equivalents at beginning of the period		**377,711**	502,378
Cash and cash equivalents at the end of the period		**304,733**	377,711

Oslo 22 April 2024
The Board of Saferoad Holding AS

Patrik Nolåker
Chairman

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Elke Elfriede Eckstein
Board member

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Elke Elfriede Eckstein
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Ulrik Smith
Board member

DocuSigned by:
Ulrik Smith
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Niclas Thiel
Board member

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Niclas Thiel
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Moritz Madlener
Board member

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Moritz Madlener
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Espen Asheim
Board member

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Espen Asheim
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Knut Brevik
Board member

DocuSigned by:
Knut Brevik
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Jan Torgeir Hovden
Board member

DocuSigned by:
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Bernd Frühwald
Group CEO

DocuSigned by:
Bernd Frühwald
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Note 1
Corporate information

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

Saferoad Holding AS is the holding company of the Saferoad Group. The Group conducts its business through subsidiaries in the Nordic countries, Germany, Poland and other European countries. In addition, the Group executes projects in, as well as export and sale of products to, non-European countries. See note 10 in Saferoad Holding AS separate financial statement for a list of companies that belong to the Group. For additional information regarding the Group, please visit www.Saferoad.com.

The ultimate parent of Saferoad Group is SRH BridgeCo AS, and Saferoad Group is part of SRH BridgeCo Group together with Viacon Group. Saferoad Group has transactions with other companies in SRH BridgeCo Group, including the sister group ViaCon, which is described in note 31. These transactions are called transactions with group companies in the Financial statements for Saferoad Group.

These consolidated financial statements have been approved for publication by the Board of Directors on 22 April 2024 and are to be approved at the annual general meeting.

Note 2
Statement of compliance and basis for preparation

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

Amendments and interpretations applied for the first time in 2023, did not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

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

Consolidation principles
The consolidated financial statements include Saferoad Holding AS and all companies in which Saferoad Holding AS exercises control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through it power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Subsidiaries are deconsolidated from the date that control ceases.

Non-controlling interests, which consist of the share of the profits or losses and the part of the net assets of group companies that do not belong to the shareholders of the parent company, are reported as a separate item in the consolidated shareholders' equity. The statement of comprehensive income includes the non-controlling share of the reported profit or loss.

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

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

Acquisition-related costs are expensed as incurred.

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

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

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
The Group´s financial assets mainly consist of trade receivables, other receivables and cash and cash equivalents. Assets are classified to the different measurement categories based on the business model and the characteristics of the contractual terms applying to cash flows.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

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

Financial assets at amortised cost (debt instruments)
The Group measures financial assets at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

Financial assets at fair value through OCI (debt instruments)
The Group measures debt instruments at fair value through OCI if both of the following conditions are met:
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

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

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

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:
- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
    a. the Group has transferred substantially all the risks and rewards

of the asset, or

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

Financial liabilities
The Group's financial liabilities mainly consist of loans and borrowings, trade and other payables, and other current liabilities.

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

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Payables are measured at their nominal amount when the effect of discounting is not material.

Financial liabilities are measured at fair value through profit or loss when they meet the definition of held for trading, or when they are designated as such on initial recognition.

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

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

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

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

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

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

Currency effects in the consolidation
The statement of financial position of subsidiaries with a different functional currency, including goodwill and adjustments for fair value made in connection

with consolidation, is translated at the exchange rate at the end of the reporting period, while the profit or loss is translated at an average of the year's exchange rates. The exchange rate differences that arise as a result of the translation are reported directly in other comprehensive income. In the event of a sale or other disposal of a foreign company, the accrued accumulated translation difference is recognised in profit or loss together with the gain or loss resulting from the sale or disposal.

Classification of current and non-current assets and liabilities
The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.
A liability is current when:
- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Government grants
Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Grants received that relate to an acquisition or development of assets has been presented "gross" in the consolidated financial statements. A gross presentation entails that the grant received is presented separately as deferred income. The deferred income is presented as other non-current liability and is amortised over the useful life of the related asset. The amortised part of the deferred income is presented as other operating income in the financial statements.

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

Adoption of new and revised standards, amendments and interpretations
IASB has issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 were applicable for annual periods beginning on or after 1 January 2023. The Group has for the 2023 annual report revisited accounting policy information disclosure to ensure consistency with the amended requirements.

Saferoad has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. There are no standards, interpretations, or amendments effective from 1 January 2024 or later that are expected to have a significant impact on the consolidated financial statements of the Group.

Note 3
Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and applying the chosen accounting policies requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

The accounting policies applied by the Group in which judgements, estimates and assumptions are material are indicated in the table below and disclosed in the respective notes:

Judgements, estimates and assumptions	Note	
Revenue	7	Judgement
Income tax	14	Estimate
Impairment	15	Estimate
Intangible assets	16	Estimate
Property, plant and equipment	17	Estimate
Leases	18	Judgement / Estimate

Note 4
Financial strategy and financial risks

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

Saferoad's long-term financing is secured through the Parent Company Saferoad Holding AS Senior Term Facilities Agreement with GSO ESDF II, GSO ESDF II Levered Holdco I S.a.r.l., GSO ESDF II Levered Holdco II S.a.r.l. and G QCM Holdco S.a.r.l. (all funds managed by Blackstone Alternative Credit Advisors LP) as original lenders. The Senior Term Facilities are for NOK 869.1 million, EUR 96.0 million and SEK 610.7 million which mature in 2028.

In addition, working capital financing is secured through a Revolving Credit Facility agreement between Saferoad Holding AS and DNB Bank ASA as Original Lender. The Revolving Facility Agreement commitment is NOK 510.0 million and matures in March 2028. By year end 2023, there was drawn NOK 50.0 million on the revolving facility.

Saferoad Holding AS entered during 2022 into a Frame Agreement for Receivables Purchase with DNB Bank with an uncommitted frame of NOK 250.0 million, where DNB Bank purchases receivables from the Saferoad subsidiaries. Moramast AB and Saferoad Sverige AB acceded the Receivable Purchase Agreement during 2022 while Saferoad Traffic AS acceded during 2023. By the end of 2023 DNB Bank had bought receivables for an aggregate amount of close to NOK 77.5 million from these three subsidiaries (NOK 48.0 million in 2022). The purchases of receivables are done on a non-recourse basis.

Saferoad subsidiary, Vik Ørsta AS, has entered into an Overdraft Facility Agreement with DNB Bank for EUR 7.0 million, a Facility that on a recurring basis will be automatically renewed for a 364-day period from December 2023.

Vik Ørsta AS has signed a Mortgage Declaration where Vik Ørsta AS pledges its accounts receivables and inventories as security for the EUR 7.0 million Overdraft Facility Agreement.

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

There is a leverage covenant in the DNB Bank facility with which Saferoad Group must be compliant, in case 40 per cent or more of the revolving facility is drawn. As of 31 December 2023, there is sufficient headroom to the leverage covenant. The only financial covenant in the Senior Term Facility Agreements is a limitation on capital expenditure per annum. Saferoad's actual capital expenditure in 2023 is well below the 2023 capex covenant level.

NET INTEREST-BEARING DEBT

NOK 1000	31.12.2023	31.12.2022
Facility loans (including revolving credit facility)	**2,538,673**	2,660,071
Leasing	**373,102**	292,107
Other interest-bearing debt	**24,941**	19,958
Total interest-bearing debt (note 21)	**2,936,716**	2,972,136
Cash and cash equivalents (note 20)	**304,733**	377,711
Net interest-bearing debt	**2,631,983**	2,594,425

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

Liquidity risk
Liquidity risk is the risk that the Group will be unable to perform its financial obligations as they fall due. The Group's strategy is to manage the liquidity risk so that the Group will have enough liquidity to satisfy its obligations any time.

Sufficient liquidity shall be attained without risking unacceptable losses, or at the expense of the reputation of the Group. Saferoad maintains a liquidity reserve as a buffer for extraordinary events. The liquidity reserve is cash and cash equivalents, with the addition of any unutilised commitments under the Revolving Credit Facility agreement and the Overdraft Facility Agreement between Vik Ørsta AS and DNB Bank. Saferoad is targeting a minimum liquidity reserve between 3 to 5 per cent of the annual turnover of the consolidated Group. The liquidity risk is closely monitored by the Group Management and the Board.

Bank account balances, the Revolving Credit Facility of NOK 510.0 million, and the EUR 7.0 million Overdraft Facility in Vik Ørsta AS ensure sufficient financial capacity to sustain seasonal working capital fluctuations. The liquidity demand increases throughout the spring, and peak pressure is during early autumn when the operational activity is at the highest. Late autumn and during wintertime the commonly harsher weather conditions naturally reduces the operational activity, and thereby the working capital needs.

Saferoad operates two cash pools, which facilitates an efficient exploitation of available cash within the Group. The cash pools help to reduce the utilisation of the Revolving Credit Facility and the EUR 7.0 million Overdraft Facility. In addition, continuous cash flow forecasting helps to reduce external debt financing and thereby financing cost.

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

Realised losses during the year are classified as other operating expenses in the profit or loss (see note 11). The Group's aging structure for outstanding trade receivables has somewhat decreased during 2023 and bad debt losses recognised in 2023 totalled NOK 6.7 million (NOK 13.1 million in 2022). The total provision for bad debt is NOK 26.9 million as of 31 December 2023 (NOK 33.6 million as of 31 December 2022).

Aging analysis trade receivables, 31 December 2023

NOK 1000	Total	Not due	< 30d	30-60d	60-90d	>90d
Trade receivables	869,746	584,837	167,869	30,492	18,633	67,914
Provision for bad debt	(26,932)	(1,130)	0	(421)	(290)	(25,091)
Total trade receivables	842,814	583,707	167,869	30,072	18,343	42,822

Aging analysis trade receivables, 31 December 2022

NOK 1000	Total	Not due	< 30d	30-60d	60-90d	>90d
Trade receivables	848,060	601,611	121,907	13,173	16,452	94,918
Provision for bad debt	(33,624)	(1,896)	(2,272)	(468)	(133)	(28,856)
Total trade receivables	814,436	599,715	119,636	12,704	16,319	66,062

Changes in bad debt provisions

NOK 1000	**31.12.2023**	31.12.2022
Provisions as of 01.01	**33,624**	20,215
Provision for bad debt during the period	**7,755**	15,532
Realized losses for the year	**(10,890)**	(2,841)
Reversed provision during the period	**(7,125)**	(4,545)
Changes due to business combinations	**0**	3,917
Translation differences	**3,568**	1,347
Provisions as of 31.12	**26,932**	33,624

Trade receivables and other receivables are recognised net of expected losses. The accrual for losses is based on an individual assessment of each receivable.

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

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

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

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

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

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

Impacts from a 10 per cent NOK appreciation towards

NOK million	All currencies	SEK	EUR	PLN
One-off revaluation effects in financial items	167	57	100	1

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

Interest rate risk
The interest rates on the financing agreements are affected by changes in market rates, as Saferoad is being charged floating interest rates. Saferoad has bought interest rate caps to protect against rising interest rates, for the Senior Term Facilities Agreement with the GSO-funds. Protection is bought for the full exposure in NOK, EUR and SEK until the maturity of the Senior Term Facilities in 2028.

The sensitivity analysis illustrates the annual impact on financial expenses and after-tax result for an increase or decrease of 100 basis points in the interest rates (all other variables being unchanged). The interest rate caps bought are currently effective for all currencies, and we will therefore not experience any significant cost increase or cost decrease if the current interest rate levels increase or decrease by 100 basis points.

Sensitivity analysis interest rates, 31 December 2023

NOK million	Change Financial expences	Change after tax profit and loss
100 basis points increase	5.6	4.4
100 basis points decrease	(5.6)	(4.4)

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

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

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

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

Saferoad has during 2023 entered some smaller financial derivative contracts to mitigate the risk from rising steel prices.

Financial derivatives
Saferoad has bought interest rate options to cap the upside risk to market rates, as well as commodity swaps to mitigate the risk from rising steel prices. The Group may also from time to time use forward agreements or options to hedge selected currency exposures. Please see note 25 for further description.

Note 5
Business combinations

Accounting policies
The acquisition method is applied when accounting for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Acquisitions in 2023
In January 2023 the Group acquired Lansgående Sikring AS for a total estimated consideration of NOK 5.7 million. There were no other acquisitions in 2023.

Acquisitions in 2022
There were no acquisitions in 2022.

Divestments
There were no material divestments in 2023 or 2022.

Significant accounting estimate
The business combinations are accounted for by applying the acquisition method, and a degree of estimate is used when establishing fair values of the identifiable assets and liabilities at the acquisition dates.

Note 6
Segment information

The operating segments are materially unchanged in 2023. The only change is the acquisition of Lansgående Sikring AS in Traffic in 2023.

Saferoad Group operates in the following business segments:

Restraint Systems
Restraint Systems offer a comprehensive and innovative range of road restraint systems (guardrails, bridge parapets, rails, energy absorbing systems) and noise protection barriers which covers all areas of use on roads, highways and along railways. Saferoad's offering includes design, manufacturing, delivery, installation and repair. Restraint Systems consists of legal entities in Norway, Sweden, Finland, United Kingdom, Germany, Poland, Romania, the Netherlands, Slovakia and Czech Republic.

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

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

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

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

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

Segment performance is evaluated based on "Underlying EBITDA" which deviates from EBITDA derived from the consolidated financial statements. In the internal reporting revenues and expenses are adjusted for items which management believes to be non-recurring, such as restructuring expenses, gains and losses (including transactions costs) from disposals of business, transaction costs regarding refinancing, impairment charges and other non-recurring items. See APM table for a further description.

Accounting policies
Operating segments are reported in a manner consistent with the internal reporting provided to Group Management. We consider Group Management to be the operating decision-making body, as all significant decisions regarding business are taken in this forum.

Transactions between different segments are on an arm's length basis in a manner similar to transactions with third parties.

