Annual report with Sustainability Report

2021

Constructing connections.
Consciously.

VIACON

Contents

2021 IN BRIEF

- Net sales amounted to SEK 1,946.3 million (1,970.2), a decrease of 1.2 % compared with last year.
- Earnings before depreciation (EBITDA) amounted to SEK 200.9 million (177.9), corresponding to an EBITDA margin of 10.3 % (9.0).
- Operating earnings (EBIT amounted to SEK 143.7 million (125.0), corresponding to an EBIT margin of 7.4 % (6.3).
- Underlying earnings before depreciation (underlying EBITDA) amounted to SEK 239.1 million (205.5), corresponding to an underlying EBITDA margin of 12.3% (10.4).
- Earnings for the year amounted to SEK -78.7 (77.7) million
- New organization with three business units, Bridges & Culverts Solution, GeoTechnical Solutions and StormWater Solutions, was implemented at the beginning of the year.
- Hamco and associated companies was acquired.
- ViaCon issued senior secured bonds of EUR 100 million with variable interest rates.
- Tubosider (United Kingdom) Limited was acquired.

FINANCIAL KEY FIGURES

	FULL YEAR		
tSEK	2021	2020	2019
Net sales	**1 946 336**	**1 970 163**	**1 844 449**
Earnings before depreciation (EBITDA)	**200 943**	**177 894**	**133 085**
EBITDA margin	**10,3%**	**9,0%**	**7,2%**
Items excluded from underlying EBITDA	38 149	27 629	-
Underlying earnings before depreciation (underlying EBITDA)	**239 092**	**205 523**	**133 085**
Underlying EBITDA margin	**12,3%**	**10,4%**	**7,2%**
Operating earnings EBIT	**143 697**	**125 000**	**79 127**
EBIT margin	**7,4%**	**6,3%**	**4,3%**
Items excluded from underlying EBIT	38 149	27 629	-
Underlying operating earnings (underlying EBIT)	**181 846**	**152 629**	**79 127**
Underlying EBIT margin	**9,3%**	**7,7%**	**4,3%**

This is ViaCon

ViaCon is a leading player in the European market with focus on production and technical sales of flexible corrugated steel structures and plastic pipes through the business units Bridges & Culverts Solutions, GeoTechnical Solutions and StormWater Solutions.

ViaCon aims at the highest standards when it comes to environmental awareness, health and safety. The solutions are designed to minimise carbon footprint with minimum disruptions of traffic at work site, hence handling negative effects on both environment and society.

ViaCon offers its customers a host of distinct state-of-the-art solutions that are long-lasting and designed to meet the challenges of a changing world. ViaCon's solutions support both its customers and the society in reaching the vital sustainable goals.

VIACON CONSTRUCTS CONNECTIONS. CONSCIOUSLY.

NET SALES 2021 SEK

1,946 m

ADJ. EBITDA MARGIN

12.3%

EMPLOYEES

~800

EUROPEAN LEADERSHIP POSITION

#1

YEARS OF ENGINEERING EXPERIENCE

+35

VIACON OPERATES THROUGH THREE BUSINESS UNITS

BRIDGES & CULVERT SOLUTIONS

The business unit offers solutions for construction, reconstruction, and relining of culverts, bridges, viaducts, grade separations, ecological crossings, tunnels etc that are used for establishing infrastructural connections and crossings. More on page 16.

GEOTECHNICAL SOLUTIONS

The business unit offers customized solutions for soil reinforcement and groundwater protection and technical solutions for different areas of use, such as retaining walls, roads and railways, environmental engineering, as well as solutions with plastic pipes. More on page 18.

STORMWATER SOLUTIONS

The business unit designs and manufactures among others large capacity water tanks that are used to store rainwater in the event of a downpour or polluted water, as well as fire water tanks. The tanks are mainly used under parking spaces, as well as by specialized construction contractors. More on page 20.

STEFAN NORDSTRÖM, PRESIDENT AND CEO

ViaCon continues to make great progress to secure future competitiveness

Already in 2020, ViaCon took a big step forward with a new strategy and the best year so far in the company's history. In 2021, we put another record year behind us. ViaCon has developed strongly based on its new strategic directives, the operation has been further refined, and with new financing in place the separation from Saferoad has been finalized. Through this year's two strategic acquisitions, we have built a broader platform for deliveries of competitive and sustainable solutions and we have thus strengthened our position as market leader in Europe. ViaCon is now an independent Group with a clearly defined agenda for the future.

IMPROVED PROFITABILITY

Net sales for the year totaled SEK 1,946.3 million, a decline of 1.2% on the previous year. During the year, ViaCon acquired operations contributing to an annual sales of SEK 95.7 million and has chosen to leave non-core business with an annual sales of approximately SEK 200 million. Adjusted for divestments and acquisitions, organic growth was 4.5%. Underlying earnings before depreciation for the whole year amounted to SEK 239.1 million, equating to an underlying EBITDA margin of 12.3%. An improvement by 15.8 % compared to previous year.

The increase in profitability is primarily driven by the strategic agenda of focusing on selected, more profitable business and product solutions. At the same time, we have successfully managed increased costs for input materials and longer lead times from suppliers while maintaining delivery precision to the customer. A dedicated efficiency programme with regard to both capital and costs, as well as structure and processes among others within our industrial system has also contributed to the improved profitability.

We aim to further strengthen profitability by working uniformly towards a common goal, and by improving internal production efficiency. We have reinforced our processes, our digital tools and our expertise in key areas like production, purchasing and logistics. This will make ViaCon a stronger partner to all its stakeholders in society, and the company will generally advance its positions as regards future solutions in each segment in order to meet increasing sustainability requirements.

SUSTAINABILITY

Many of the solutions we provide today are effective in terms of sustainability, both in environmental engineering, erosion control, soil reinforcement and waterway engineering. There are many benefits in our solutions, like minimizing the CO2 footprint, reducing construction time and to reuse materials.

We want to contribute to a sustainable society. We do that by ensuring that ViaCon develops in a sustainable way. Read more in our sustainability report on page 26.

NEW ORGANIZATION AND ACQUISITIONS

A new organization was decided on in 2020, and was implemented during early 2021. The Group now consists of the three business units Bridges & Culverts Solutions, GeoTechnical Solutions, and StormWater Solutions.

Through strategic priorities, our aim is to grow the business in Bridges & Culverts Solutions, boost profitability in GeoTechnical Solutions, and build up the business in StormWater Solutions.

In April, an acquisition was made of Hamco and associated companies. The acquisition is part of the Group's plans for further expansion in Western Europe. In December, Tubosider (United Kingdom) Limited was acquired, which further strengthens ViaCon's market-leading position in Europe for corrugated steel-based civil engineering solutions.

After the end of the year, in April 2022, ViaCon signed an agreement to acquire assets from Bergschenhoek Civiele Techniek B.V. (BCT). The acquisition is aligned with ViaCon's strategy to grow further into Western Europe. Closing is expected to take place on May 2, 2022 and the completion of the acquisition is conditional upon certain actions taken by the seller.

COVID-19

The continued COVID-19 pandemic in 2021 has affected all kinds of companies and organizations, with far-reaching consequences in many industries. ViaCon has taken powerful measures to protect the business against the spread of the virus, and ViaCon has to date been affected by COVID-19 to a relatively limited extent. ViaCon has largely been able to maintain its delivery capacity, and our production capacity has been maintained.

THE DEVELOPMENTS IN UKRAINE AND ITS IMPACT ON VIACON

ViaCon has a very limited risk exposure to Russia and we will not conduct further business in the country. The process of divesting the operation in Belarus according to communications in December continues. However, the development entails a risk of disruptions in our raw material supply and pricing, and we continuously monitor the situation to evaluate and manage the impact.

On a humanitarian level, we are deeply concerned about developments in Ukraine and our thoughts are with the millions of people affected. ViaCon has chosen to donate money to the Red Cross to help affected.

WELL PREPARED FOR 2022

During quarter four, a new financing was set and we issued senior covered bonds of EUR 100 million with variable interest rates, which fall due in 2025. This was the final step in completing the separation from the Saferoad Group, a process that was initiated, and has been going on strategically, operationally and financially, since 2019.

ViaCon continued its journey of change in 2021, and the new strategy has enabled us to advance our position on the European market by providing competitive and sustainable solutions. General demand is governed by a number of factors and for ViaCon, 2021 has been the best year in the Group's history.

The market continues to grow within infrastructure throughout Europe and in addition, ViaCon gains market shares from competing solutions.

ViaCon has a strong heritage and brand to build on and the ambition is for us to reach an even stronger position with good profitability in the three business units in the European market. With our technical expertise and focus on sustainability, we have strengthened our customer offering of cost-effective solutions.

Finally, I would like to extend a big thank you to all the Group's employees for their efforts. 2021 truly showed the importance of being able to deliver results while also investing in the future. ViaCon is significantly stronger today than it was a year ago. With our strategy, I am confident that we will continue to deliver a continued strong development as the leading European supplier of sustainable solutions in our business units.

Stefan Nordström, President and CEO

FOCUS 2021

- New strategy and new organization for what is one of the biggest changes in ViaCon's history
- Prioritize the new strategic focus areas
- Manage increased costs for input goods and longer delivery times from suppliers
- Continue to manage the impact of COVID-19 on the operation
- Development of a plan to increase production and purchasing efficiency
- Work in a harmonized way to make ViaCon's strategy a reality

FOCUS 2022

- Reinforce the customer offering with technically advanced product solutions in order to create added value for the customer and support the sustainability agenda
- Further enhance presence in Western Europe by integrating and growing the acquisitions made in 2021 and BCT 2022, but also through future selective acquisitions
- Implement the comprehensive improvements in productivity in our industrial field, including greater purchasing efficiency
- Continued improvements in capital and cost efficiency through consolidation and harmonization
- Manage the short-term risks in the wake of the war in Ukraine

ViaCon – an international Group with sustainability in focus

ViaCon was founded in 1986 with establishments in Sweden and Norway. Today we are an international company, providing environmental friendly, sustainable engineering solutions with a focus on sales and manufacturing of corrugated steel structures, geo-technical, and storm-water solutions.

ViaCon Group encompasses more than 30 companies in 20 countries in Europe and the Middle East. Our customers include large multinational contractors, national road and railway authorities, and small local businesses.

Our R&D activity includes active cooperation with governments and universities to create state-of-the-art engineering solutions and products. Environmental awareness, health, and safety are the key features of our design process.

All our products and solutions comply with national standards and follow international codes and recommendations. We are proud of the high technical acumen that we are recognized for by our customers.

In 2019, one of our projects, a bridge in Dubai, gave us global recognition in the form of a place in the Guinness Book of Records as the world's largest soil steel bridge (SSB). The construction was designed, produced, and assembled by our Polish ViaCon Team.

OUR HISTORY AND SCANDINAVIAN HERITAGE

Since our start in 1986, ViaCon has gone from being a widespread company in many countries to becoming a more cohesive and well-organized international Group. We have gone from providing only products to now offering world-class time- and cost-effective solutions, with focus on sustainability.

We stand for the highest standards of professionalism and integrity, traits from our Scandinavian heritage. It is this heritage that our company culture is based on and that helps us live up to our quality promise to both customers and employees. Our heritage also entails a great responsibility to protect the environment and to preserve nature.

We also value time. Our engineers and designers provide solutions and products that are faster to install enabling much shorter infrastructure disturbances, sometimes from a few months to just a couple of weeks throughout the project.

COMITTED TO MAKING A DIFFERENCE

ViaCon is committed to making a difference for the environment by constantly striving to reduce CO2 emissions, help alleviate the negative impact of climate changes, protect ground water, preventing pollution in landfills, preserving life of our fauna through animal crossings. Read more about or sustainability work on page 26.

RISK MANAGEMENT

ViaCon is, as all companies, subject to several operational and financial risks that could affect our activities. Exposure to risk is a natural part of running a business and this is reflected in our view of risk management, which aims to identify and prevent risks and to limit any damage as a result of them. Read more in the risk section on page 41.

OWNERS

ViaCon is mainly owned by funds advised by FSN Capital Partners, apart from approximately 5%, which is owned by the company's management and other representatives. Established in 1999, FSN Capital is a leading private equity adviser in the Northern European region with €3.5 billion under management. FSN Capital seeks to act with the highest level of integrity, taking a responsible approach when interacting with its portfolio companies, advisors, investors, local communities and the environment.

VIACON'S VISION

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

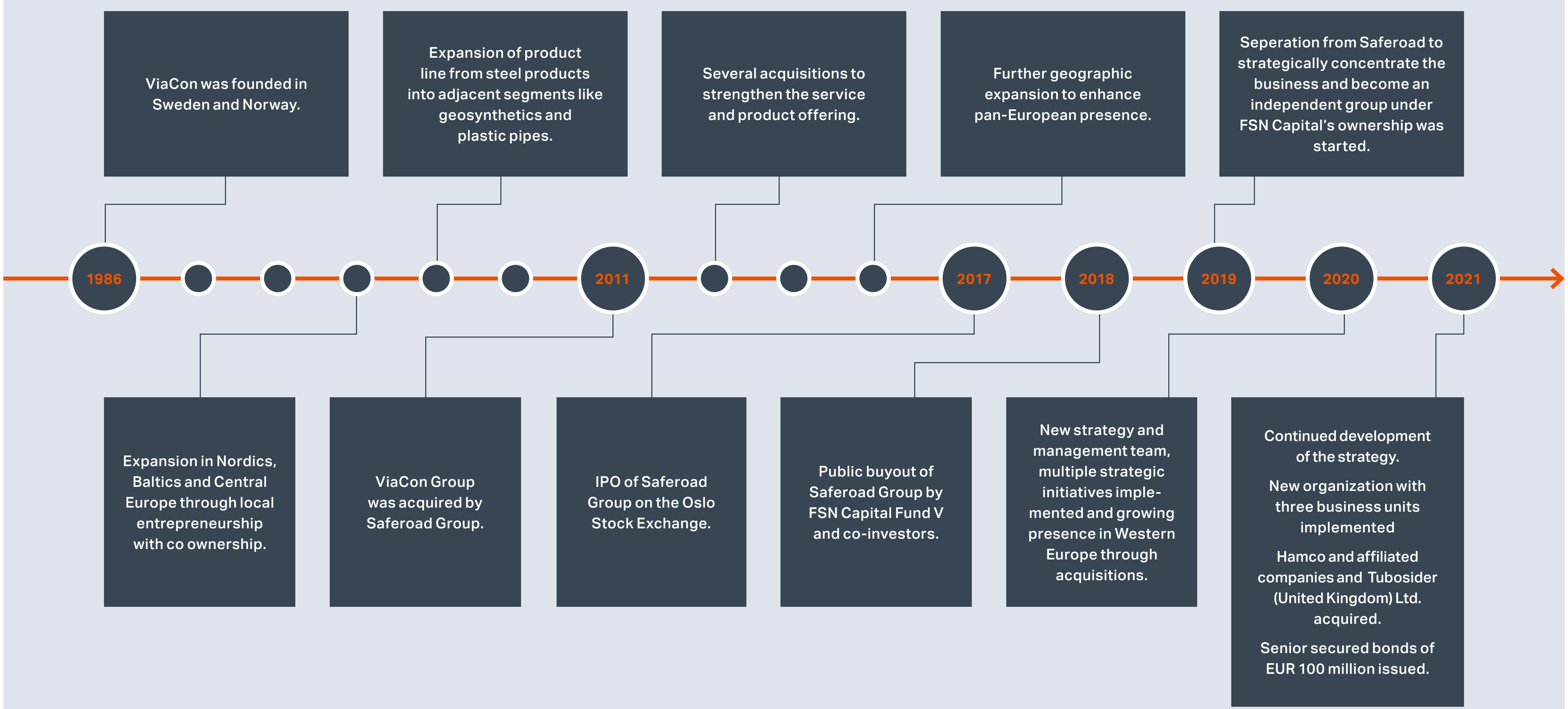
WHAT THIS MEANS FOR US

Europe, and in particular Central and Northern Europe, is ViaCon's home market. ViaCon acts also in other markets and thus opportunities will be handled on an opportunity basis. ViaCon currently has no ambitions to go global but would like to strengthen the position into Western Europe.

Focus on sustainability implies that ViaCon wants to differentiate the product offerings to provide highly profitable solutions and supporting our customers' demand for sustainable and environmentally friendly solutions.