UNDERLYING OPERATING REVENUE

NOK 1000	**2023**	2022
Restraint Systems	**3,406,220**	3,011,279
Traffic	**1,570,815**	1,450,714
Infrastructure	**1,101,365**	1,191,742
Services	**885,054**	773,929
Holding/Eliminations	**(229,084)**	(254,330)
Underlying operating revenue	**6,734,369**	6,173,334
Adjustments1)	**8,829**	0
Reported operating revenue	**6,743,198**	6,173,334

1) Items which management believes to be non-recurring. See APM table for further break-down.

UNDERLYING PERSONNEL COSTS

NOK 1000	**2023**	2022
Restraint Systems	**608,909**	490,699
Traffic	**551,704**	509,241
Infrastructure	**315,258**	310,992
Services	**196,071**	173,928
Holding/Eliminations	**43,965**	21,764
Underlying personnel costs	**1,715,907**	1,506,625
Classification adjustments2)	**(48,028)**	(35,678)
Adjustments1)	**16,917**	42,432
Reported personnel costs	**1,684,796**	1,513,379

1) Items which management believes to be non-recurring. See APM table for further break-down.

2) External labour services are classified as Other operating costs in IFRS, but as Personnel costs in underlying figures.

UNDERLYING OTHER OPERATING COSTS

NOK 1000	**2023**	2022
Restraint Systems	**280,985**	229,517
Traffic	**203,540**	179,716
Infrastructure	**106,570**	114,481
Services	**93,893**	88,382
Holding/Eliminations	**34,541**	37,513
Underlying other operating costs	**719,530**	649,609
Classification adjustments2)	**165,793**	152,655
Adjustments1)	**31,391**	20,139
Reported other operating costs	**916,714**	822,403

1) Items which management believes to be non-recurring. See APM table for further break-down.

2) Freight charges are classified as Other operating costs in IFRS, but as Cost of goods sold in underlying figures.

UNDERLYING EBITDA

NOK 1000	**2023**	2022
Restraint Systems	**359,108**	223,010
Traffic	**176,962**	139,825
Infrastructure	**172,340**	215,527
Services	**100,098**	75,938
Holding/Eliminations	**(91,003)**	(75,499)
Underlying EBITDA	**717,505**	578,801
Adjustments1)	**(47,772)**	(64,530)
Reported EBITDA	**669,733**	514,271
Depreciation and impairment	**(269,767)**	(243,096)
Amortisation and impairment	**(55,075)**	(50,157)
Reported operating profit/(loss)	**344,891**	221,018

1) Items which management believes to be non-recurring. See APM table for further break-down.

Underlying EBITDA %	10.7 %	9.4 %
Reported EBITDA %	9.9 %	8.3 %

Note 7
Revenue

Accounting policies
The Group offers a broad assortment of products and solutions to the road safety industry. The Group considers itself as principal in its revenue arrangements, hence revenue is recognised on a gross basis. The transaction price is recognised net of any expected variable consideration such as customer bonuses, cash discounts for early payment, penalties, refunds and returns.

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

(i) Sale of goods
Sale of goods comprise the sale of road work products to road authorities or other public and private contractors in the road and construction segments. Such products may include signs, barriers, and light poles etc., which the Group delivers without performing related installation.

Contracts containing the sale of multiple goods are separated into several performance obligations when they are capable of being distinct and are distinct within the context of the contract (e.g., the various goods are independent of each other).

Revenue from the sale of goods is recognised when control is transferred to the customer at a point in time, generally upon physical delivery.

(ii) Sale of services
The Group's service contracts consist of various services such as road marking, road maintenance and installation services.
In service contracts where delivering specified tasks, performance obligations may either consist of single tasks (e.g., a particular installation) or a series of distinct and repetitive tasks or services (e.g., repetitive services such as road marking).

Revenue from performing services is recognised over time, as the customers generally consume the benefits from the services as the Group performs. Units delivered (hours, metres etc.) are generally applied as progress measure.

For the Group's contracts with 'stand ready' obligations, as road maintenance projects where it receives a fixed fee for performing an unspecified quantity of services, the Group generally applies a time-based progress measure. If such services are expected to be performed continuously throughout the contract period, a straight-lined recognition method is applied.

(iii) Sale of goods/services combined and projects
Revenue of sale of goods/services combined and projects relates to contracts where the Group is selling products completely assembled and installed at the customer's premises as well as construction of customised assets for the customer. Examples of such contracts include guardrails, sale and installation of noise protection solutions.

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

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

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

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

Contract balances
Contract assets
A contract asset is initially recognised for revenue earned from installation because the receipt of consideration is conditional on completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Trade receivables
A trade receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). See note 2 section Financial instruments.

Contract liabilities
A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract.

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

Operating revenue split by geographical areas
The group receives most of its income from Northern and Eastern Europe. The Group have a diversified customer base and are not reliant on any single major customer.

NOK 1000	2023	2022
Norway	1,699,444	1,786,903
Sweden	1,229,069	1,249,037
Denmark	485,641	388,681
Poland	678,356	610,736
Germany	1,357,422	914,868
United Kingdom	256,397	284,631
Other	1,036,869	938,477
Total operating revenue	6,743,198	6,173,334

Operating revenue split by nature

NOK 1000	2023	2022
Sales revenue - products	4,997,845	4,588,051
Sales revenue - services	1,714,647	1,557,924
Total other revenue1)	30,706	27,359
Total operating revenue	6,743,198	6,173,334

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

Revenue from contracts with customers split by major product/service line and segments

Set out below is the disaggregation of the Group's revenue from contracts with customers into major product/service lines in accordance with segment reporting, see note 6.

2023

NOK 1000	Restraint Systems	Traffic	Infrastructure	Services	Holding/ Eliminations	Total
Major product/service lines						
Road restraint systems	2,719,433	32,328	0	14,540	0	2,766,301
Signs & work zone protection	15,616	1,309,098	0	8,277	0	1,332,991
Light poles, masts & other	0	6,124	450,367	0	0	456,491
Road services	88,711	0	0	823,643	0	912,355
Other products/eliminations	582,375	231,856	650,913	38,592	(229,084)	1,274,651
Revenue from contracts with customers	3,406,136	1,579,406	1,101,280	885,053	(229,084)	6,742,790

2022

NOK 1000	Restraint Systems	Traffic	Infrastructure	Services	Holding/ Eliminations	Total
Major product/service lines						
Road restraint systems	2,427,967	50,982	0	13,861	0	**2,492,810**
Signs & work zone protection	11,174	1,216,051	0	5,057	0	**1,232,282**
Light poles, masts & other	0	26,730	502,307	0	0	**529,036**
Road services	87,937	0	0	736,376	0	**824,313**
Other products/eliminations	483,949	156,927	689,304	18,585	(254,330)	**1,094,434**
Revenue from contracts with customers	3,011,028	1,450,690	1,191,610	773,879	(254,330)	**6,172,876**

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

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

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

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

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

Other products/eliminations: Other products include street furniture, rail and power poles, rock support products, marina systems and noise protection systems. Eliminations are revenue between the different segments and is applicable for all major product/service lines.

Below is the reconciliation of revenue from contracts with customers with the amounts disclosed in the segment information, see note 6, and with reported operating revenue:

2023

NOK 1000	Restraint Systems	Traffic	Infrastructure	Services	Holding/ Eliminations	Total
Underlying operating revenue	3,406,220	1,570,815	1,101,365	885,054	(229,084)	**6,734,369**
Adjustments1)	0	8,829	0	0	0	8,829
Reported operating revenue	3,406,220	1,579,644	1,101,365	885,054	(229,084)	**6,743,198**
Rental income	85	238	85	1	0	408
Revenue from contracts with customers	3,406,136	1,579,406	1,101,280	885,053	(229,084)	**6,742,790**

1) Items which management believes to be non-recurring.

2022

NOK 1000	Restraint Systems	Traffic	Infrastructure	Services	Holding/ Eliminations	Total
Underlying operating revenue	3,011,279	1,450,714	1,191,742	773,929	(254,330)	**6,173,334**
Adjustments1)	0	0	0	0	0	0
Reported operating revenue	3,011,279	1,450,714	1,191,742	773,929	(254,330)	**6,173,334**
Rental income	251	24	132	51	0	458
Revenue from contracts with customers	3,011,028	1,450,690	1,191,610	773,879	(254,330)	**6,172,876**

1) Items which management believes to be non-recurring.

Balance sheet
Contract assets are included in balance sheet item other receivables and contract liabilities are included in balance sheet item other current liabilities.

Contract balances

NOK 1000	**31.12.2023**	31.12.2022
Trade receivables	**871,324**	824,236
Contract assets	**209,898**	157,967
Contract liabilities	**49,530**	47,630

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

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

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

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

The aggregate amount of the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied), for contracts with original expected duration of one year or more, with right to consideration from the customer at an amount independent of the entity's performance completed to date, as at 31 December 2023 is NOK 13.6 million (NOK 27.6 million as at 31 December 2022), whereof NOK 13.6 million is expected to be recognised within one year (NOK 19.0 million were expected to be recognised within one year in 2022).

Note 8
Cost of goods sold and inventories

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

COST OF GOODS SOLD

NOK 1000	**2023**	2022
Purchase of goods and changes in inventories	**3,467,564**	3,326,860
Write-down of inventories	**4,391**	(3,579)
Total cost of goods sold	**3,471,955**	3,323,280

INVENTORIES

NOK 1000	**Carrying value 31.12.2023**	Carrying value 31.12.2022
Raw materials	**437,795**	439,167
Work in progress	**35,392**	41,149
Own produced goods	**369,880**	396,136
Goods purchased for resale	**182,282**	198,498
Total inventories	**1,025,349**	1,074,950

Note 9

Personnel costs, employees and management remuneration

Salaries and remuneration

NOK 1000	**2023**	2022
Salary	**1,356,991**	1,237,098
Social security tax on salaries, pensions, bonuses etc.	**207,038**	168,543
Other personnel expenses	**21,013**	24,225
Pension expenses	**61,046**	63,264
Bonuses	**38,708**	20,249
Total salaries and remuneration	**1,684,796**	1,513,379

There are 2 566 employees in the Group per 31 December 2023 (2 500 last year).

Salaries and remuneration for Board of Directors and Group management

Board of Directors

The Board of Directors in Saferoad Holding AS received a total remuneration of NOK 1.0 million in 2023 (NOK 1.0 million in 2022). The Chairman and the members of the Board have no agreements for further compensation due to termination or changes in the position.

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

	31.12.2023	31.12.2022
MgmtCo Saferoad AS - Class A shares (common shares)	**175,000**	175,000
MgmtCo Saferoad AS - Class B1 shares (preference shares)	**175,000**	175,000
Total	**350,000**	350,000

CEO

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

	Bernd Frühwald	Bernd Frühwald Oct-Dec	Espen Asheim Jan-Oct
NOK 1000	**2023**	2022	2022
Salary 1)	**4,570**	1,040	4,312
Bonus 2)	**685**	0	2,300
Other benefits 3)	**69**	2,910	160
Pension benefits	**0**	0	84
Total	**5,324**	3,950	6,856

1) Salary consists of base salary and holiday payment.

2) Bonus earned in 2022, paid in 2023.

3) Other benefits are the total of all other cash and non-cash related benefits received by the individual during the year presented and includes such items as the taxable portion of insurance premiums, company car, car allowances and electronic communication items.

In 2022, the new CEO was entitled to a sign-on bonus which was classified as other benefits in the note above.

In 2022 a provision for severance pay to former CEO was accrued for. This has partly been paid out in 2023 and remaining provision amounts to NOK 14.5 million. The remaining part of the accrual is an estimate and based on fulfillment of certain criteria's in a potential future sale of Saferoad Group.

The table below sets out the number of shares owned by the CEO in MgmtCo Saferoad AS.

	31.12.2023	31.12.2022
MgmtCo Saferoad AS - Class A shares (common shares)	**53,127**	53,127
MgmtCo Saferoad AS - Class B1 shares (preference shares)	**0**	0
Total	**53,127**	53,127

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

Salaries and remuneration to Group management excl. CEO
The table below sets out the remuneration for the Group management which consisted of eight persons in addition to the CEO.

NOK 1000	2023	2022
Salary 1)	20,255	18,408
Bonus 2)	1,951	4,775
Other benefits 3)	641	772
Pension benefits	816	1,042
Total	23,663	24,997

1) Salary consists of base salary and holiday payment.

2) Bonus earned in 2022, paid in 2023.

3) Other benefits are the total of all other cash and non-cash related benefits received by the individual during the year presented and includes such items as the taxable portion of insurance premiums, company car, car allowances and electronic communication items.

The table below sets out the number of shares owned by Group management in Mgmt-Co Saferoad AS.

	31.12.2023	31.12.2022
MgmtCo Saferoad AS - Class A shares (common shares)	138,762	133,668
MgmtCo Saferoad AS - Class B1 shares (preference shares)	85,635	133,668
Total	224,397	267,336

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

Three members of Group management are entitled to severance pay of six months base salary after termination of employment. None of the members of the Board has a service contract and none will be entitled to any benefits upon termination of office.

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

Note 10
Pensions

Accounting policies
Defined contribution pension plan
In a defined contribution pension plan the Group is responsible for making an agreed contribution to the employee's pension assets. The future pension will be determined by the amount of the contributions and the return on the pension savings. Once the contributions have been paid, the Group has no further payment obligations. The pension contributions are charged to expenses as they are incurred.

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

The Group policy is to offer a defined contribution pension plan to its employees.

For historical reasons there are still a limited number of defined benefit pension plans in place in Sweden, Norway and in Germany.

The Norwegian companies in the Group are required by law to have a pension scheme and this requirement is fulfilled.

The main financial and accounting impact of the remaining defined benefit pension plans have been summarised below, on the line "defined benefit expense" and under the heading "defined benefit assets and liabilities".

Actuarial gain of NOK 0.4 million in 2023 (gain of NOK 12.0 million in 2022) have been recognised in other comprehensive income.

ACTUARIAL AND FINANCIAL ASSUMPTIONS (DEFINED BENEFIT PLANS):

		2023	
	Norway	Sweden	Germany
Discount rates	3.2 %	4.3 %	3.8 %
Salary increase	3.8 %	0.0 %	0.0 %

		2022	
	Norway	Sweden	Germany
Discount rates	3.2 %	4.0 %	3.8 %
Salary increase	3.8 %	2.4 %	0.0 %

PENSION EXPENSE FOR THE YEAR

NOK 1000	**2023**	2022
Defined benefit expense	**259**	196
Defined contribution expense	**60,787**	63,069
Total pension expense	**61,046**	63,264
Defined benefit assets and liabilities		
Accrued pension obligations	**44,462**	47,224
Pension plan assets	**14,464**	15,554
Net benefit obligations	**29,998**	31,670
Plans with a surplus are recognised separately from plans with a deficit		
Recognised pension assets	**10**	81
Recognised pension obligations	**(30,008)**	(31,751)

Note 11
Other operating costs

OTHER OPERATING COSTS

NOK 1000	2023	2022
Rent	**22,806**	18,420
Other costs related to premises	**90,913**	99,330
Leases of machinery, equipment, vehicles, fixtures and office machines 1)	**28,262**	24,123
Direct operating costs (incl. repairs and maintenance)	**278,254**	246,559
Selling and distribution costs	**213,476**	198,469
Fees, external services, office & communication costs	**200,608**	157,770
Membership, insurance, license- and guarantee costs	**49,008**	32,119
Capital losses upon sales of fixed assets	**774**	614
Bad debts	**6,698**	13,122
Other operating costs	**25,916**	31,877
Total other operating costs	**916,714**	822,403

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

FEES TO AUDITORS

NOK 1000	2023	2022
Proposed fee for audit	**10,107**	8,578
Fees for audit previous year	**815**	439
Fees for attestation services	**67**	88
Fees for tax services	**1,596**	1,909
Fees for other services	**683**	882
Total fees	**13,267**	11,895
Of which is auditing fees to Ernst & Young	**7,215**	5,833
Of which is other fees to Ernst & Young	**2,274**	2,532

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

Fees to auditor are excluding VAT.

Note 12
Financial items

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

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

NOK 1000	**2023**	2022
Interest income	**20,013**	4,218
Other financial income	**(0)**	874
Total financial income	**20,013**	5,091
Interest expenses	**274,730**	212,442
Interest expenses on lease liabilities	**21,739**	18,486
Other financial expenses	**47,056**	37,381
Total financial expenses	**343,525**	268,309
Currency exchange gain	**143,536**	131,272
Currency exchange loss	**247,642**	176,508
Net exchange rate gain/(loss)	**(104,106)**	(45,236)
Share of profit/(loss) of associated companies	**655**	442
Net financial income/(expenses)	**(426,963)**	(308,012)

Note 13
Associated companies

Accounting policies
Associated companies are companies in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies. Significant influence is assumed to exist when the Group owns between 20 and 50 per cent of the voting rights unless other terms and conditions affect the Group's influence. The Group's holdings in associated companies are initially recorded at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of the net assets of the associated company since the acquisition date. The profit or loss reflects the Group's share of the profit or loss of the associated companies. Dividends received are booked towards the investment in the statement of financial position and are regarded as repayment of capital. The investments in associated companies are subject to impairment assessments and impairment testing if impairment indicators exist. The investment is written down to recoverable amount if this is lower than the carrying value. Additional losses after the interest is reduced to zero are only provided for to the extent that the Group has a legal or constructive obligation to cover the incurred losses.

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

Associated companies
The Group has a 50 per cent ownership in IBOS Sp. z o.o., which performs crash test services for the Polish market.

Carrying value of associated companies are in December 2023 NOK 2.8 million (NOK 1.9 million 2022).

CHANGE IN CARRYING VALUE ASSOCIATED COMPANIES

NOK 1000	**31.12.2023**	31.12.2022
IBOS Sp. z o.o.		
Opening balance 01.01	**1,863**	1,367
Share of this year's profit/(loss)	**655**	442
Dividends	**0**	(11)
Translation differences	**304**	64
Carrying value 31.12	**2,822**	1,863

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

FINANCIAL INFORMATION REGARDING ASSOCIATED COMPANIES (100 PER CENT BASIS)

NOK 1000	**31.12.2023**	31.12.2022
IBOS Sp. z o.o.		
Assets	**14,340**	10,767
Liabilities	**8,696**	7,041
Equity	**5,643**	3,726
The Group's share in equity, 50%	**2,822**	1,863

NOK 1000	**2023**	2022
IBOS Sp. z o.o.		
Revenues	**14,108**	9,799
Profit/(loss) (01.01 - 31.12)	**1,310**	884
The Group's share of profit for the year, 50%	**655**	442
Ownership	**50%**	50%

Note 14
Income tax

Accounting policies

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

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

Deferred tax assets are recognised when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. The companies recognise previously unrecognised deferred tax assets to the extent it has become probable that the company can utilise the deferred tax asset. Similarly, the company will reduce a deferred tax asset to the extent that the company no longer regards it as probable that it can utilise the deferred tax asset.

Deferred tax liabilities and deferred tax assets are measured on the basis of the enacted or substantially enacted tax rates on the balance sheet date applicable to the companies in the Group where temporary differences have arisen. Deferred tax liabilities and deferred tax assets are recognised at their nominal value.

Taxes payable and deferred taxes are recognised directly in other comprehensive income to the extent that they relate to items recognised in other comprehensive income.

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

Significant accounting estimates and assumptions

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

TAX INCOME/(EXPENSE)

NOK 1000	2023	2022
Tax payable	**(58,591)**	(20,234)
Changes in deferred tax	**8,361**	43,039
Tax income/(expense) recognised in the consolidated statement of comprehensive income	**(50,230)**	22,805
Prepaid tax (included in other receivables)	**17,719**	17,084
Current tax liabilities	**(40,579)**	(14,139)
Total (net) tax payable 31 December, receivable/(liability)	**(22,860)**	2,945

A RECONCILIATION OF THE EFFECTIVE RATE OF TAX AND THE TAX RATE IN THE GROUP'S COUNTRY OF REGISTRATION

NOK 1000	2023	2022
Profit/(loss) before tax	**(82,072)**	(86,994)
Expected income taxes according to income tax rate in Norway 22%	**18,056**	19,139
Adjustment in respect of current income tax of previous years	**5,247**	(1,672)
Deferred tax assets not recognised current year 1)	**(116,440)**	(15,243)
Use of previously unrecognised loss carried forward 1)	**0**	38,700
Effect of redused valuation allowance regarding deferred tax asset 1)	**53,373**	7,964
Non deductible expenses 2)	**(36,797)**	(42,231)
Non-taxable income	**(694)**	14,927
Tax rate outside Norway other than 22 %	**3,764**	6,075
Change in deferred tax assets/liabilities due to change in tax rates	**2,489**	(1)
Other 3)	**20,771**	(4,852)
Tax income/(expense) recognised in the consolidated statement of comprehensive income	**(50,230)**	22,805
Tax income/(expense) reported in other comprehensive income		
Pensions	**(109)**	(2,844)
Tax effect on hedging	**10,688**	(30,776)
Income tax on other comprehensive income	**10,579**	(33,620)

1) Assessments of whether tax loss carry forward and deferred tax on other temporary differences should be recognised, is done partly on country and partly on company level.

2) Non-deductible expenses mainly include non-deductible interest expenses.

3) Other mainly consist of recognition of deferred tax asset in connection to special economic zone tax credit in Poland.

DEFERRED TAX LIABILITIES/(DEFERRED TAX ASSETS) NOK 1000	**Statement of financial position 2023**	Statement of financial position 2022	**Statement of profit or loss 2023**	Statement of profit or loss 2022
Non-current assets and liabilities				
Intangible assets	**29,418**	32,083	**2,665**	3,838
Tangible fixed assets	**10,631**	11,369	**738**	5,233
Pensions	**329**	(461)	**(680)**	(820)
Other non-current items	**(17,086)**	32,876	**39,274**	348
Total non-current assets and liabilities	**23,291**	75,868	**41,997**	8,599
Current assets and liabilities				
Inventory	**(1,326)**	(1,934)	**(608)**	592
Liabilities	**288**	(3,391)	**(3,679)**	5,858
Trade receivables	**(2,931)**	(2,491)	**439**	39
Other investments at fair value	**0**	0	**0**	0
Other current items	**(9,071)**	(9,598)	**(527)**	(995)
Total current assets and liabilities	**(13,039)**	(17,414)	**(4,374)**	5,494
Tax losses carried forward	**(198,093)**	(161,259)	**36,833**	(9,081)
Of which assets not recognised (valuation allowance)	**(111,140)**	(53,906)	**57,234**	(41,460)
Net recognised deferred tax liabilities/(deferred tax assets)	**(76,701)**	(48,899)	**17,222**	46,472

TAX LOSS CARRIED FORWARD

The Group has a total tax loss carried forward of NOK 854.3 million which expires as follows:

NOK 1000	Sweden	United Kingdom	Norway	Other	**2023**	2022
Current year + 1 year				0	**0**	0
Current year + 2 years				0	**0**	0
Current year + 3 years				0	**0**	0
Current year + 4 years				4,644	**4,644**	8,037
Current year + 5 years or later				0	**0**	3,295
No due date	(0)	128,975	493,882	226,812	**849,669**	723,120
Total tax loss carried forward	(0)	128,975	493,882	231,456	**854,314**	734,453
On which deferred tax assets have not been recognised	(0)	99,188	135,756	219,016	**453,960**	277,551
Total tax loss on which deferred tax assets have been recognised	0	29,787	358,127	12,440	**400,354**	456,902

CHANGES IN NET DEFERRED TAX LIABILITIES/(DEFERRED TAX ASSETS)

NOK 1000	**2023**	2022
Opening balance as of 1 January	**(48,899)**	(36,048)
Recognised in profit and loss	**(8,361)**	(43,039)
Recognised as other comprehensive income	**(10,579)**	33,620
Acquistions and disposals	**(309)**	0
Translation differences	**(8,552)**	(3,432)
Closing balance as of 31 December	**(76,701)**	(48,899)
Of which deferred tax assets	**101,477**	72,677
Of which deferred tax liabilities	**(24,777)**	(23,778)

Note 15
Impairment

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

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

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

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

Significant accounting estimates and assumptions
Determining whether goodwill is impaired requires an estimation of the recoverable amount. At year end 2023 the recoverable amounts are based on the value-in-use of the cash-generating units to which goodwill have been allocated. The value-in-use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying value of goodwill as of 31 December 2023 is NOK 424.5 million (NOK 415.8 million as of 31 December 2022). The Saferoad Group recognises no impairment of goodwill in 2023. No significant events or changes in business or market that potentially would change the conclusions were identified from 31 December 2023 until the reporting date.

Groups of cash-generating unit composition
When identifying the CGUs, various factors have been considered, including how Group management monitors operations by segments. The CGUs correspond to the operating segments, which are managed as separate and strategic business, see description in note 6 for changes made in the segment structure.

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

NOK 1000	**31.12.2023**	31.12.2022
Restraint Systems	**124,606**	120,226
Traffic	**103,080**	98,717
Infrastructure	**145,198**	145,198
Services	**51,632**	51,632
Total	**424,516**	415,773

Impairment testing of goodwill
The Group tests goodwill for impairment annually or more frequently if there are indications that goodwill is impaired. The recoverable amounts of the CGUs have been determined based on value-in-use calculations.

Cash flow assumptions used in value-in-use calculations
Revenue is driven by public road spend budgets in relevant markets, adjusted for management's expectations for price development and market penetration. Baseline variable costs are assumed to be at a fixed level of revenue and fixed costs are expected to increase by inflation or expected salary growth. Capital expenditure is assumed to be at a fixed level of revenue and depreciation is assumed to be equal to capital expenditure. Net working capital levels are calculated backwards using inventory days, debtors days and supplier days based on historically reported values and expectations to ongoing initiatives to improve capital efficiency. In calculations of the terminal value the level of change in net working capital is assumed at a percentage of revenues based on long-term expectations. The tax rate applied is the weighted tax rate for the relevant countries. Cash flows after year 2028 have been extrapolated using a long-term growth rate that is similar

to the expected long-term inflation.

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

The table below outlines the key assumptions for each CGU for the budget period.

	Expected compound annual growth rate (CAGR) of sales	EBITDA-margins	Change in net working capital as a percentage of revenues	Discount rate applied to cash-flow projections
Restraint Systems	5.8%	11%-12%	(1.0%)-3.6%	10.10%
Traffic	4.9%	11%-12%	(0.0%)-1.2%	9.23%
Infrastructure	4.6%	16%-17%	(0.1%)-1.3%	9.62%
Services	5.3%	11%-12%	(1.4%)-1.9%	10.13%

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

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

	Expected compound annual growth rate (CAGR) of sales	Discount rate applied to cash-flow projections	EBITDA-margins
Restraint Systems	(2.1%-points)	1.5%-points	(8.3%)
Traffic	(4.9%-points)	4.3%-points	(19.1%)
Infrastructure	(10.8%-points)	14.1%-points	(45.7%)
Services	(4.4%-points)	4.6%-points	(16.7%)

Note 16
Intangible assets

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

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

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

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

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

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

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

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

Non-contractual customer relationships
Non-contractual customer relationships acquired in a business combination are recognised at fair value separately from goodwill at the acquisition date, if they are capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability.

Non-contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Non-contractual customer relationships are depreciated over their expected useful life. The expected useful life varies between five and fifteen years.

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

Significant accounting estimates and assumptions
Intangible assets and property plant and equipment
The Group has significant carrying amounts related to intangible assets and property, plant and equipment recognised in the consolidated statement of financial position. The value in use of some of these assets could be influenced by changes in market conditions where the Group carries out its business. Significant and prolonged adverse market conditions and/or lower market prices for products and services sold could lead to temporary or permanent reductions of value. Such events will be considered as an impairment indicator and an impairment test will be carried out. The outcome of such impairment tests may be that significant impairment losses are recognised in the statement of income. A reduction of the expected useful life of the assets can also lead to periods with higher depreciation expense going forward.