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

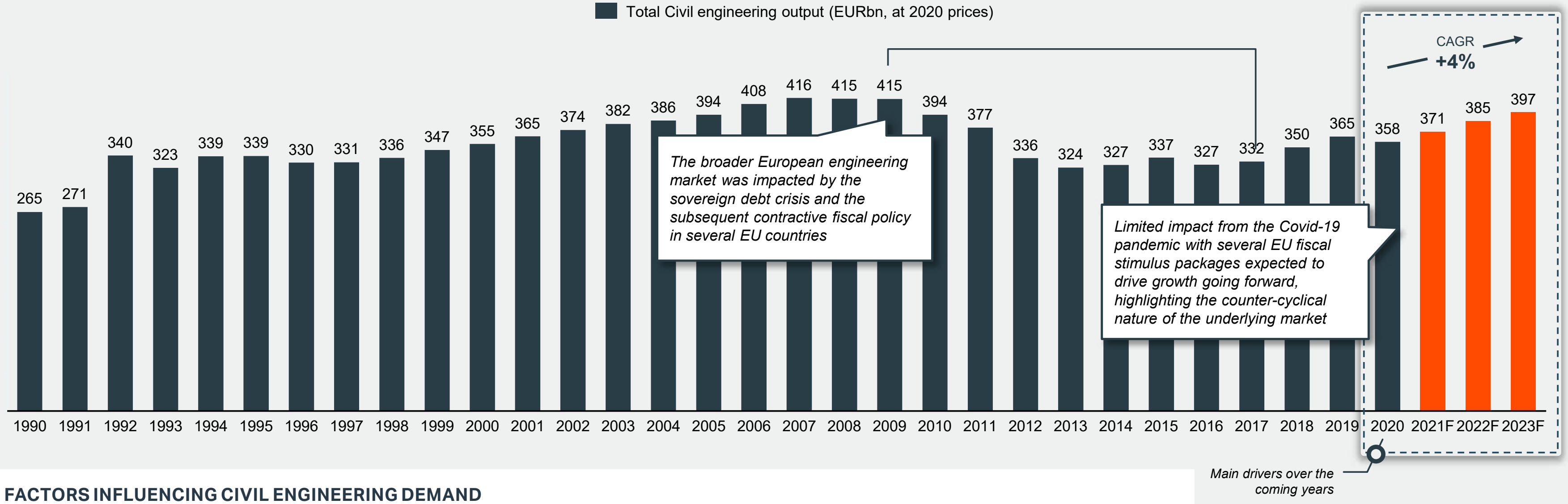
ViaCon's history – more than three decades of experience



Market outlook and influencing factors

ViaCon is ideally positioned to capitalise on a stable market ready for growth.

THE EUROPEAN CIVIL ENGINEERING MARKET (EC-19)



FACTORS INFLUENCING CIVIL ENGINEERING DEMAND

The European civil engineering market is poised for growth on the back of significant infrastructure programs and a clear climate agenda

Source: EUROCONSTRUCT

Long-term financial targets

CAGR
>5%

Sales, CAGR >5%

ViaCon has a clear ambition to grow both organically and through acquisitions. Through the acquisitions in Germany and the UK, we have established a strong platform for growth in Western Europe.

The goal of continuing our growth journey primarily organically by taking market shares from alternative materials but also selective investments is on the agenda to further consolidate the market in Europe.

Through our strong sustainability offering, we have a clear ambition to have an average annual growth of at least 5% per year.

EBITDA
>15%

EBITDA >15%

The operating margin before depreciation and amortization shall amount to at least 15%.

High cash conversion

High cash conversion by continuing to reduce working capital in relation to sales. ViaCon's investments represent approximately 2-3 % of the Group's annual sales, with focus on efficiency improvements and strategic initiatives in product and process.

GUIDELINES

<16,5%	~2-3%	~2-3%
OPWC R12/Sales R12	Capex/Sales	Depreciation

Strategic priorities in focus

Global challenges require new business models, the world is changing and ViaCon with it. Programs and plans for future growth and profitability, were prepared in 2020 and work has continued through 2021.

The work has resulted in a revised vision and business concept where the strategic priorities are clear. Through a new organisational structure for the Group consisting of three business units and a consolidated operations function that were introduced in the beginning of 2021, we have a strong foundation to build on.

Through strategic priorities, ViaCon will grow the business within Bridges & Culverts Solutions, improve profitability within GeoTechnical Solutions and build the business within StormWater Solutions.

Our ambition is that the profitability will develop further by working uniformly towards the same goal and by increasing production efficiency through the new operations function.

ViaCon will thus become a stronger partner for all its stakeholders and we will advance our positions in terms of future solutions in each business unit.

STRATEGIC PRIORITIES

1. GROW Bridges & Culverts Solutions

- Strengthen existing weaker spots
- Gain business from alternative solutions (concrete) in addressable markets
- Differenciated pricing through value selling in selected applications
- Increase cost efficiency through synergies, capacity utilization and efficient purchasing
- Proactive sales approach ("ViaCon Way of Sales")

2. IMPROVE PROFITABILITY GeoTechnical Solutions

- Grow sales within high-margin technical solutions
- Reduce low-margin sales e.g. commodities, wholesale etc
- Improve pricing following more solution sales
- Reduce product cost by centralizing plastic production footprint and leverage purchasing of traded goods
- Proactive sales approach ("ViaCon Way of Sales")

3. BUILD StormWater Solutions

- Build market offering strategy to become a solutions provider
- Gain market shares from alternative solutions and increase pricing vs alternative solutions through value selling
- Reduce product costs by harmonizing production technologies and purchasing
- Selective M&A mainly into Western Europe
- Proactive sales approach ("ViaCon Way of Sales")

4. DRIVE OPERATIONAL EXCELLENCE

Operations efficiency
- H&S focus (ESG)
- Operational KPI's
- Productivity/efficiency
- Manufacturing footprint

Sourcing power
- Sourcing power/spend analysis
- Category management
- Sourcing talent

Working capital
- OPWC program
- Capital efficiency
- S&OP process

5. STRENGTHEN BUSINESS SUPPORT AND PERFORMANCE MANAGEMENT

- Finance
- IT
- Commercial development
- People & Organization
- Change management
- ESG

A stronger ViaCon

ViaCon has taken major steps forward in 2020-2021 and with the new strategy, ViaCon will be able to advance its position further in the European market by providing sustainable and environmentally friendly solutions. Innovation is happening everywhere, and ViaCon continues to explore new technology that strengthens the product offerings with a focus on sustainability. Through its expertise in technical solutions, ViaCon will create value for its customers by differentiating its range with cost effective solutions.

ViaCon is significantly stronger today than a year ago. Our strategy gives us confidence in being able to deliver continued good development as the leading European supplier of sustainable solutions in our segments.

STRENGTHS

EXCEPTIONAL ENGINEERING CAPABILITIES WITH A CLEAR CUSTOMER VALUE PROPOSITION

- Provider of mission critical engineered products with >35 years of experience
- Value proposition that is more attractive than alternative materials and thereby build long-standing relationships with key decision makers

LEADING MARKET POSITION ON FOCUS MARKETS

- No. 1 steel structure player in Europe for bridges, culverts and stormwater tank applications
- Entrenched market position protected by several barriers to entry

BROAD GEOGRAPHICAL AND CUSTOMER COVERAGE ACROSS EUROPE

- Wide geographic reach through strategically located production sites
- Strong presence in 20 countries across Europe and middle East with approximately 800 employees and a diversified customer base
- Covering the leading contractors in each country

STABLE MARKET POISED FOR GROWTH FOR THE YEARS AHEAD

- Attractive macro environment with large infrastructure programs and a clear climate agenda expected to fuel growth
- Multiple growth drivers favoring many of ViaCon's strategic addressable markets

ATTRACTIVE FINANCIAL PROFILE WITH STRONG MARGINS AND DEBT SERVICE CAPACITY

- Stable sales development coupled with improving profitability
- Efficient working capital management and limited capex requirements yielding strong expected cash conversion

ViaCon controls the entire value chain from concept engineering to assembly

OVERALL PROJECT PROCESS

PLANNING AND CONCEPT ENGINEERING → PROJECT ENGINEERING → PROCUREMENT → CONSTRUCTION → COMMISSIONING AND OPERATION

VIACON VALUE CHAIN

CONCEPT ENGINEERING
- Group design/ engineering centres
- Continuous development of new product concepts in order to provide customers with innovative sales

SALES
- Direct sales force in 20 countries
- In addition, sales to wholesalers in a few countries/ cases

PROJECT ENGINEERING
- Group engineering centers with state-of-the-art resources
- Local design/ engineering in all larger countries
- Customisation and tailor-made solutions for a diverse amount of application areas where each project is unique

SOURCING
- Group purchasing organisation
- The largest categories are steel, polyethylene, polypropylene, transports and traded goods.
- In total approximately 300 suppliers
- Also offering complementary traded products e.g., geosynthetics

PRODUCTION
- 10 well-invested and strategically located production facilities across Europe (excl. Belarus that is under divestment)
- Production of buried flexible steel structures, steel pipes and culverts and plastic pipes

DISTRIBUTION
- Direct deliveries to site from factories for all steel products
- Selected Geosynthetics and plastic pipes held in stock locally

ASSEMBLY
- Assembly offered on a selective basis with in-house or contracted resources for steel bridges

ViaCon works in close collaboration with all stakeholders

ViaCon combines experience and highest level technical know-how with cutting-edge technology. We are pioneers in the field of bridges, culverts, geotechnical and stormwater solutions and we offer our customers sustanable solutions designed to meet the challenges of a changing world.