2023

NOK 1000	Licenses, product rights etc	Development	Goodwill	Customer relationships	Other intangible assets	Total
Accumulated cost 31 December 2022	18,560	262,683	415,773	163,405	69,760	**930,182**
Reclassifications	0	(2,461)	0	0	12,770	**10,308**
Additions, acquisition of subsidiaries	0	0	4,363	0	0	**4,363**
Additions, other	1,000	24,430	0	0	14,845	**40,275**
Derecognition	(1,354)	(19,613)	0	0	(1,726)	**(22,693)**
Translation differences	938	15,823	4,379	3,473	3,720	**28,333**
Accumulated cost 31 December 2023	19,144	280,861	424,516	166,878	99,369	**990,768**

Amortisation method Useful life NOK 1000	Linear 5-10 years	Linear 3-15 years	No amortisation	Linear 5-10 years	Linear 3-15 years	Total
Accumulated amortisations and impairments 31 December 2022	15,905	161,069	0	60,157	56,495	**293,627**
Reclassifications	0	0	0	0	0	**0**
Amortisations	919	26,073	0	17,653	6,840	**51,485**
Derecognition	(1,354)	(19,596)	0	0	(1,725)	**(22,676)**
Impairments	0	0	0	0	3,584	**3,584**
Translation differences	746	7,191	0	1,496	3,227	**12,660**
Accumulated amortisations and impairments 31 December 2023	16,216	174,736	0	79,307	68,420	**338,679**
Carrying value 31 December 2022	2,655	101,614	415,773	103,248	13,265	**636,555**
Carrying value 31 December 2023	2,928	106,125	424,516	87,571	30,949	**652,089**

2022

NOK 1000	Licenses, product rights etc	Development	Goodwill	Customer relationships	Other intangible assets	Total
Accumulated cost 31 December 2021	15,987	217,365	412,610	164,823	60,465	**871,250**
Reclassifications	0	19,926	0	0	0	**19,926**
Additions, acquisition of subsidiaries	0	0	0	0	0	**0**
Additions, other	1,953	20,511	0	0	8,143	**30,607**
Derecognition	0	(1,564)	0	0	0	**(1,564)**
Translation differences	620	6,445	3,163	(1,418)	1,152	**9,963**
Accumulated cost 31 December 2022	18,560	262,683	415,773	163,405	69,760	**930,182**

Amortisation method Useful life NOK 1000	Linear 5-10 years	Linear 3-15 years	No amortisation	Linear 5-10 years	Linear 3-15 years	Total
Accumulated amortisations and impairments 31 December 2021	14,655	132,803	0	43,221	49,778	**240,457**
Reclassifications	0	0	0	0	0	**0**
Amortisations	750	25,471	0	17,399	5,597	**49,217**
Derecognition	0	(624)	0	0	0	**(624)**
Impairments	0	0	0	0	0	**0**
Translation differences	501	3,418	0	(463)	1,120	**4,576**
Accumulated amortisations and impairments 31 December 2022	15,905	161,069	0	60,157	56,495	**293,627**
Carrying value 31 December 2021	1,332	84,562	412,610	121,602	10,687	**630,793**
Carrying value 31 December 2022	2,655	101,614	415,773	103,248	13,265	**636,555**

Total spending in research and development in 2023 amounted to NOK 24.4 million (NOK 20.5 million in 2022).

Note 17
Property, plant and equipment

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

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

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

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

Significant accounting estimates and assumptions
See note 16.

2023

NOK 1000	Land	Buildings	Machines / equipment	Construction in progress	Rental equipment/ furniture/ vehicles 1)	Total
Accumulated cost 31 December 2022	35,370	587,592	1,112,572	23,029	500,835	**2,259,397**
Reclassifications	0	3,861	29,781	(36,858)	(3,080)	**(6,295)**
Additions, acquisition of subsidiaries	0	0	384	0	208	**593**
Additions, other	0	4,290	38,337	69,188	49,530	**161,345**
Disposals	(60)	(1,334)	(53,932)	(205)	(44,056)	**(99,587)**
Translation differences	3,383	37,008	76,082	4,065	20,456	**140,995**
Accumulated cost 31 December 2023	38,693	631,418	1,203,225	59,219	523,894	**2,456,448**

Depreciation method
Useful life

NOK 1000	No depreci-ation	Linear 10-40 years	Linear 5-10 years	No depreci-ation	Linear 3-5 years	Total
Accumulated depreciations and impairments 31 December 2022	1,470	307,542	719,828	35	361,380	**1,390,256**
Reclassifications	0	(134)	1,408	0	1,828	**3,102**
Disposals	0	(1,291)	(52,526)	(38)	(43,455)	**(97,310)**
Depreciations	0	24,458	80,861	0	41,665	**146,984**
Impairments	0	0	0	0	0	**0**
Translation differences	71	12,417	42,011	3	15,096	**69,598**
Accumulated depreciations and impairments 31 December 2023	1,541	342,993	791,583	0	376,514	**1,512,631**
Carrying value 31 December 2022	33,899	280,050	392,743	22,994	139,455	**869,141**
Carrying value 31 December 2023	37,151	288,425	411,643	59,218	147,380	**943,817**

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

There is no material capitalised interest cost on property, plant and equipment per 31 December 2023 or per 31 December 2022.

2022

NOK 1000	Land	Buildings	Machines / equipment	Construction in progress	Rental equipment/ furniture/ vehicles 1)	**Total**
Accumulated cost 31 December 2021	34,809	557,988	1,031,984	12,033	453,838	**2,090,652**
Reclassifications	0	16,897	33,240	(26,586)	2,109	**25,659**
Additions, acquisition of subsidiaries	0	3	(6)	0	0	**(3)**
Additions, other	0	3,313	51,185	36,978	47,131	**138,607**
Disposals	(353)	(1,828)	(18,023)	(189)	(5,845)	**(26,237)**
Translation differences	914	11,219	14,192	793	3,602	**30,720**
Accumulated cost 31 December 2022	35,370	587,592	1,112,572	23,029	500,835	**2,259,397**

Depreciation method

Useful life

NOK 1000	No depreci-ation	Linear 10-40 years	Linear 5-10 years	No depreci-ation	Linear 3-5 years	**Total**
Accumulated depreciations and impairments 31 December 2021	1,502	279,555	658,687	32	323,537	**1,263,313**
Reclassifications	(2)	(331)	(251)	0	1,562	**978**
Disposals	0	(473)	(16,721)	0	(4,647)	**(21,841)**
Depreciations	0	24,881	70,840	0	38,364	**134,084**
Translation differences	(30)	3,911	7,272	3	2,564	**13,720**
Accumulated depreciations and impairments 31 December 2022	1,470	307,542	719,827	35	361,380	**1,390,255**
Carrying value 31 December 2021	33,308	278,432	373,297	12,001	130,301	**827,340**
Carrying value 31 December 2022	33,899	280,050	392,743	22,994	139,455	**869,141**

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

Note 18
Leases

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

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

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

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

ii) Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.
In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. See note 21 for leasing liabilities.

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

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

arranging an operating lease is added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. The depreciation policy for depreciable leased assets is consistent with the Group`s normal depreciation policy for similar assets.

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

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

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

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

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

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

2023

NOK 1000	Leased premises	Leased machinery/ tools/ vehicles	Leased company cars	Leased furniture/ fixtures/ office machines	Total
Accumulated cost 31 December 2022	305,490	184,256	106,229	1,253	**597,229**
Reclassifications	0	0	6,483	195	**6,678**
Additions, other	69,828	83,675	33,721	963	**188,188**
Disposals	(64,271)	(21,177)	(16,895)	0	**(102,343)**
Translation differences	15,502	10,966	7,522	87	**34,077**
Accumulated cost 31 December 2023	326,550	257,720	137,060	2,499	**723,829**
Accumulated depreciations and impairments 31 December 2022	157,750	103,554	50,770	923	**312,998**
Reclassifications	0	0	6,871	0	**6,871**
Disposals	(64,271)	(21,177)	(15,872)	0	**(101,320)**
Depreciations	56,670	37,203	28,290	620	**122,783**
Translation differences	8,681	6,555	3,693	58	**18,988**
Accumulated depreciations and impairments 31 December 2023	158,830	126,136	73,754	1,601	**360,320**
Carrying value 31 December 2022	147,740	80,702	55,459	331	**284,232**
Carrying value 31 December 2023	167,720	131,585	63,306	898	**363,509**

2022

NOK 1000	Leased premises	Leased machinery/ tools/ vehicles	Leased company cars	Leased furniture/ fixtures/ office machines	**Total**
Reclassifications	0	0	0	0	**0**
Additions, other	28,117	19,161	26,867	(191)	**73,954**
Disposals	(17,401)	(25,187)	(11,780)	(1,986)	**(56,354)**
Translation differences	1,022	2,971	542	85	**4,619**
Accumulated cost 31 December 2022	305,490	184,256	106,229	1,253	**597,229**
Accumulated depreciations and impairments 31 December 2021	122,553	92,961	38,676	2,108	**256,297**
Reclassifications	0	0	0	0	**0**
Disposals	(17,261)	(24,943)	(10,979)	(1,986)	**(55,169)**
Depreciations	51,463	34,222	22,585	743	**109,012**
Impairments	0	0	0	0	**0**
Translation differences	996	1,315	489	59	**2,858**
Accumulated depreciations and impairments 31 December 2022	157,750	103,554	50,770	923	**312,998**
Carrying value 31 December 2021	171,200	94,350	51,924	1,238	**318,713**
Carrying value 31 December 2022	147,740	80,702	55,459	331	**284,232**

The lease liabilities are secured by the related underlying assets. See note 21 regarding the maturity profile of the lease liabilities at 31 December 2023 and see note 12 regarding interest expense on the lease liabilities.

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

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

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

NOK 1000	**2023**	2022
Lease expense for short-term leases	**33,750**	31,020
Lease expense for low value asset leases	**2,842**	2,916
Variable lease payments not included in lease liabilities	**1,640**	531

Note 19
Other current receivables

NOK 1000	31.12.2023	31.12.2022
Unbilled revenue	**210,700**	160,459
Prepayments to suppliers	**12,988**	20,411
Prepaid taxes	**17,719**	17,084
Other prepayments	**47,794**	35,194
Receivables on employees, associated- and related parties	**3,384**	2,634
Other receivables	**57,706**	64,140
Other receivables on group companies	**4,040**	32,018
Total other current receivables	**354,331**	331,939

Receivables on employees, associated- and related parties include a loan to an employee of NOK 500 thousand. The loan is interest-free and without installments.

Note 20
Cash and cash equivalents

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

See note 4 for description of cash pool systems.

NOK 1000	**31.12.2023**	31.12.2022
Cash and bank deposits	**304,733**	371,153
Restricted cash	**0**	6,558
Total cash and cash equivalents	**304,733**	377,711

Note 21
Interest-bearing liabilities

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

In addition, working capital financing was secured through a revolving facility agreement between Saferoad Holding AS and DNB Bank ASA as Original Lender. The revolving facility agreement amounts to NOK 510.0 million and matures in March 2028. By year end 2023, there were drawn NOK 50.0 million on the revolving facility agreement. Moreover, Saferoad subsidiary, Vik Ørsta AS, has entered into an Overdraft Facility Agreement with DNB Bank ASA for EUR 7 million, a Facility that on a recurring basis will be automatically renewed for a 364-day period from December 2024. Vik Ørsta has signed a Mortgage Declaration where Vik Ørsta pledges its accounts receivables and inventories as security for the EUR 7 million Overdraft Facility Agreement.

Interest
Interest on the revolving facility agreement will accrue at a floating rate calculated as the sum of the applicable interbank market rate and a margin. The margin for the revolving facility varies with Saferoad's leverage ratio. There are interest rate floors in the financial agreements with DNB Bank and the Facilities originally lent by funds managed by Blackstone Alternative Credit Advisors LP. Saferoad has bought interest rate caps to protect against rising interest rates. For the Senior Term Facilities Agreement managed by Blackstone Alternative Credit Advisors, protection is bought for the full exposure in NOK, EUR and SEK until the maturity of the Senior Term Facilities in 2028. The protection has been effective for all currencies during 2023. There is not bought any protection against rising interbank market rates for the Revolving Credit Facility with DNB.

Security and pledge
See note 29 'Pledged assets and guarantees' regarding security and pledge.

Financial covenant
There is a leverage covenant in the DNB Bank facility with which Saferoad Group must be compliant, in case 40 per cent or more of the revolving facility is drawn. As of 31 December 2023 there is sufficient headroom to the leverage covenant. The only financial covenant in the Senior Term Facility Agreements is a limitation on capital expenditure per annum. Saferoad's actual capital expenditure in 2023 is well below the 2023 capex covenant level.

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

LIABILITIES TO CREDIT INSTITUTIONS 31 DECEMBER 2023

NOK 1000	Currency	Interest rate	Due date	Amount
Liabilites to credit institutions - Term loan	SEK	STIBOR + Margin	30/9/2028	603,335
Liabilites to credit institutions - Term loan	NOK	NIBOR + Margin	30/9/2028	847,642
Liabilites to credit institutions - Term loan	EUR	EURIBOR + Margin	30/9/2028	1,052,417
Liabilites to credit institutions - Revolving credit facility	NOK	NIBOR + Margin	31/3/2028	35,279
Total				2,538,673
Less current part				0
Non-current				2,538,673

LIABILITIES TO CREDIT INSTITUTIONS 31 DECEMBER 2022

NOK 1000	Currency	Interest rate	Due date	Amount
Liabilites to credit institutions - Term loan	SEK	STIBOR + Margin	30/9/2028	558,255
Liabilites to credit institutions - Term loan	NOK	NIBOR + Margin	30/9/2028	840,478
Liabilites to credit institutions - Term loan	EUR	EURIBOR + Margin	30/9/2028	976,059
Liabilites to credit institutions - Revolving credit facility	NOK	NIBOR + Margin	31/3/2028	285,279
Total				2,660,071
Less current part				0
Non-current				2,660,071

OTHER NON-CURRENT LIABILITIES 31 DECEMBER 2023

NOK 1000	Amount
Financial leasing	373,102
Other non-current liabilities interest bearing	24,745
Estimated future payments for acquired shares (note 23)	7,730
Other non-current liabilities non interest bearing	40,536
Total	446,113
Less current part	(121,860)
Non-current	324,253

OTHER NON-CURRENT LIABILITIES 31 DECEMBER 2022

NOK 1000	Amount
Financial leasing	292,107
Other non-current liabilities interest bearing	19,591
Estimated future payments for acquired shares (note 23)	8,642
Other non-current liabilities non interest bearing	35,601
Total	355,942
Less current part	(98,073)
Non-current	257,869

The Group has the following current liabilities to credit institutions:

	Carrying value	
NOK 1000	**31.12.2023**	31.12.2022
Other current liabilities to credit institutions	**197**	367
Total current liabilities to credit institutions	**197**	367

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

2023

NOK 1000	Due within one year	Due within two years	Due within three years	Due within four years	Due within five years	Due after five years	**Total interest-bearing liabilities**
Liabilities to credit institutions - principal amount	5,653	1,953	1,298	850	2,567,607	771	**2,578,132**
Revolving credit facility	0	0	0	0	50,000	0	**50,000**
Liabilities to credit institutions - interest	202,529	202,449	202,454	202,431	151,909	0	**961,771**
Financial leasing	148,399	97,566	80,590	57,143	35,664	47,391	**466,752**
Estimated future payments for acquired shares (note 23)	7,730	0	0	0	0	0	**7,730**
Other loans	223	20	69	123	69	11,868	**12,372**
Total	364,534	301,988	284,410	260,548	2,805,248	60,030	**4,076,759**

2022

NOK 1000	Due within one year	Due within two years	Due within three years	Due within four years	Due within five years	Due after five years	**Total interest-bearing liabilities**
Liabilities to credit institutions - principal amount	2,224	1,441	1,039	866	805	2,456,534	**2,462,909**
Revolving credit facility	0	0	0	0	0	300,805	**300,805**
Liabilities to credit institutions - interest	194,040	194,085	194,097	194,115	194,144	340,240	**1,310,721**
Financial leasing	115,016	78,111	60,031	43,352	23,584	40,090	**360,183**
Estimated future payments for acquired shares (note 23)	8,642	0	0	0	0	0	**8,642**
Other loans	0	204	210	216	222	11,830	**12,681**
Total	319,922	273,841	255,376	238,548	218,754	3,149,499	**4,455,941**

Note 22
Other provisions

Accounting policies
A provision is recognised when the Group has a legal or constructive obligation because of a past event, it is probable (more likely than not) that a financial settlement will take place because of this obligation and the size of the amount can be measured reliably.

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

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

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

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

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

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

NON-CURRENT

NOK 1000	**31.12.2023**	31.12.2022
Warranty provision	**3,143**	3,828
Other provisions	**2,098**	2,552
Total non-current provisions	**5,241**	6,380

CURRENT

NOK 1000	**31.12.2023**	31.12.2022
Restructuring provisions	**1,241**	8,386
Total current provisions	**1,241**	8,386

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

CHANGES IN PROVISIONS IN 2023

NOK 1000	Warranty provisions	Other provisions	**Total non-current provisions**	Restructuring provisions	**Total current provisions**
Opening balance 01.01.2023	3,828	2,552	**6,380**	8,386	**8,386**
Additions	778	413	**1,191**	1,924	**1,924**
Used (amount charged against provision)	0	(205)	**(205)**	(9,702)	**(9,702)**
Unused amounts reversed	(1,500)	(903)	**(2,403)**	0	**0**
Translation differences	37	240	**277**	633	**633**
Total provisions 31.12.2023	3,143	2,098	**5,241**	1,241	**1,241**

CHANGES IN PROVISIONS IN 2022

NOK 1000	Warranty provisions	Other provisions	**Total non-current provisions**	Restructuring provisions	**Total current provisions**
Opening balance 01.01.2022	3,860	5,053	**8,913**	1,694	**1,694**
Additions	500	615	**1,115**	8,432	**8,432**
Used (amount charged against provision)	(27)	(3,294)	**(3,321)**	(1,644)	**(1,644)**
Unused amounts reversed	(482)	0	**(482)**	0	**0**
Translation differences	(23)	178	**155**	(97)	**(97)**
Total provisions 31.12.2022	3,828	2,552	**6,380**	8,386	**8,386**

Note 23
Earn outs on acquired shares

Accounting principle
Any future payments for acquired shares gives rise to a financial liability for the present value of the redemption amount. The financial liability is subsequently re-measured at the end of each reporting period in accordance with IFRS 9.

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

NOK 1000	**31.12.2023**	31.12.2022
Company		
AWK GmbH	**7,683**	8,642
Total estimated future payments	**7,683**	8,642
Classified as		
Other non-current liabilities	**0**	0
Other current liabilities	**7,683**	8,642
Total estimated future payments	**7,683**	8,642

Acquired shares in the reporting period
On 31 December 2020, the Group acquired AWK GmbH in Germany, which is included in the Road Safety segment. The first tranche of the estimated total consideration was paid 28 December 2020. The second tranche was paid after finalisation of the annual financial statements for 2020 for the company. The final settlement will be made after finalisation of the annual financial statements for 2023 as the earn-out period has been prolonged for a year. The earn-out is based on the EBITDA-performance for 2021, 2022 and 2023. AWK GmbH is consolidated as a wholly owned subsidiary of the Group.

Note 24
Other current liabilities

NOK 1000	**31.12.2023**	31.12.2022
Salary	**114,740**	89,244
Bonuses	**13,604**	5,393
Holiday pay	**83,869**	92,885
Other liabilities to employees	**8,079**	9,148
Prepayment from customers	**49,530**	47,630
Accrued interest	**2,796**	2,919
Estimated future payments acquired shares (note 23)	**7,730**	8,642
Current liabilities to group companies	**0**	24,185
Other current liabilities	**104,924**	118,334
Total other current liabilities	**385,272**	398,380

Note 25
Hedge accounting

Derivative financial instruments and hedge accounting
The Group holds derivative financial instruments to hedge its interest rate exposures. The Group wants to have hedges linked to its debt portfolio limiting impacts of an increasing NIBOR, EURIBOR and STIBOR. The basis for this is to limit the impact of an increase in floating interest rates on the Group's interest expenses.

At the inception of the designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument.

Accounting policies
Saferoad accounts for a hedge of interest rate on loan with floating rate as a cash flow hedge. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised in the profit and loss statement.

The interest rate risk is mitigated by purchase of interest rate caps. The fair value of the interest rate caps' are booked as a financial asset. The interest rate caps' are funded with a swap simultaneously booked as a liability. The initial value of the interest rate caps and the swaps equals each other at date of inception.

On a monthly basis, the fair value of the interest rate caps is measured, and the value of the financial asset is adjusted to reflect the fair value. The change in fair value of the caps is recognised in OCI. As the interest rate caps matures, it might lead to an incoming payment recognised in the profit and loss. The value booked as an asset in the balance related to the matured cap will be transferred from the asset value and booked in the profit and loss as a financial expense. When all caps have matured, the asset value will be zero in the balance sheet, and all entries in the hedge reserve is transferred to profit and loss.

At each reporting date, the fair value of the swap is measured, and the value of the liability is adjusted to reflect the fair value. The change in fair value of the swap are recognised in OCI and transferred to hedge reserve. When all payments of the swaps have matured, the liability are to be zero in the balance sheet, and all entries in the hedge reserve is transferred to the profit and loss.

As of 31 December 2023, the Group held the following instruments to hedge exposures to changes in interest rate on loan with floating rate:

INTEREST RATE OPTIONS

Current amount	Maturity date	Strike rate	Rate index	Currency	Fair value	Initial value	Fair value NOK
EUR 96 000 000	Sep 28	1.00%	3M EURIBOR	EUR	6,327,827	3,257,766	71,127,939
NOK 869 000 000	Sep 28	2.50%	3M NIBOR	NOK	47,558,769	34,430,884	47,558,769
SEK 610 000 000	Sep 28	1.50%	3M STIBOR	SEK	31,981,064	22,540,491	32,396,818
						Asset	151,083,526

INTEREST RATE SWAPS

Current amount	Maturity date	Currency	Fair value	Initial value	Fair value NOK
EUR 96 000 000	Sep 28	EUR	(1,900,517)	(3,257,766)	(21,362,761)
NOK 869 000 000	Sep 28	NOK	(23,749,903)	(34,430,884)	(23,749,903)
SEK 610 000 000	Sep 28	SEK	(14,454,712)	(22,540,491)	(14,642,623)
				Liability	(59,755,288)

Note 26
Fair value of financial instruments

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

2023

NOK 1000	Notes	Financial assets and liabilities at amortised cost	Financial assets and liabilities at fair value	**Total**
Non-current assets				
Non-current receivables		29,928		**29,928**
Other investments	13	685		**685**
Current assets				
Trade receivables	4	842,814		**842,814**
Other receivables	19	274,815		**274,815**
Financial derivatives	25		151,084	**151,084**
Total		1,148,241	151,084	**1,299,325**
Fair value		1,148,241	151,084	**1,299,325**
Unrecognised gain/(loss)		0	0	**0**
Non-current liabilities				
Non-current liabilities to credit institutions	21	2,538,673		**2,538,673**
Other non-current liabilities	21	324,253		**324,253**
Financial derivatives	25		59,755	**59,755**
Current liabilities				
Accounts payables		574,220		**574,220**
Current liabilities related to acquisitions	23, 24		7,683	**7,683**
Other current liabilities	24	377,589		**377,589**
Current portion of non-current liabilities	21	114,129		**114,129**
Current liabilities to credit institutions	21	197		**197**
Total		3,929,061	67,438	**3,996,499**
Fair value		3,929,061	67,438	**3,996,499**
Unrecognised gain/(loss)		0	0	**0**

2022

NOK 1000	Notes	Financial assets and liabilities at amortised cost	Financial assets and liabilities at fair value	**Total**
Non-current assets				
Non-current receivables		21,785		**21,785**
Other investments	13	625		**625**
Current assets				
Trade receivables	4	814,436		**814,436**
Other receivables	19	258,842		**258,842**
Financial derivatives	25		219,347	**219,347**
Total		1,095,688	219,347	**1,315,034**
Fair value		1,095,688	219,347	**1,315,034**
Unrecognised gain/(loss)		0	0	**0**
Non-current liabilities				
Non-current liabilities to credit institutions	21	2,660,071		**2,660,071**
Other non-current liabilities	21	257,869		**257,869**
Financial derivatives	25		79,609	**79,609**
Current liabilities				
Accounts payables		458,407		**458,407**
Current liabilities related to acquisitions	23, 24		8,642	**8,642**
Other current liabilities	24	389,738		**389,738**
Current portion of non-current liabilities	21	89,431		**89,431**
Current liabilities to credit institutions	21	367		**367**
Total		3,855,882	88,250	**3,944,133**
Fair value		3,855,882	88,250	**3,944,133**
Unrecognised gain/(loss)		0	0	**0**

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

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

The fair value of non-current liabilities with floating interest rates is estimated by discounting future cash flows using rates currently available for debt in similar terms, credit risks and remaining maturities. The carrying value is considered to be a reasonable approximation of fair value because the liability has a floating interest rate and the margin set in 2023 is considered to reflect current market terms.

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

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

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

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

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

Note 27
Changes in liabilities arising from financing activites

NOK 1000	Notes	31.12.2022	Cash flows	Non-cash changes: Changes in foreign exchange rates	Non-cash changes: Other changes	**31.12.2023**
Non-current liabilities						
Non-current liabilities to credit institutions	21	2,660,071	(250,000)	111,107	17,496	**2,538,673**
Financial leasing	21	203,463	(54,776)	10,512	105,079	**264,278**
Future payments for acquired shares	21, 23	0	0	0	0	**0**
Other non-current liabilities	21	54,406	(580)	6,460	(310)	**59,976**
Total other non-current liabilities	21	257,869	(55,355)	16,971	104,769	**324,253**
Current liabilities						
Other current liabilities to credit institutions	21	367	(186)	16	0	**197**
Total current liabilities to credit institutions	21	367	(186)	16	0	**197**
Dividends to non-controlling interests		24,185	0	0	(24,185)	**0**
Accrued interest		2,919	0	0	(123)	**2,796**
Options on shares and estimated future payments	18, 23	8,642	0	(911)	0	**7,730**
Current portion of financial leasing	21	88,644	(88,644)	5,945	102,879	**108,824**
Current portion of other non-current liabilities	21	787	4,518	(178)	178	**5,305**
Other current liabilities		125,177	(84,126)	4,855	78,749	**124,656**
Total liabilities from financing activities		3,043,484	(389,667)	132,949	201,013	**2,987,779**

NOK 1000	Notes	31.12.2021	Cash flows	Non-cash changes: Changes in foreign exchange rates	Non-cash changes: Other changes	**31.12.2022**
Non-current liabilities						
Non-current liabilities to credit institutions	21	2,710,007	(100,000)	32,568	17,496	**2,660,071**
Financial leasing	21	224,019	(27,186)	910	5,719	**203,463**
Future payments for acquired shares	21, 23	5,908	0	0	2,734	**11,376**
Other non-current liabilities	21	11,689	6,948	671	26,456	**45,765**
Total other non-current liabilities	21	241,617	(20,237)	1,581	34,910	**257,869**
Current liabilities						
Other current liabilities to credit institutions	21	1,190	(844)	10	11	**367**
Total current liabilities to credit institutions	21	1,190	(844)	10	11	**367**
Dividends to non-controlling interests		0	(3,665)	0	27,850	**24,185**
Accrued interest		595	(230,323)	0	232,647	**2,919**
Options on shares and estimated future payments	18, 23	0	0	0	0	**0**
Current portion of financial leasing	21	94,596	(94,596)	887	87,757	**88,644**
Current portion of other non-current liabilities	21	3,272	(2,486)	120	(120)	**787**
Other current liabilities		98,463	(331,069)	1,007	348,134	**116,536**
Total liabilities from financing activities		3,051,277	(452,150)	35,166	400,550	**3,034,843**