ViaCon's solutions support both our customers and the society in reaching the vital sustainable goals. We have the strength of a group at the same time as we have extensive knowledge of the local markets in which we operate.

We attach great importance to maintain a close relationship with our stakeholders in all parts of the projects by creating awareness of our solutions and transparency in upcoming projects. The Group has long-standing relationships with decision makers in infrastructure projects, including large multinational contractors, national road and railway agencies and both industrial and commercial building owners.

SERVICES AND SOLUTIONS

ViaCon works proactively with engineering solutions with all stakeholders involved in the early planning of infrastructure projects. The proactive work secures that the technical specifications for infrastructure projects allow the acceptance of the Group's products and solutions which in turn leads to good growth opportunities.

CONCEPT ENGINEERING

Through ViaCon's design and engineering centres, we continuously develop new product concepts to provide the customers with innovative solutions. Engineering and design is primarily located in Poland but also in other locations like Lithuania, Sweden, France, UK among others.

SALES

ViaCon has a direct sales force in 20 countries which are supported by the different engineering and design centers throughout the group.

APPLICATION ENGINEERING

ViaCon offers engineering with state-of-the-art resources located both centrally in each business unit as well as locally in our larger geographic markets. This allows the Group to offer customised and tailor-made solutions for a diverse amount of application areas.

SOURCING

ViaCon benefits from a central purchasing organisation with appriximately 300 suppliers. The largest categories steel, polyethylene, polypropylene, transports and traded goods.

PRODUCTION

ViaCon's production facilities are based at ten strategic locations across Europe (excl. Belarus that is under divestment). These facilities are used to produce buried flexible steel structures, steel pipes & culverts, watertanks and plastic pipes.

DISTRIBUTION

Delivery of ViaCon's products is offered directly to the installation site from the Group's production facilities for all steel products. Furthermore, selected geosynthetics and plastic pipes are held in stock locally by the Group.

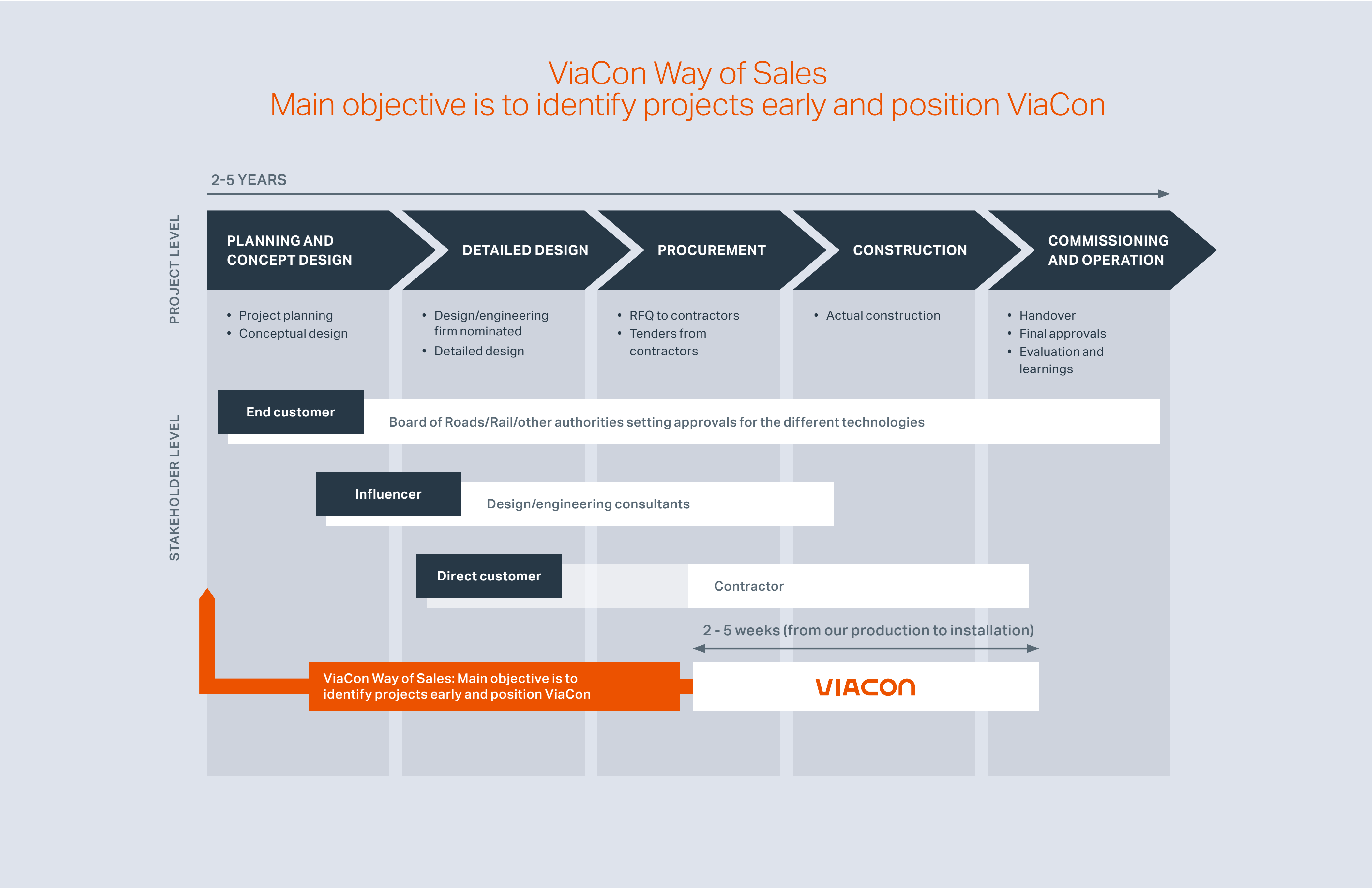
ASSEMBLY

Assembly of steel bridges produced by the Group is offered to customers on a selective basis mostly with contracted resources.

Technology leader with excellent engineering capabilities

SELECTED SOLUTIONS OFFERING

- A broad and competitive product line within the business units Bridges & Culverts Solutions, GeoTechnical Solutions and StormWater Solutions
- Strong conceptual engineering that continuously improves current products and invents new solutions
- Research together with leading universities that has produced many groundbreaking ideas
- Excellent project engineering that creates customisedand competitive solutions to customer problems
- Group engineering centers with state-of-the-art resources combined with local engineering that is close to our markets and key customers


ViaCon Way of Sales
Main objective is to identify projects early and position ViaCon
2-5 YEARS
PROJECT LEVEL
PLANNING AND CONCEPT DESIGN
DETAILED DESIGN
PROCUREMENT
CONSTRUCTION
COMMISSIONING AND OPERATION
• Project planning
• Conceptual design
• Design/engineering firm nominated
• Detailed design
• RFQ to contractors
• Tenders from contractors
• Actual construction
• Handover
• Final approvals
• Evaluation and learnings
STAKEHOLDER LEVEL
End customer
Board of Roads/Rail/other authorities setting approvals for the different technologies
Influencer
Design/engineering consultants
Direct customer
Contractor
2 - 5 weeks (from our production to installation)
ViaCon Way of Sales: Main objective is to identify projects early and position ViaCon
VIACON

BUSINESS UNIT

Bridges & Culverts Solutions

The Bridges & Culverts Solutions business unit accounts for approximately 35% of the Group's total sales. The business unit offers solutions for construction, reconstruction, and relining of culverts, bridges, viaducts, grade separations, ecological crossings, tunnels etc that are used for establishing infrastructural connections and crossings.

THE YEAR IN BRIEF

Net sales for the business unit for the year amounted to SEK 675.0 million and earnings before depreciation amounted to SEK 68.5 million, corresponding to an EBITDA margin of 10.1%. However, the underlying earnings before depreciation amounted to SEK 84.7 million, corresponding to an underlying EBITDA margin of 12.5%.

The business unit has a pronounced seasonal variation and developed strongly during the second but above all during the third quarter 2021. The fourth quarter developed somewhat weaker than the previous year, mainly caused by delays in customers' infrastructure investments driven by a general cost increase of input materials.

COMPETITIVE ADVANTAGES

Our solutions offer a total cost advantage versus concrete solutions in several applications, smaller water bridges and culverts, ecological crossings, pedestrian tunnels, rail underpasses etc. Steel structures have an advantage over concrete by having approximately 50% less CO_2 footprint[1], faster construction time, more flexibility and more potential for technological advances to make steel solutions more carbon friendly.