Note 28

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

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

		Number of shares	Share capital	Share premium
31.12.2016	Total	1,000,000	2,000	1,159,875
02.05.2017	Share split, ratio 1:20	19,000,000	0	0
29.05.2017	Issuing of ordinary new shares in connection with public offering	46,666,667	4,667	1,395,333
21.09.2018	Share capital increase by conversion of debt	0	6,667	1,643,333
31.12.2019	Dividends	0	0	(2,686,487)
20.02.2020	Share capital increase by conversion of receivable	2,723,580	545	23,713
20.02.2020	Share capital increase by fund issue	0	11,888	(11,888)
20.02.2020	Share split	59,441,131	0	0
08.11.2021	Dividends	0	0	(1,138,410)
31.12.2023	Total	128,831,378	25,766	385,469

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

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

Number of shares and shareholders

Shareholders in Saferoad Holding AS 31 December 2023:

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

Non-controlling interests

2023

				Financial information (100% basis)			
NOK 1000	Accumulated non-controlling interests	Non-controlling interests share of profit/(loss)	Dividends to non-controlling interests	Assets	Liabilities	Revenue	Profit/ (loss)
Brite Line Europe GmbH	5,997	768	0	32,746	9,157	61,040	3,048
Total non-controlling interests	5,997	768	0				

2022

				Financial information (100% basis)			
NOK 1000	Accumulated non-controlling interests	Non-controlling interests share of profit/(loss)	Dividends to non-controlling interests	Assets	Liabilities	Revenue	Profit/ (loss)
Brite Line Europe GmbH	4,903	1,374	3,665	38,264	19,004	67,581	5,453
Total non-controlling interests	4,903	1,374	3,665				

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

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

Note 29
Pledged assets and guarantees

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

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

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

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

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

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

Company	Jurisdiction	Corporate Identity Number
Bongard & Lind Noise Protection GmbH & Co KG	Germany	HRB 21196
Bongard & Lind Verwaltungs GmbH	Germany	HRB 21973
AWK GmbH	Germany	HRB 8839
Brødrene Berntsen AS	Norway	810547472
Hausneindorfer Metallbau und Montage GmbH	Germany	HRB 108088
Saferoad Services AB	Sweden	556520-7478
Saferoad Traffic AS	Norway	890729142
Saferoad Services AS	Norway	976962699
Saferoad Services A/S	Denmark	26994896
Inter Metal Sp. z o.o.	Poland	90428498
Moramast AB	Sweden	556179-2598
Saferoad Traffic A/S	Denmark	21778702
Saferoad Europe GmbH	Germany	HRB 22345
Saferoad Services Sp. z o.o.	Poland	0000152355
Saferoad Holding AB	Sweden	556753-5470
Saferoad Holding AS	Norway	917763909
Saferoad Holding Denmark ApS	Denmark	31589487
Saferoad Holding Germany GmbH	Germany	HRB 22343
Saferoad Pomerania Sp. z o.o.	Poland	0000154679
Saferoad RRS GmbH	Germany	HRB 22479
Saferoad Restraint Systems Sp. z o.o.	Poland	0000265582
Saferoad Smekab AB	Sweden	556099-6869
Saferoad Traffic AB	Sweden	556030-8073
Saferoad RRS Sverige AB	Sweden	556505-1413
Saferoad Treasury AB	Sweden	556493-1573

Note 30
Other commitments and contingencies

Accounting policies
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.

Competition case in Denmark
In June 2015, the Danish Competition Council found Eurostar Denmark A/S, a company within the Group, non-compliant with the Danish and EU competition law by having engaged in joint bidding via a consortium with LKF Vejmarkering A/S in a tender for road marking in Denmark. Prior to entering the joint bidding consortium, Eurostar Denmark A/S sought legal advice, which stated that such a joint bidding consortium did not infringe applicable competition law. The decision was contested by Eurostar Denmark A/S and appealed to the Danish Competition Appeals Tribunal, which upheld the decision in April 2016. Eurostar Denmark A/S appealed the decision from the Danish Competition Council and brought the case before the Danish Maritime and Commercial High Court. The Danish Maritime and Commercial High Court ruled in favour of Eurostar Denmark A/S in August 2018. The case was appealed to the Danish Supreme Court and the Danish Supreme Court ruled in favour of the Danish Competition authorities in November 2019. The case in front of Copenhagen District Court related to the determination of the fine was completed in January 2022. On 11 February 2022, the Copenhagen District Court acquitted the companies and individuals which were subject to charges, including Eurostar Danmark A/S and its CEO, concluding that neither acted gross negligent when engaging in the joint bidding consortium. On 2 February 2024, the appeal court Østre Landsret, ruled that neither the companies nor the individuals should be punished for infringement of applicable competition law. None of the parties has appealed the decision from the appeal court, Østre Landsret. Since the proceeding has been resolved the Group has released a provision which was made in previous years of NOK 15.3 million in 2023.

Note 31
Transactions with related parties

An overview of subsidiaries is presented in note 10 for the parent company, and associated companies are presented in note 13 in the Groups Financial Statements. Remunerations to the Board of Directors and Group Management are disclosed in note 9. Transactions with subsidiaries have been eliminated and do not represent related party transactions.

The Group has the following transactions with shareholders, associated companies, minority shareholders of subsidiaries or companies that can be considered related to members of the Board of Directors or leading executives.
The Group has the following transactions with group companies outside Saferoad Group but within SRH BridgeCo Group.

NOK 1000	2023	2022
Profit and loss		
Sales to related parties	**940**	818
Purchases from related parties 1)	**39,301**	61,970

NOK 1000	31.12.2023	31.12.2022
Balance sheet		
Receivables 2)	**150**	189
Payables 3)	**200**	165
Other transactions with related parties	**350**	350

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

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

NOK 1000	2023	2022
Internal revenue and purchase outside Saferoad Group but within SRH BridgeCo Group		
Internal revenue	**42**	131
Internal purchase	**2,148**	2,706
Internal financial income and expense outside Saferoad Group but within SRH BridgeCo Group		
Group contribution	**0**	3,659

NOK 1000	31.12.2023	31.12.2022
Loans and receivables on group companies outside Saferoad Group but within SRH BridgeCo Group		
Receivables	**4,069**	6,493
Total loans and receivables	**4,069**	6,493
Group contribution on group companies outside Saferoad Group but within SRH BridgeCo Group		
Group contribution	**0**	27,966
Total Group contribution	**0**	27,966
Liabilities to group companies outside Saferoad Group but within SRH BridgeCo Group		
Current liabilities	**25**	59
Total liabilities	**25**	59
Dividend and group contribution to group companies outside Saferoad Group but within SRH BridgeCo Group		
Group contribution	**0**	24,185
Total dividend and group contribution	**0**	24,185

Note 32
Events after the balance sheet date

On the 2nd of February, 2024, the Østre Landsret appellate court delivered a verdict, determining that Eurostar Denmark A/S, along with any associated persons, shall not face penalization for any breaches of prevailing competition legislation. For a comprehensive account of the matter, please consult note 30. Subsequent to the date of the balance sheet, the Group has not encountered any other events of material significance.

APMs
Alternative performance measures

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

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

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

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

EBITDA is defined as profit/(loss) for the year before financial income and expense, tax, depreciation, amortisation and write-downs, including depreciation, amortisation and impairment of excess values in equity accounted investments.

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

EBITA is defined as EBITDA after depreciation.

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

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

NOK 1000	2023	2022
Reported operating revenue	**6,743,198**	6,173,334
Items excluded from underlying operating revenue	**(8,829)**	0
Underlying operating revenue	**6,734,369**	6,173,334
Reported profit/(loss) for the year	**(132,302)**	(64,189)
Net financial income and expenses	**426,963**	308,012
Tax	**50,230**	(22,805)
Depreciation and impairment	**269,767**	243,096
Amortisation and impairment	**55,075**	50,157
Reported EBITDA	**669,733**	514,271
Items excluded from underlying EBITDA	**47,772**	64,530
Underlying EBITDA	**717,505**	578,801
Depreciation and impairment	**(269,767)**	(243,096)
Underlying EBITA	**447,737**	335,705
Reported profit/(loss) for the year	**(132,302)**	(64,189)
Items excluded from underlying profit/(loss) for the year	**184,181**	56,793
Underlying profit/(loss) for the year	**51,879**	(7,396)
Items excluded from underlying revenue, underlying EBITDA and underlying profit/(loss) for the year		
Restructuring charges and closure costs	**(8,829)**	0
Items excluded from underlying operating revenue	**(8,829)**	0
Transaction and financing costs 1)	**19,053**	3,243
Restructuring charges and closure costs 2)	**22,838**	8,958
Other effects 3)	**5,881**	52,329
Items excluded from underlying EBITDA	**47,772**	64,530
Net financial income/(expense) 4)	**144,770**	35,302
Tax 5)	**(8,361)**	(43,039)
Items excluded from underlying profit/(loss) for the year	**184,181**	56,793
Items excluded from underlying EBITDA, specified per operating segment		
Restraint Systems	**12,010**	4,076
Traffic	**7,901**	9,125
Infrastructure	**0**	0
Services	**(9,606)**	0
Holding	**37,467**	51,329
Items excluded from underlying EBITDA	**47,772**	64,530

1) Transaction and financing costs in both 2023 and 2022 relate to costs for external advisors in relation to financing of Saferoad Group and transaction costs in connection to acquisition of companies.
2) Restructuring charges and closure costs relate to redundancy and other restructuring cost/(income).
3) Other effects in 2023 includes severance pay to former SVP Operations, costs relating to extraordinary strategic initiatives such as OPWC project and growth projects, write down of ERP project, reversal of provision regarding legal proceedings as well as other less material effects. Other effects in 2022 includes severance pay, performance bonus and exit bonus to former Group CEO, recruitment costs and sign on bonus new Group CEO, costs relating to change of other members of Group Management, costs relating to extraordinary strategic initiatives such as OPWC project as well as other less material effects such as legal proceedings.
4) Net financial income/(expense) relates to unrealised foreign exchange rate gains/(losses), as well changes in earn outs and estimated future payments related to options on shares.
5) Tax relates to changes in deferred tax liabilities/assets.

Financial statements
Saferoad Holding AS

Statement of comprehensive income

NOK 1000	Notes	2023	2022
Operating revenue from group companies	14	**63,763**	63,229
Total operating revenue		**63,763**	63,229
Personnel costs	3	**60,762**	78,294
Depreciation and impairment property, plant and equipment	8	**2,573**	3,193
Depreciation and impairment right of use assets	9	**1,479**	904
Amortisation and impairment	7	**960**	920
Other operating costs	4	**73,832**	61,775
Other operating costs to group companies	14	**14,805**	18,030
Total operating costs		**154,411**	163,116
Operating profit/(loss)		**(90,647)**	(99,887)
Financial income	5	**8,665**	2,139
Financial income from group companies	5, 14	**337,787**	386,848
Financial expenses	5	**403,096**	300,115
Financial expenses to group companies	5, 14	**20,386**	7,210
Net exchange rate gain/(loss)	5	**(63,245)**	14,495
Net financial income/(expenses)		**(140,275)**	96,157
Profit/(loss) before tax		**(230,922)**	(3,731)
Tax	6	**39,386**	31,227
Profit/(loss) for the year		**(191,536)**	27,496
Other comprehensive income for the year, net of tax	15	**(37,760)**	108,996
Total comprehensive income for the year		**(229,296)**	136,492

Statement of financial position (assets)

NOK 1000	Notes	31.12.2023	31.12.2022
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Intangible assets	7	**1,000**	1,961
Total intangible assets		**1,000**	1,961
Tangible assets			
Land	8	**5,748**	5,748
Buildings	8	**8,764**	11,330
Rental equipment, furniture and vehicles	8	**56**	63
Right-of-use assets	9	**4,437**	0
Total fixed assets		**19,005**	17,141
Financial non-current assets			
Shares in subsidiaries	10	**1,661,269**	1,756,602
Loans to group companies	14	**831,817**	807,445
Other investments		**624**	624
Financial derivaties	15	**151,084**	219,347
Total financial assets		**2,644,793**	2,784,017
Deferred tax assets	6	**50,036**	0
Total non-current assets		**2,714,835**	2,803,119
CURRENT ASSETS			
Receivables			
Trade receivables		**69**	49
Receivables on group companies	14	**555,644**	578,700
Other receivables		**8,972**	8,804
Total receivables		**564,686**	587,553
Cash and cash equivalents	11	**205,029**	196,097
Total current assets		**769,715**	783,650
Total assets		**3,484,550**	3,586,768

Statement of financial position (shareholders' equity and liabilities)

NOK 1000	Notes	31.12.2023	31.12.2022
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital		**25,766**	25,766
Share premium		**385,469**	385,469
Hedge reserve		**71,236**	108,996
Other equity		**(268,639)**	(77,103)
Total equity		**213,832**	443,128
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	12	**2,538,673**	2,660,071
Financial derivaties	15	**59,755**	79,609
Other non-current liabilities		**3,183**	0
Total non-current liabilities		**2,601,611**	2,739,679
Current liabilities			
Liabilities to group companies	14	**593,679**	324,923
Accounts payables		**7,023**	7,339
Public duties (VAT, social benefits etc.)		**21,522**	21,724
Other current liabilities	13	**45,464**	49,976
Current portion of non-current liabilities		**1,419**	0
Total current liabilities		**669,107**	403,961
Total liabilities		**3,270,718**	3,143,641
Total shareholders' equity and liabilities		**3,484,550**	3,586,768

Statement of changes in equity

NOK 1000	Share capital	Share premium	Hedge reserve	Other equity	**Total equity**
Equity at 31.12.2021	25,766	385,469	0	(104,346)	**306,889**
Group contribution				(253)	**(253)**
Profit/(loss) for the year				27,496	**27,496**
Hedge accounting			108,996	0	**108,996**
Total other comprehensive income net of tax	0	0	0	0	**0**
Total comprehensive income	0	0	108,996	27,496	**136,492**
Equity at 31.12.2022	25,766	385,469	108,996	(77,103)	**443,128**
Profit/(loss) for the year				(191,536)	**(191,536)**
Hedge accounting			(37,760)		**(37,760)**
Total other comprehensive income net of tax	0	0	0	0	**0**
Total comprehensive income	0	0	(37,760)	(191,536)	**(229,296)**
Equity at 31.12.2023	25,766	385,469	71,236	(268,639)	**213,832**

Net group contribution of NOK 0.3 million in 2022 is to the sister group ViaCon.