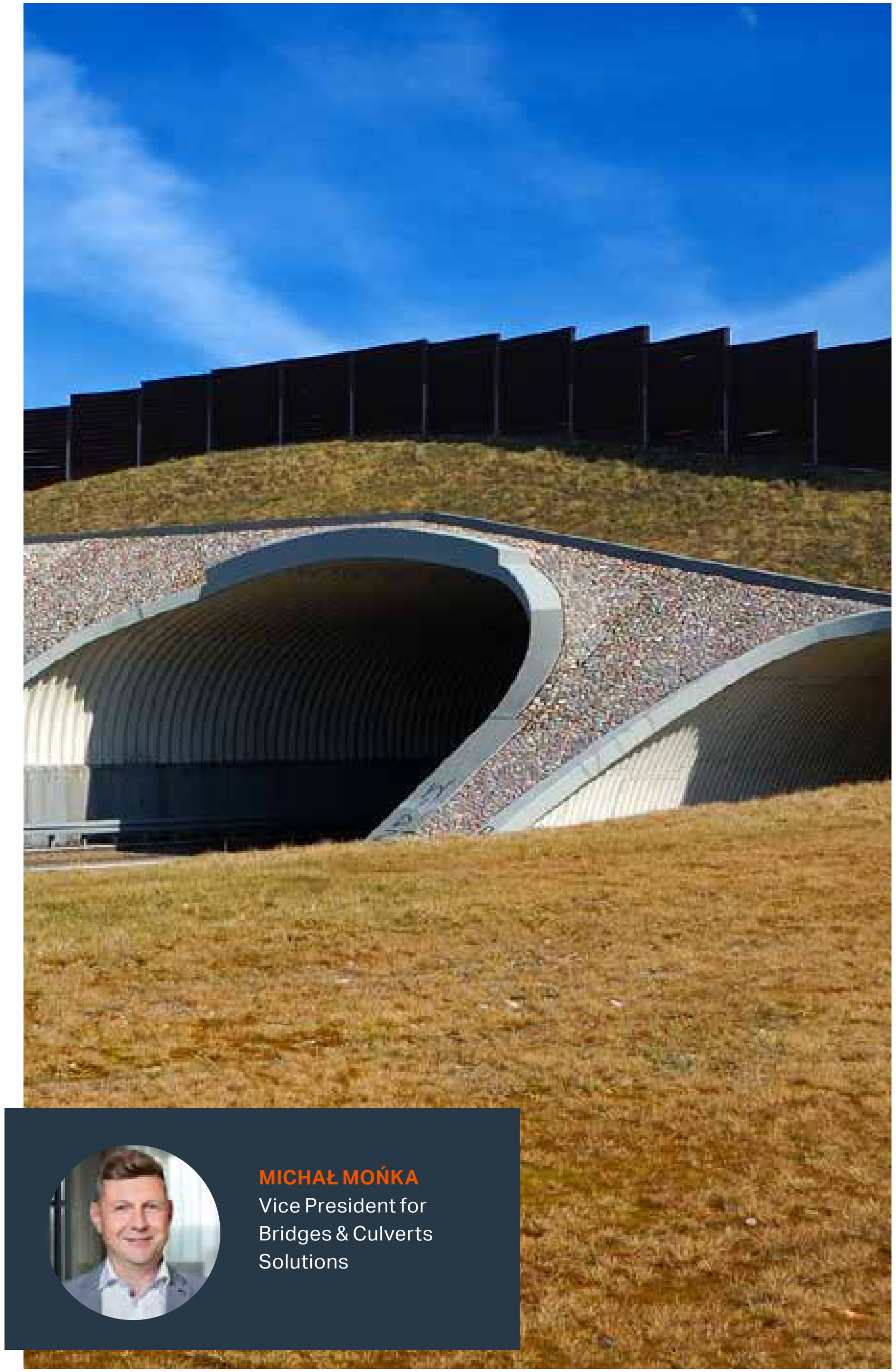
MARKET AND OUTLOOK

The Bridges & Culverts Solutions business unit benefits from the increase in the use of ecological crossings in order to combine a high level of traffic safety (roads with fences) and protection of wildlife. In addition, many railway investments are being made as part of the total investments in infrastructure and many new high-speed lines are being built.

Renovation of older bridges, especially water bridges, through relining is increasing as the road and rail network in Europe ages (45% of Europe's motorways were built more than 40 years ago).

Initiatives such as the EU's green giveaway and the EU's taxonomy are also expected to contribute to increased investment in environmentally friendly solutions.

The business unit's direct customers are road and railway contractors who work on behalf of road and railway authorities.



MICHAŁ MOŃKA
Vice President for Bridges & Culverts Solutions

Source: Journal of Cleaner Production 189 (2018) 647-661
Note: 1) Measured on a global warming potential

CASE STUDY

Pedestrian tunnel

CHALLENGE
The municipality wanted to promote cycling and therefore needed a safety crossing to make it safe to use bicycles as transportation in the area.

SOLUTION
ViaCon proposed a solution with MP200 as underpass that was adjusted geometrically to the bicycle route underneath a road. Solution included design of special reinforcement of underpass ends.

BENEFITS
Light and cost-effective solution with quicker installation time compared to traditional concrete structures.

LOCATION
Gladsaxe, Denmark

Products

The Bridges & Culverts Solutions business unit offers sustainable, cost-efficient and flexible solutions.

KEY PRODUCTS OFFERED INCLUDE:

- Flexible steel structures under the Multiplate, SuperCor, and UltraCor brands.
- Temporary bridges under the Acrow brand.
- Precast concrete structures under the Con/Span brand.
- Culverts and pipes under the HelCor brand.

Flexible steel structures "MultiPlate"

Flexible steel structures "SuperCor"

Flexible steel structures "UltraCor"

Temporary and permanent bridges

Precast structures "CON/SPAN"

HelCor pipes

KEY INFORMATION

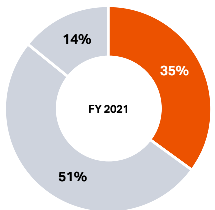
NET SALES SEK

675M

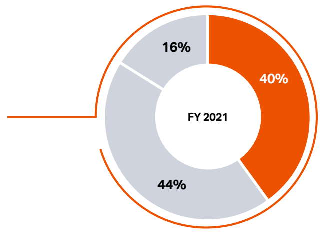
ADJ. EBITDA MARGIN*

12.5%

SHARE OF TOTAL SALES



SHARE OF TOTAL ADJ. EBITDA*



*) Excl. IFRS 16

BUSINESS UNIT

GeoTechnical Solutions

The GeoTechnical Solutions business unit accounts for approximately 51% of the Group's total sales. The business unit offers customized solutions for soil reinforcement and groundwater protection and technical solutions for different areas of use, such as retaining walls, roads and railways, environmental engineering, as well as solutions with plastic pipes.

THE YEAR IN BRIEF

Net sales for the business unit for the year amounted to SEK 992.5 million and earnings before depreciation amounted to SEK 78.1 million, corresponding to an EBITDA margin of 7.9%. However, the underlying earnings before depreciation amounted to SEK 94.2 million, corresponding to an underlying EBITDA margin of 9.5%.

The high season is typically during the second and third quarters. Despite strong sales in the second and third quarter, the market was favorable right into the fourth quarter and did not slow down until December. The sales focus has been on core products and solutions, being selective on projects and this way shaping the business unit's offerings to support the strategic targets.

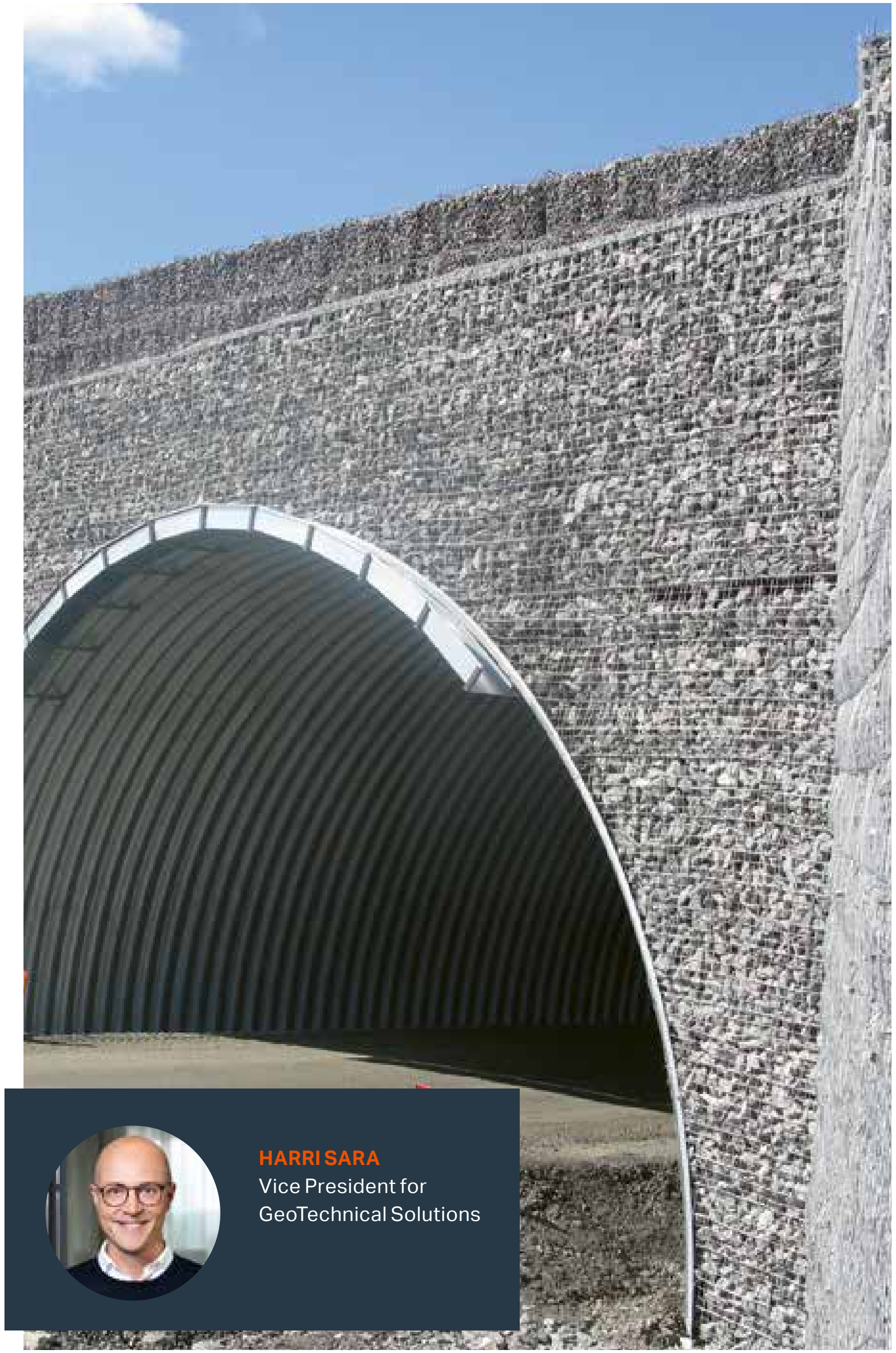
COMPETIVE ADVANTAGES

The GeoTechnical Solutions business unit is a leading provider in applying technical solutions, using geosynthetics, plastic pipes and traded goods across Europe, often leading to reduced environmental impact and lower cost. Many of the solutions we provide today are effective in terms of sustainability, both in environmental engineering, erosion control, soil reinforcement and waterway engineering.

MARKET AND OUTLOOK

The business unit benefits from the stable and relatively good investment levels in infrastructure. Also, there is growing need for landfill and other environmental solutions where ViaCon offers competitive and sustainable solutions with decades of experience.

The customers are mainly contractors in the road and construction industry as well as project owners in landfills, mines and industry.



HARRI SARA
Vice President for
GeoTechnical Solutions

CASE STUDY

Retaining wall

CHALLENGE
Demanding structure to be executed in short time period during winter.

SOLUTION
ViaCon redesigned the original structure using geosynthetics and steel panels.

BENEFITS
Innovative new solution, significant savings in construction time. Original design by another supplier could not meet time requirements. Project cost was also competitive.

LOCATION
Helsinki Ring Road, Finland

Products

The GeoTechnical Solutions business unit offers geotechnical solutions.

KEY PRODUCTS OFFERED INCLUDE:

- Geosynthetics
- Retaining walls
- Plastic pipes
- ViaWalls
- Gabions

Geosynthetics

ViaWalls

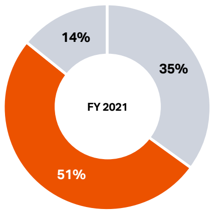
Gabions

Plastic Pipes

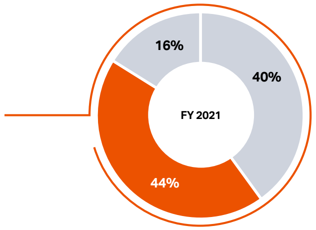
KEY INFORMATION

NET SALES SEK	ADJ. EBITDA MARGIN*
992M	9.5%

SHARE OF TOTAL SALES



SHARE OF TOTAL ADJ. EBITDA*



*) Excl. IFRS 16

BUSINESS UNIT

StormWater Solutions

The StormWater Solutions business unit accounts for approximately 14% of the Group's total sales. The business unit designs, manufactures and supports in the installation of retention, infiltration and firewater tanks, as well as oil and sand separators. These products are indispensable in solving increasingly common problems such as floodings caused by increased rainfalls due to climate change. Such tanks are mainly used in commercial areas with large, paved surfaces where water drainage, storage and cleaning solutions are required.

THE YEAR IN BRIEF

Net sales for the business unit for the year amounted to SEK 278.8 million and earnings before depreciation amounted to SEK 27.9 million, corresponding to an EBITDA margin of 10.0%. However, the underlying earnings before depreciation amounted to SEK 33.8 million, corresponding to an underlying EBITDA margin of 12.1%.

The business unit is gaining market share in their established markets and has expanded into a number of new markets during the year. The most recent acquisition in the UK of Tubosider (United Kingdom) Limited aims primarily to strengthen the StormWater Solutions business unit's position as a market leader in Europe in corrugated steel-based plant solutions, but also the Bridges & Culverts Solutions business unit in its customer offering.

COMPETIVE ADVANTAGES

The StormWater Solutions business unit has a total cost advantage versus competing materials like plastics and concrete for larger projects subject to loads, water contamination, space constraints, typically under large, paved surfaces such as parking lots, warehouses and industrial compounds. The tanks are made of high strength corrugated steel pipes HelCor, which are light, strong, and durable, and have proven to be an economical and eco-friendly solution for stormwater containment and treatment. There are many benefits in our solutions, like minimizing the CO2 footprint, reducing construction time and to reuse materials.

MARKET AND OUTLOOK

The business unit benefits from additional government regulations which claim to retain rainwater for irrigation, firefighting and infiltration to avoid floodings.

The end customers are investors of storage, industrial and commercial buildings but also of bigger residential buildings. The main customers are civil engineering contractors.

HANS GSCHIRR
Vice President for
StormWater Solutions

CASE STUDY

Costco Project

CHALLENGE
The American retail giant Costco has chosen to set up its new 80,000 m² facility in France and must install a water storage solution to decrease the risk of flooding.

SOLUTION
ViaCon delivered two rainwater retention tanks for the site's car parks of a total of ~3000m³.

BENEFITS
Efficient design that allowed installation with limited space available. Very short installation time compared to competing solutions.

LOCATION
Pontault-Combault, France

Products

The StormWater Solutions business unit offers complete tanks with necessary components that can take significant load and handle contaminated water. Highly competitive solutions addressing the challenges of a changing environment such as flooding.

IT FOCUSES ON THE PRODUCTION AND USE OF:

- Retention tanks
- Infiltrations tanks
- Fire water tanks
- Oil and sand separators

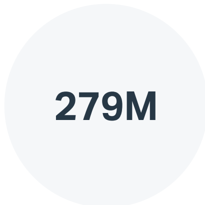
Retention tanks

Fire water tank

Oil and sand separator

KEY INFORMATION

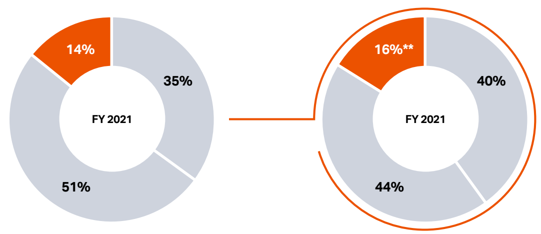
NET SALES SEK



ADJ. EBITDA MARGIN[1]

SHARE OF TOTAL SALES

SHARE OF TOTAL ADJ. EBITDA[1]



*Note: 1) Excluding IFRS 16 effects. *Currently building StormWater Solutions business, expected high future growth. ** A part of current StormWater Solutions business is traded low-margin business that reduces overall margins but is currently being exited.*

Responsible and efficient manufacturing and supply chain

ViaCon's operations strategy is to take the Group's efficiency to the next level and lower the landed cost, using a LEAN approach and by exploiting group synergies, emphasizing our technical competence and cross border advantage. We are also committed to sustainable business which should permeate the entire operations.