The share capital of NOK 25.8 million in Saferoad Holding AS as of 31 December 2023 consists of 26 675 509 class A shares (common shares) and 102 155 869 class B shares (preference shares), in total 128 831 378 shares, with nominal value of NOK 0.20 per share.

See note 28 in Group accounts for details on share capital, shareholders' equity and ownership.

Cash flow statement

NOK 1000	Notes	2023	2022
Cash flow from operations			
Profit/(loss) before tax		**(230,922)**	(3,731)
Net depreciation, amortisation and impairment	7, 8, 9	**5,012**	5,018
Net currency (gains)/losses not relating to operating activities		**111,048**	31,503
Interest income and other financial income	5	**(378,169)**	(382,864)
Interest costs and other financial expenses	5	**493,098**	237,298
Changes in receivables on group companies		**(8,244)**	(3,065)
Changes in accounts payable		**(130)**	(6,852)
Changes in other current receivables and liabilities		**(130,860)**	17,827
Net cash flow from operations		**(139,166)**	(104,866)
Cash flow from investment activities			
Interest and dividend received		**301,821**	256,588
Change in cash pool		**217,854**	529,276
Loan to/from group companies		**54,471**	(470,183)
Net cash flow from investment activities		**574,147**	315,680
Cash flow from financing activities			
Proceeds from borrowings		**210,000**	350,000
Repayment of borrowings		**(461,315)**	(450,000)
Group contribution received		**127,671**	95,706
Interest paid		**(302,404)**	(241,521)
Net cash flow from financing activities		**(426,048)**	(245,815)
Net increase/(decrease) in cash and cash equivalents		**8,933**	(35,002)
Cash and cash equivalents at beginning of the year		**196,097**	231,099
Cash and cash equivalents at the end of the year	11	**205,029**	196,097

Oslo 22 April 2024

The Board of Saferoad Holding AS

Patrik Nolåker
Chairman

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Elke Elfriede Eckstein
Board member

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Elke Elfriede Eckstein
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Ulrik Smith
Board member

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Ulrik Smith
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Niclas Thiel
Board member

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Niclas Thiel
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Moritz Madlener
Board member

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Espen Asheim
Board member

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Knut Brevik
Board member

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Knut Brevik
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Jan Torgeir Hovden
Board member

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Bernd Frühwald
Group CEO

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Bernd Frühwald
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Note 1
Company information

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

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

The financial statements of Saferoad Holding AS for the fiscal year 2023 were approved in the board meeting at 22 April 2024.

The financial statements of Saferoad Holding AS cover all activities at Saferoad Headquarters. In addition to exercising parent company functions, the company carry out assignments for the Group's other companies and charge them for these services. The company acts as an internal bank and is responsible for the Group's external financing, management of the Group's liquid assets and overall management of the Group's currency and interest risks.

Note 2
Accounting principles

Statement of compliance and basis for preparation
The financial statements for Saferoad Holding AS have been prepared in accordance with the Norwegian Accounting Act § 3-9 and Regulations on Simplified IFRS as enacted by the Ministry of Finance 7 February 2022. In all material aspects, Norwegian Simplified IFRS requires that the IFRS recognition and measurement criteria (as adopted by the European Union) are complied with, but disclosure and presentation requirements (the notes) follow the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Standards.

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

Note 3
Personell costs

SALARIES AND REMUNERATION		
NOK 1000	**2023**	2022
Salary	**42,084**	65,911
Social security tax on salaries, pensions, bonuses etc.	**7,432**	5,915
Other personnel expenses	**2,404**	1,692
Pension expenses	**1,744**	1,869
Bonuses	**7,097**	2,907
Total salaries and remuneration	**60,762**	78,294

There are twentyfive employees in Saferoad Holding AS per 31 December 2023 (twenty last year).

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

See note 9 in the consolidated financial statements for details regarding salaries and remuneration for Board of Directors and Group management.

Note 4
Other operating expenses

OTHER OPERATING COSTS

NOK 1000	**2023**	2022
Rent	**1,082**	2,032
Other costs related to premises	**242**	238
Leases of machinery, vehicles and fixtures 1)	**64**	173
Direct operating costs (incl. repairs and maintenance)	**16,944**	13,081
Selling and distribution costs	**3,485**	4,532
Fees, external services, office & communication costs	**50,497**	39,659
Membership, insurance, license- and guarantee costs	**1,333**	1,884
Other operating costs	**184**	176
Total other operating costs	**73,832**	61,775

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

FEES TO AUDITORS (EXCL. VAT)

NOK 1000	**2023**	2022
Proposed fee for audit	**1,852**	1,749
Fees for audit previous year	**80**	84
Fees for tax services	**989**	725
Fees for other services	**98**	163
Total fees	**3,019**	2,721

Note 5
Financial items

NOK 1000	**2023**	2022
Interest income	**8,665**	2,079
Interest income from group companies (note 14)	**110,292**	85,760
Dividends from subsidiaries (note 14)	**151,147**	174,811
Group contribution from subsidiaries (note 14)	**76,348**	126,277
Fair value gains on derivatives	**0**	6
Other financial income	**0**	54
Total financial income	**346,453**	388,987
Interest expenses	**256,865**	205,863
Interest expenses to group companies	**20,386**	7,210
Write-down of shares in subsidiaries (note 10) 1)	**119,490**	70,000
Other financial expenses	**26,741**	24,252
Total financial expenses	**423,482**	307,325
Currency exchange gain	**158,320**	161,896
Currency exchange loss	**221,565**	147,401
Net exchange rate gain/(loss)	**(63,245)**	14,495
Share of profit/(loss) of associated companies	**0**	0
Net financial income/(expenses)	**(140,275)**	96,157

1) Relates to write-down of shares in the subsidiary Saferoad Holding AB.

Note 6
Income tax

TAX INCOME/(EXPENSE)

NOK 1000	**2023**	2022
Tax payable	**0**	507
Changes in deferred tax	**39,386**	30,720
Tax income/(expense) recognised in the statement of comprehensive income	**39,386**	31,227

A RECONCILIATION OF THE EFFECTIVE RATE OF TAX AND THE TAX RATE

NOK 1000	**2023**	2022
Profit/(loss) before tax	**(230,922)**	(3,731)
Expected income taxes according to income tax rate in Norway 22%	**50,803**	821
Adjustment in respect of current income tax of previous years	**583**	28
Deferred tax assets not recognised current year	**(37,129)**	0
Use of previously unrecognised loss carried forward	**0**	31,724
Effect of redused valuation allowance regarding deferred tax asset	**50,000**	0
Non deductible expenses	**(58,123)**	(39,804)
Non-taxable income	**33,252**	38,458
Tax income/(expense) recognised in the statement of comprehensive income	**39,386**	31,227

TAX PAYABLE BASIS

NOK 1000	**2023**	2022
Profit/(loss) before tax	**(230,922)**	(3,731)
Non deductible expenses	**264,193**	180,927
Non-taxable income	**(151,147)**	(174,811)
Use of tax loss carried forward/ Change in temporary differences	**117,876**	(4,689)
Group contribution	**0**	2,303
Tax payable basis	**0**	0
Tax payable (22% of tax payable basis)	**0**	0
Tax effect financial derivatives	**10,650**	(30,742)
Income tax reported directly in equity	**10,650**	(30,742)

DEFERRED TAX LIABILITIES/(DEFERRED TAX ASSETS)

NOK 1000	**2023**	2022
Non-current assets and liabilities		
Tangible fixed assets	**(2,087)**	(1,751)
Other non-current items	**24,159**	52,332
Total non-current assets and liabilities	**22,071**	50,581
Current assets and liabilities		
Liabilities	**(4,131)**	(6,186)
Trade receivables	**(143)**	(143)
Total current assets and liabilities	**(4,274)**	(6,329)
Tax losses carried forward	**(97,805)**	(87,093)
Of which assets not recognised (valuation allowance)	**(29,971)**	(42,841)
Net recognised deferred tax liabilities (deferred tax assets)	**(50,036)**	0
Of which deferred tax assets	**50,036**	0
Of which deferred tax liabilities	**0**	0

CHANGES IN NET DEFERRED TAX LIABILITIES (DEFERRED TAX ASSETS)

NOK 1000	**2023**	2022
As of 1 January	**(0)**	(22)
Recognised in profit and loss	**(39,386)**	(30,720)
Recognised directly in equity	**(10,650)**	30,742
As of 31 December	**(50,036)**	(0)
Of which deferred tax assets	**50,036**	0
Of which deferred tax liabilities	**0**	0

Note 7
Intangible assets

2023

NOK 1000	Software	Total
Accumulated cost 31 December 2022	2,881	**2,881**
Accumulated cost 31 December 2023	2,881	**2,881**

Amortisation method

Useful life

NOK 1000	Linear 3 years	Total
Accumulated amortisations and impairments 31 December 2022	920	**920**
Amortisations	960	**960**
Accumulated amortisations and impairments 31 December 2023	1,881	**1,881**
Carrying value 31 December 2022	1,961	**1,961**
Carrying value 31 December 2023	1,000	**1,000**

Note 8
Property, plant and equipment

2023

NOK 1000	Land	Buildings	Rental equipment/ furniture/ vehicles	**Total**
Accumulated cost 31 December 2022	5,748	82,297	7,378	**95,423**
Accumulated cost 31 December 2023	5,748	82,297	7,378	**95,423**

Depreciation method				
Useful life				
NOK 1000	No depreciation	Linear 10-40 years	Linear 3-5 years	**Total**
Accumulated depreciations and impairments 31 December 2022		70,967	7,315	**78,282**
Depreciations		2,566	7	**2,573**
Accumulated depreciations and impairments 31 December 2023	0	73,533	7,322	**80,855**
Carrying value 31 December 2022	5,748	11,330	63	**17,141**
Carrying value 31 December 2023	5,748	8,764	56	**14,568**

Note 9
Leases

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

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

The tables below describe the nature of the company's leasing activities by type of right-of-use asset recognised on balance sheet:

2023

NOK 1000	Leased premises	**Total**
Accumulated cost 31 December 2022	3,614	**3,614**
Additions	5,916	**5,916**
Disposals	(3,614)	**(3,614)**
Accumulated cost 31 December 2023	5,916	**5,916**
Accumulated depreciations and impairments 31 December 2022	3,614	**3,614**
Accumulated depreciations and impairments	1,479	**1,479**
Disposals	(3,614)	**(3,614)**
Accumulated depreciations and impairments 31 December 2023	1,479	**1,479**
Carrying value 31 December 2022	0	**0**
Carrying value 31 December 2023	4,437	**4,437**

The lease liabilities are secured by the related underlying assets and expires within one year. Interest expenses related to lease amounted to NOK 384 thousand and are included in financial expenses.

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

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

NOK 1000	**2023**	2022
Lease expense for short-term leases	**1,407**	2,032
Lease expense for low value asset leases	**64**	173
Variable lease payments not included in lease liabilities	**93**	90

Note 10
Shares in subsidiaries

NOK 1000

Company	Time of acquisition	Land	Registered office	Ownership	Carrying value	Equity 31.12.2023	Profit/ (loss) 2023
Saferoad Holding AB	12.12.2016	Sweden	Önnestad	100.00%	10,000	80,484	78,851
Saferoad Holding Denmark Aps	12.12.2016	Denmark	Odense SV	100.00%	219,406	80,021	(10,364)
Saferoad Holding Germany GmbH	01.10.2010	Germany	Weroth	100.00%	564,668	395,684	(71,363)
Brödrene Berntsen AB	01.02.2006	Sweden	Gävle	100.00%	2,856	2,324	(326)
Brødrene Berntsen AS	01.07.2010	Norway	Hønefoss	100.00%	62,727	11,802	35,448
Saferoad UK Limited	31.12.2009	England	Scunthorpe	100.00%	25,000	15,563	3,118
Saferoad RRS Sverige AB	01.03.1999	Sweden	Sundsvall	100.00%	25,828	21,231	(17,316)
Saferoad Services AB	01.03.1999	Sweden	Kumla	100.00%	16,780	56,306	6,279
Saferoad Traffic AS	01.01.2007	Norway	Vingrom	100.00%	52,113	107,965	1,370
Saferoad Services AS	01.01.2007	Norway	Oslo	100.00%	2,905	23,421	6,417
Saferoad Czech Republic s.r.o.	30.06.2010	Czechia	Line	100.00%	27,770	36,482	3
Saferoad Traffic AB	28.02.2008	Sweden	Köping	100.00%	154,406	76,068	5,618
Saferoad Suomi Oy	30.06.2012	Finland	Tuusula	100.00%	26,935	47,424	3,999
Moramast AB	01.11.2007	Sweden	Mora	100.00%	4,270	33,008	31,910
Saferoad Restraint Systems Sp. z o.o.	02.01.2012	Poland	Gdańsk	100.00%	172,325	224,413	10,330
Saferoad Holland BV	01.03.2010	Netherlands	Heerenveen	100.00%	31,000	90,386	16,966
Saferoad Smekab AB	01.01.2007	Sweden	Önnestad	100.00%	55,878	31,415	9,059
Saferoad Trading AS	01.01.2007	Norway	Oslo	100.00%	1,661	(457)	(2,960)
Trafikksikring AS	05.04.2001	Norway	Oslo	100.00%	110	2,030	28
Vik Ørsta AS	01.01.2007	Norway	Ørsta	100.00%	204,632	161,905	20,131
Vik Ørsta Design AS	30.06.2012	Norway	Ørsta	100.00%	0	1,357	(6)
Total value					1,661,269		

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

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

Shares in subsidiaries owned through subsidiaries	Country	Segment	Ownership
Saferoad Holding AB			
Saferoad Treasury AB	Sweden	Other/Holding	100 %
Saferoad Smekab AB			
Smekab Citylife Aps	Denmark	Infrastructure	100 %
Saferoad Holding Denmark Aps			
Saferoad Traffic A/S	Denmark	Traffic	100 %
Eurostar Danmark A/S	Denmark	Services	100 %
Saferoad Holding Germany GmbH			
Saferoad Europe GmbH Germany	Germany	Restraint Systems	100 %
Hausneindorfer Metallbau und Montage GmbH	Germany	Restraint Systems	100 %
Schalltec Beteiligungs GmbH	Germany	Restraint Systems	100 %
Schalltec GmbH & Co. KG	Germany	Restraint Systems	100 %
Saferoad Traffic GmbH	Germany	Traffic	100 %
Bongard & Lind Verwaltungs GmbH	Germany	Restraint Systems	100 %
Bongard & Lind Noise Protection GmbH & Co KG	Germany	Restraint Systems	100 %
Inter Metal Sp. z o.o.	Poland	Restraint Systems	100 %
Brite Line Europe GmbH	Germany	Restraint Systems	74.8 %
Saferoad RRS GmbH	Germany	Restraint Systems	100 %
Saferoad RRS Romania SRL	Romania	Restraint Systems	100 %
AWK GmbH	Germany	Restraint Systems	100 %
HMS Montage GmbH	Germany	Restraint Systems	100 %
Saferoad UK Limited			
Saferoad VRS Limited	United Kingdom	Restraint Systems	100 %
Saferoad Restraint Systems Sp. z o.o.			
Saferoad Baltic UAB	Lithuania	Restraint Systems	100 %
Saferoad Services Gdansk Sp. z o.o.	Poland	Services	100 %
Saferoad Pomerania Sp. z o.o.	Poland	Restraint Systems	100 %
Saferoad Services Sp. z o.o.	Poland	Services	100 %
Vik Ørsta AS			
Saferoad Lightpoles Brasov S.R.L.	Romania	Infrastructure	100 %

Note 11
Cash and cash equivalents

NOK 1000	**31.12.2023**	31.12.2022
Cash and bank deposits	**205,029**	196,097
Restricted cash	**0**	0
Total cash and cash equivalents	**205,029**	196,097

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

Note 12
Liabilities to credit institutions

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

In addition, working capital financing was secured through a revolving facility agreement between Saferoad Holding AS and DNB BANK ASA as Original Lender. The revolving facility agreement amounts to NOK 510.0 million and matures in March 2028. By year end 2023, there were drawn NOK 50.0 million on the revolving facility agreement.

Interest
Interest on the revolving facility agreement will accrue at a floating rate calculated as the sum of the applicable interbank market rate and a margin. The margin for the revolving facility varies with Saferoad's leverage ratio. There are interest rate floors in the financial agreements with DNB Bank and the Facilities originally lent by funds managed by Blackstone Alternative Credit Advisors LP. Saferoad has bought interest rate caps to protect against rising interest rates. For the Senior Term Facilities Agreement managed by Blackstone Alternative Credit Advisors, protection is bought for the full exposure in NOK, EUR and SEK until the maturity of the Senior Term Facilities in 2028. The protection has been effective for all currencies during 2023. There is not bought any protection against rising interbank market rates for the Revolving Credit Facility with DNB.

Financial covenant
There is a leverage covenant in the DNB facility with which Saferoad Group must be compliant, in case 40 per cent or more of the revolving facility is drawn. As of 31 December 2023 there is sufficient headroom to the leverage covenant. The only financial covenant in the Senior Term Facility Agreements is a limitation on capital expenditure per annum. Saferoad's 2023 capital expenditure is well below the 2023 capex covenant level.

Saferoad Holding has the following non-current interest-bearing liabilities to credit institutions:

LIABILITIES TO CREDIT INSTITUTIONS 31 DECEMBER 2023

NOK 1000	Currency	Interest rate	Due date	Amount
Liabilites to credit institutions - Term loan	SEK	STIBOR + Margin	30/9/2028	603,335
Liabilites to credit institutions - Term loan	NOK	NIBOR + Margin	30/9/2028	847,642
Liabilites to credit institutions - Term loan	EUR	EURIBOR + Margin	30/9/2028	1,052,417
Liabilites to credit institutions - Revolving credit facility	NOK	NIBOR + Margin	31/3/2028	35,279
Total				2,538,673
Less current part				0
Non-current				2,538,673

LIABILITIES TO CREDIT INSTITUTIONS 31 DECEMBER 2022

NOK 1000	Currency	Interest rate	Due date	Amount
Liabilites to credit institutions - Term loan	SEK	STIBOR + Margin	30/9/2028	558,255
Liabilites to credit institutions - Term loan	NOK	NIBOR + Margin	30/9/2028	840,478
Liabilites to credit institutions - Term loan	EUR	EURIBOR + Margin	30/9/2028	976,059
Liabilites to credit institutions - Revolving credit facility	NOK	NIBOR + Margin	31/3/2028	285,279
Total				2,660,071
Less current part				0
Non-current				2,660,071

Note 13
Other current liabilities

NOK 1000	**31.12.2023**	31.12.2022
Salary	**32,081**	33,896
Holiday pay	**3,024**	3,504
Accrued interest	**2,796**	2,919
Other current liabilities	**7,564**	9,656
Total other current liabilities	**45,464**	49,976

Note 14
Transactions with group companies and related parties

NOK 1000	2023	2022
Internal operating revenue from group companies		
Management fee	57,763	57,229
Rental	6,000	6,000
Other revenue	0	0
Internal operating revenue from group companies	63,763	63,229
Internal services from group companies		
Vik Ørsta AS	6,891	4,782
Saferoad Traffic A/S	5,642	2,016
Saferoad Sverige AB	1,711	9,653
Saferoad Pomerania Sp. z o.o.	0	171
Saferoad Smekab AB	480	1,407
Inter Metal Sp. z o.o.	80	0
Other operating costs to group companies	14,805	18,030
Received dividend and group contribution		
Saferoad Holding AB	141,493	132,006
Saferoad Holding Denmark Aps	0	23,888
Saferoad Trading AS	0	2,102
Brødrene Berntsen AS	45,756	50,647
Vik Ørsta Design AS	3	2,294
Vik Ørsta AS	20,559	69,647
Saferoad Traffic AS	7,232	0
Saferoad Services AS	2,798	331
Trafikkdirigering AS	0	1,256
Saferoad Services AB	0	9,454
Saferoad Holland BV	9,654	9,462
Dividend and group contribution from group companies	227,495	301,088
Internal financial income		
Interest income	85,853	58,052
Cash pool interest income	24,440	27,709
Financial income from group companies	110,292	85,760
Internal financial expense		
Cash pool interest expense	20,386	7,210
Financial expense to group companies	20,386	7,210

NOK 1000	31.12.2023	31.12.2022
Non-current loans to group companies		
Loans to group companies	831,817	807,445
Total non-current loans to group companies	831,817	807,445
Receivables on group companies		
Trade accounts receivables	82,216	73,992
Other receivables	18,252	191,252
Cash pool, net receivables	179,094	123,760
Accrued interest income	59,276	43,108
Total receivables on group companies	338,838	432,113
Group contribution and dividend receivable on group companies		
Brødrene Berntsen AS	45,756	50,647
Saferoad Services AS	2,798	331
Vik Ørsta Design AS	3	2,294
Saferoad Traffic AS	7,232	0
RI Holding AS	0	3,496
Saferoad Holding AB	140,604	0
Trafikkdirigering AS	0	1,256
Vik Ørsta AS	20,413	69,647
Saferoad Services AB	0	9,454
Saferoad Holland BV	0	9,462
Total group contribution on group companies	216,806	146,587
Current liabilities to group companies		
Cash pool	590,706	317,517
Trade accounts payable	2,094	1,908
Other liabilities	879	5,498
Total current liabilities to group companies	593,679	324,923

For information regarding cash pool, see note 11.

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

Note 15
Hedge accounting

Derivative financial instruments and hedge accounting
Saferoad Holding holds derivative financial instruments to hedge its interest rate exposures. The Group wants to have hedges linked to its debt portfolio limiting impacts of an increasing NIBOR, EURIBOR and STIBOR. The basis for this is to limit the impact of an increase in floating interest rates on the Group's interest expenses.

At the inception of the designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument.

Accounting policies
Saferoad accounts for a hedge of interest rate on loan with floating rate as a cash flow hedge. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised in the profit and loss statement.

The interest rate risk is mitigated by purchase of interest rate caps. The fair value of the interest rate caps' are booked as a financial asset. The interest rate caps' are funded with a swap simultaneously booked as a liability. The initial value of the interest rate caps and the swaps equals each other at date of inception.

On a monthly basis, the fair value of the interest rate caps is measured, and the value of the financial asset is adjusted to reflect the fair value. The change in fair value of the caps is recognised in OCI. As the interest rate caps matures, it might lead to an incoming payment recognised in the profit and loss. The value booked as an asset in the balance related to the matured cap will be transferred from the asset value and booked in the profit and loss as a financial expense. When all caps have matured, the asset value will be zero in the balance sheet, and all entries in the hedge reserve is transferred to profit and loss.

At each reporting date, the fair value of the swap is measured, and the value of the liability is adjusted to reflect the fair value. The change in fair value of the swap are recognised in OCI and transferred to hedge reserve. When all payments of the swaps have matured, the liability are to be zero in the balance sheet, and all entries in the hedge reserve is transferred to the profit and loss.

As of 31 December 2023, Saferoad Holding held the following instruments to hedge exposures to changes in interest rate on loan with floating rate:

INTEREST RATE OPTIONS

Current amount	Maturity date	Strike rate	Rate index	Currency	Fair value	Initial value	Fair value NOK
EUR 96 000 000	Sep 28	1.00%	3M EURIBOR	EUR	6,327,827	3,257,766	71,127,939
NOK 869 000 000	Sep 28	2.50%	3M NIBOR	NOK	47,558,769	34,430,884	47,558,769
SEK 610 000 000	Sep 28	1.50%	3M STIBOR	SEK	31,981,064	22,540,491	32,396,818
						Asset	151,083,526

INTEREST RATE SWAPS

Current amount	Maturity date	Currency	Fair value	Initial value	Fair value NOK
EUR 96 000 000	Sep 28	EUR	(1,900,517)	(3,257,766)	(21,362,761)
NOK 869 000 000	Sep 28	NOK	(23,749,903)	(34,430,884)	(23,749,903)
SEK 610 000 000	Sep 28	SEK	(14,454,712)	(22,540,491)	(14,642,623)
				Liability	(59,755,288)

Note 16
Pledged assets and guarantees

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

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

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

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

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

a) pledge granted by SRH Investco AS and MgmtCo Saferoad AS of all shares issued by Saferoad Holding AS and held by either SRH Investco AS or MgmtCo Saferoad AS
b) pledge granted by the Holding company of each guarantor listed above of all shares owned in the guarantor by the respective Holding company
c) pledge over all intra-group loan agreements exceeding a value of NOK 10 million, or similar value in other currencies
d) Saferoad Holding AS' bank accounts

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

Company	Jurisdiction	Corporate Identity Number
Bongard & Lind Noise Protection GmbH & Co KG	Germany	HRB 21196
Bongard & Lind Verwaltungs GmbH	Germany	HRB 21973
AWK GmbH	Germany	HRB 8839
Brødrene Berntsen AS	Norway	810547472
Hausneindorfer Metallbau und Montage GmbH	Germany	HRB 108088
Saferoad Services AB	Sweden	556520-7478
Saferoad Traffic AS	Norway	890729142
Saferoad Services AS	Norway	976962699
Saferoad Services A/S	Denmark	26994896
Inter Metal Sp. z o.o.	Poland	90428498
Moramast AB	Sweden	556179-2598
Saferoad Traffic A/S	Denmark	21778702
Saferoad Europe GmbH	Germany	HRB 22345
Saferoad Services Sp. z o.o.	Poland	0000152355
Saferoad Holding AB	Sweden	556753-5470
Saferoad Holding AS	Norway	917763909
Saferoad Holding Denmark ApS	Denmark	31589487
Saferoad Holding Germany GmbH	Germany	HRB 22343
Saferoad Pomerania Sp. z o.o.	Poland	0000154679
Saferoad RRS GmbH	Germany	HRB 22479
Saferoad Restraint Systems Sp. z o.o.	Poland	0000265582
Saferoad Smekab AB	Sweden	556099-6869
Saferoad Traffic AB	Sweden	556030-8073
Saferoad RRS Sverige AB	Sweden	556505-1413
Saferoad Treasury AB	Sweden	556493-1573

Auditors report

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Statsautoriserte revisorer
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Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Saferoad Holding AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Saferoad Holding AS (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the statement of financial position as at 31 December 2023 and the statement of comprehensive income, the statement of changes in equity and cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that the other information is materially

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inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, we are required to report that fact.

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

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

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- evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Oslo, 24 April 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Tore Sørlie
State Authorised Public Accountant (Norway)

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Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

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

Sørlie, Tore
Statsautorisert revisor
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