PRODUCTION AND PROCESSES

ViaCon Group has its production footprint across 10 locations in Europe (excl. Belarus that is under divestment) with a range of products:

Our approach is based on initiating, driving and coordinating group development initiatives in cooperation with the business units, considering the impact of the different complexity on the product groups.

We are an international group that attaches great importance to taking advantage of local initiatives, such as various improvement initiatives and competence sharing. In this way, ViaCon can continue to develop and as the leading European company through our business units Bridges & Culverts Solutions, GeoTechnical Solutions and StormWater Solutions with an environmental focus, and thereby achieve ViaCon's business goals.

The following are the main priorities for ViaCon's value chain:

- Efficiency
- Sourcing Power
- Working Capital

EFFICIENCY PROGRAM

Due to our large range of products and their complexity, coupled with the geographical complexities, we have consequently adapted our approach and processes to achieve a responsible and efficient manufacturing and supply chain. We have also established a common method and way of working to gain overall efficiency in our production.

PRODUCT GROUPS

At ViaCon, we have the following main product groups:

- Corrugated steel bridges
- Corrugated steel culverts
- Water tanks
- Plastic pipes
- Precast concrete

OUR WAYS OF WORKING (LEAN)

The core idea of the ViaCon LEAN way of working is a systematic approach for operational excellence, based on strong leadership involvement, measurable KPIs/ progress and have local improvements plan. Simply, LEAN means maximize customer value while minimizing waste and we use

guiding principles for our LEAN work in the day to day business.

INVESTMENTS

Investment focus within product and processes is on efficiencies and strategic initiatives. The aim is that some 50% of the total investment amount is invested in efficiency improvements such as enhanced productivity and automatization. 25% are replacement investments such as maintenance and upgrades.

The remaining 25% of the Group's investments are strategic investments, mainly in new products, IT solutions, sustainability but also in mergers and acquistions.

PURCHASING

With size comes strength. By coordinating purchases and technical specifications, savings are generated for the whole ViaCon Group. Thanks to a Group-wide overview and continuous improvements, purchasing synergies are generated while ViaCon inspires suppliers to step up their sustainability efforts and technical development.

Each year, ViaCons's business purchase goods and services for approximately EUR 100 million, of which EUR 50 million involves procurement (direct material) from some 300 suppliers. The largest categories are steel, polyethylene, polypropylene, transports and traded goods.

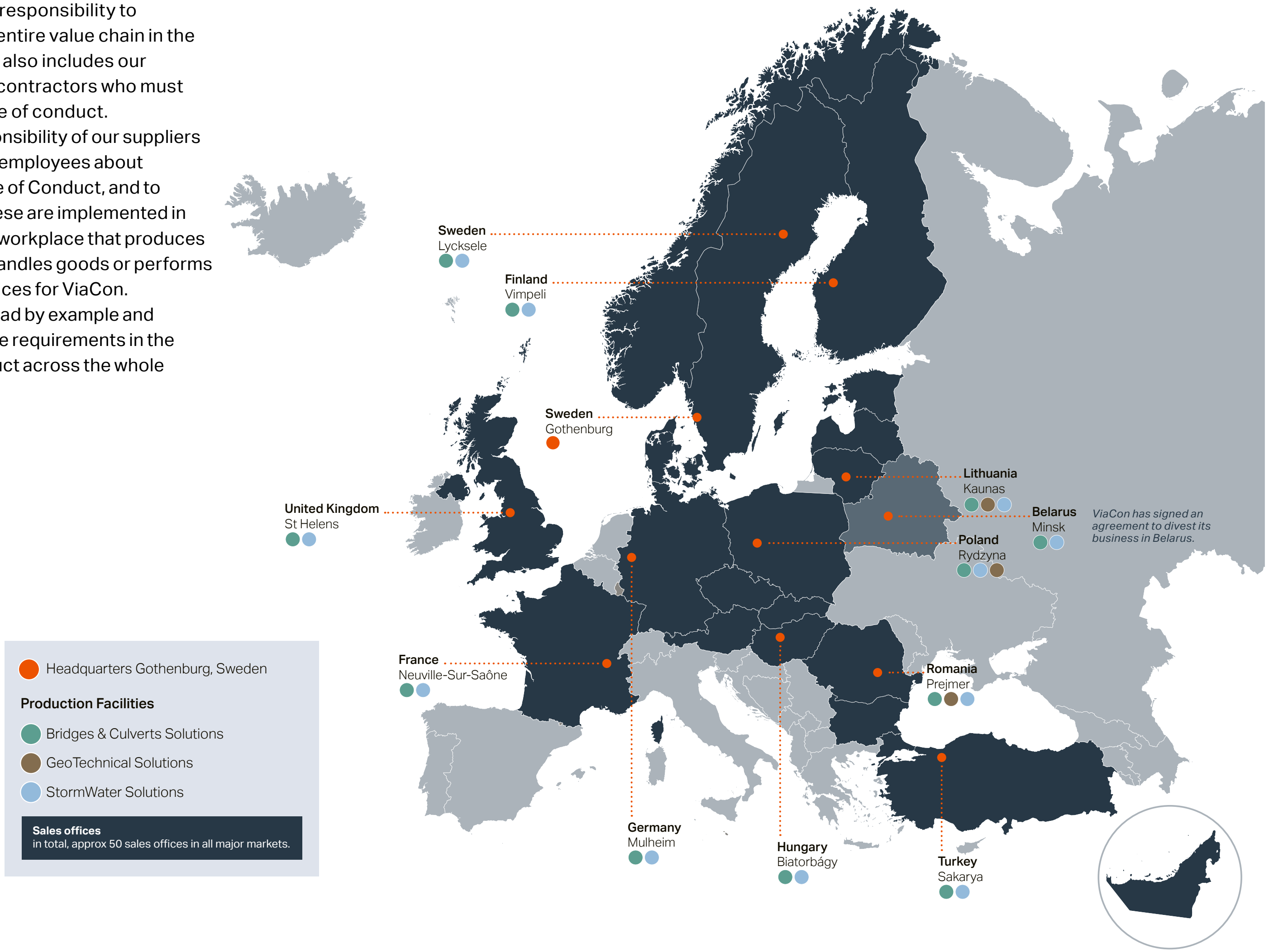
By actively pursuing professional purchasing work within the Group and locally in the daily work, best practice can be applied. This means lower total costs, improved working capital, shorter lead times and reduced risks in the supply chain.

SUPPLIER CODE OF CONDUCT

ViaCon is committed to responsible business and wants the responsibility to permeate the entire value chain in the business. This also includes our suppliers and contractors who must follow our code of conduct.

It is the responsibility of our suppliers to inform their employees about ViaCon´s Code of Conduct, and to ensure that these are implemented in every site and workplace that produces or otherwise handles goods or performs sales and services for ViaCon.

ViaCon will lead by example and comply with the requirements in the Code of Conduct across the whole organization.



Our employees - our most vital resource and unique edge

A strong contributing factor to ViaCon's success is our employees. ViaCon strives to be a workplace serving our customers professionally through diversity - utilizing different expertise and perspectives.

The year of 2021, similar to 2020 has been a year impacted by the pandemic situation, but we have also seen a large turmoil in the market in regards of raw material prices and supply. Despite these tough circumstances our ViaCon organization again has proven it is up for any challenge.

THE WORKPLACE OF THE FUTURE

The transformation year of 2021 held a number of challenges but also opportunities. As we embarked upon a new strategic journey, an important priority was to align the operating model accordingly. The organization evolved from being organized in geographies in 18 separate countries, to become an organization structured through three business units in 20 countries. As we defined this new organization, we have been appointing some 60 leaders and key personnel for new tasks, other and broader geographical areas and a range of development opportunities. The new organization became effective January 1, 2021.

As technical knowledge and leadership development are crucial aspects to support our strategic direction, several initiatives have been focused on as a part of our program of developing our operating model. Our business units have been driving technical knowledge through capability programs to train and develop our technical sales force as well as our designers. We have also across the business units executed a number of webinars to engage our external stakeholders to provide solutions and value to customers, environment and the society as a whole.

NEW STRATEGY AND COMPETENCE DEVELOPMENT

During 2021 we ran two virtual leadership conferences to drive best practice and development of our people and organizations. Our top 60 leaders and key personnel participated and subsequently cascaded the strategy further. These activities were important milestones in driving best practice internally, but also to ensure our strategy communication to get full buy in as the strategy develops and gets more detailed.

Further in our strive to operationalize our strategy we have applied FSN Execution Framework (FEF), a tool that translates strategy into SMART measurable objectives, processes and actions. This has helped us to break down our priorities to departmental level. To support this, we have from a reward perspective designed a year-based incentive program for our top 60 managers and key personnel where we drive and reward our strategic priorities across all business units and support functions.

As our new strategy also highlights the importance of ViaCon Way of Sales and to focus on margins and proactive work in our sales process, we have implemented in most markets a new Sales Incentives Framework for all our Technical Sales representatives. This approach will be further finetuned in 2022.

From an organizational perspective we have continued to strengthen ViaCon with key recruitments and new capabilities, amongst others the team in central accounting and consolidation. We have also hired a Director of Procurement and several new sales and marketing colleagues have arrived. We have also, as a consequence of our new bond increased our capacity and capability in communications and IR. Through our acquisitions in Germany and the UK, we have got some whole new extremely capable teams onboarded.

ENGAGEMENT SURVEY TOOL

To provide our managers a tool to develop their organization and their teams, we have launched Winningtemp as a pilot project for some 20-25% of our workforce. Winningtemp is an employee engagement survey tool where leaders frequently get feedback from their team to pick up early signals and correct actions. As the pandemic situation has hindered us to travel and we have many new managers and international and remote teams, this is a good tool for managers to stay close and constantly take the temperature on their teams. In quarter four we took a decision to expand this approach to all office workers as it is crucial for us to engage our workforce and drive our long-term ambition to become the best employer in our part of the industry.

COMMUNICATION

From a communication perspective we have done some big changes and improvements in our local external webpages as well as our Group web page. Further we have also done a complete rebranding program and launched a new brand with a new positioning of ViaCon. This will allow us to better communicate with the external world and address the needs of our various stakeholders.

A refresh of our intranet pages has been done to ensure all information is gathered in a one stop shop for easy access by our employees.

PEOPLE PROCESSES

From a people perspective there was a lot of time spent on developing a new performance appraisal process to connect with the strategic FEF objectives at departmental level. This will act as an extension to our strategic target breakdown and facilitate individual, aligned objectives for all our office staff. We will get clarity on priorities, and we will evaluate performance accordingly.

One critical backbone in our performance appraisal process is ViaCon's core behaviors. These were developed during 2021 and will be a very important tool for the whole organization. These behaviors guide us on the "how" and tell us do's and don'ts and are a vital part of the performance appraisal at individual level. They will further guide the conversation about development of our people, profiles in recruitment and so on.

To drive our people processes and to create transparency and efficiency we have also developed an HRIT tool based on Dynamics 365. This tool will not only hold our people master data, but it will also in a GDPR safe way facilitate our performance appraisal and salary reviews. Other key people processes facilitated by Dynamics are onboarding and offboarding, change requests as well as a repository for position descriptions and other important information for both employee and manager.

GOING FORWARD

We continue to feel motivated by the strong purpose ViaCon business holds. The level of pride and purpose for what we do is one of the key aspects that sticks out towards benchmark in our

ACHIEVEMENTS 2021

- Deployed new bonus program with clear and aligned Group targets
- Deployed new sales incentives framework
- Developed a Group wide Performance Management process including new leadership/core behaviours
- Defined, sourced and started implementation of an HR IT system
- Drove engagement through our employee engagement survey tool
- Ran Winningtemp pilot, eNPS at -14
- Improved internal communications
- Executed two leadership and strategy conferences

FOCUS 2022

- Execute organizational reviews
- Train and implement the performance appraisal process for office workers
- Support M&A agenda through HR and Communications
- Roll out and train in our new HRIT system in all countries
- Run Leadership Development Program for business unit directors and factory managers
- Drive retention through predictable salary reviews and implementation of talent and succession process
- Run leadership conferences and expand the employee engagement survey tool to all office workers
- Activate our employer branding campaign

Winningtemp engagement survey. Clearly this comes by the fact that our business strategies are built on sustainability and environmental claims. To fight climate changes, reduce CO2 emissions and protect groundwater is what we do.

The employees are our pillars to be able to support our strategic directions. With their knowledge combined with leadership development we will further strengthen our organization and realize our strategy.

VIACON'S CORE BEHAVIORS

Our values guide our leadership, our behavior and our actions. We create a high performing culture by focusing on results, helping each other succeed and providing opportunities for growth and development.

We see our business relationships as key to our building and maintaining our competitive advantage. Mutual trust is the cornerstone of all our business relationships and that trust is built on the competent application of our knowledge, skills and experience.

A caring culture makes a strong company. Through humility, support and a constructive response we can all contribute. We care about our customers business and want them to prosper. Colleagues at all levels have the right to be seen and heard. The free exchange of views and ideas is crucial if we are to make the best use of our available resources.

Enthusiasm and drive are essential to achieve results and success. These qualities release the necessary creativity, courage and will that it takes to build a winning team and a great company.

It is the expertise and strong dedication of our employees that make ViaCon's sustainable development possible. We therefore place great emphasis on developing the company and creating a workplace where everyone can thrive and be given the right prerequisites and opportunities to develop.

OUR CORE BEHAVIORS ARE:

THINK STRATEGICALLY - SEE THE BIG PICTURE

Identify and act on opportunities with forethought and holistic view—based on understanding of the internal and external environment. Apply long-term thinking and manage stakeholders to develop our business.

FOCUS AND DRIVE PERFORMANCE

Focus on the outcome of your and others' actions, hold yourself and others accountable. Go for the high impact activities and evaluate success based on results, not the number of hours worked. Understand risks and learn from mistakes.

WORK TOGETHER

Actively promote cross-boundary collaboration in order to achieve better business results through combining our competences. The extent to which you mobilize teamwork, energy in others and are easy to do business with.

DEMONSTRATE INTEGRITY

Build legitimacy through honest relationships. Be constructive and promote openness. Be the credible leader or colleague that others choose to follow—one with both character, competence, and integrity.

Sustainability Report

ViaCon is determined to be at the forefront of positively influencing the development of sustainability in the infrastructure sector. ViaCon has a stated goal of becoming net zero by 2030. By taking a key role in the industry towards circularity, ViaCon can contribute to the industry becoming more sustainable.

This sustainability report constitutes ViaCon's statutory sustainability report and has been prepared in accordance with the Annual Accounts Act, Chapter 6. §§ 10–13, for ViaCon Group AB (publ) and its subsidiaries.

Winner of FSN Capital's 2021 ESG Award

ESG Award Winner 2021
ViaCon

In order to create resilient and more sustainable companies, ViaCon's owner, FSN Capital, integrates ESG and climate considerations throughout the investment cycle. As part of this commitment, they annually evaluate their portfolio companies' sustainability work and nominate a winner in FSN Capital's ESG Award. In 2021, the award went to ViaCon.

The award is based on how well ViaCon has integrated the following into the business:

- Awareness and ESG efforts in daily operations
- Value creation in society at large
- Clarity in ESG policies
- Focus on continuous improvement and progress
- Tone from the top (i.e., management and board engagement)
- Portfolio Company's holistic approach to sustainability
- Adherence to FSN Capital's values

Brief sustainability facts about ViaCon

ABOUT VIACON

- ViaCon provides infrastructure solutions of engineered corrugated steel structures and pipes to customers in Europe and the Middle East.
- The business is organized in three business units; Bridges & Culverts Solutions, GeoTechnical Solutions and StormWater Solutions.
- ViaCon employs approximately 800 people across 20 countries. The largest production facility is located in Poland and the company is headquartered in Gothenburg, Sweden.

OPPORTUNITIES AND KEY CLIMATE RISKS

- Opportunity: Increased demand for infrastructure that help societies adapt to a new climate reality of more frequent extreme weather and shifts in seasons.
- Regulatory risk: Taxation on non-renewable materials and on energy intensive production processes (e.g. steel and plastic), increases raw material and production costs.
- Acute physical risk: Construction work disrupted by unforeseen weather events like heavy downpour and heat waves that put workers' health and safety at risk.

MAIN SUSTAINABILITY AMBITIONS

- ViaCon known for being the sustainable alternative in the market per 2025.
- To become net zero.
- Reduce virgin plastic raw materials in pipes by 22% by 2025.
- Establish reporting for all emission scopes. EPDs for all product categories.

1,946
MSEK net sales

~ 800
Employees

19%
Gender distribution (% female coworker)

527
Lost working days due to accidents

~20%
Reduction of greenhouse gas emissions compared to 2020

33%
Increased recycling of plastic raw materials compared to 2020

ViaCon's place in the circular value chain

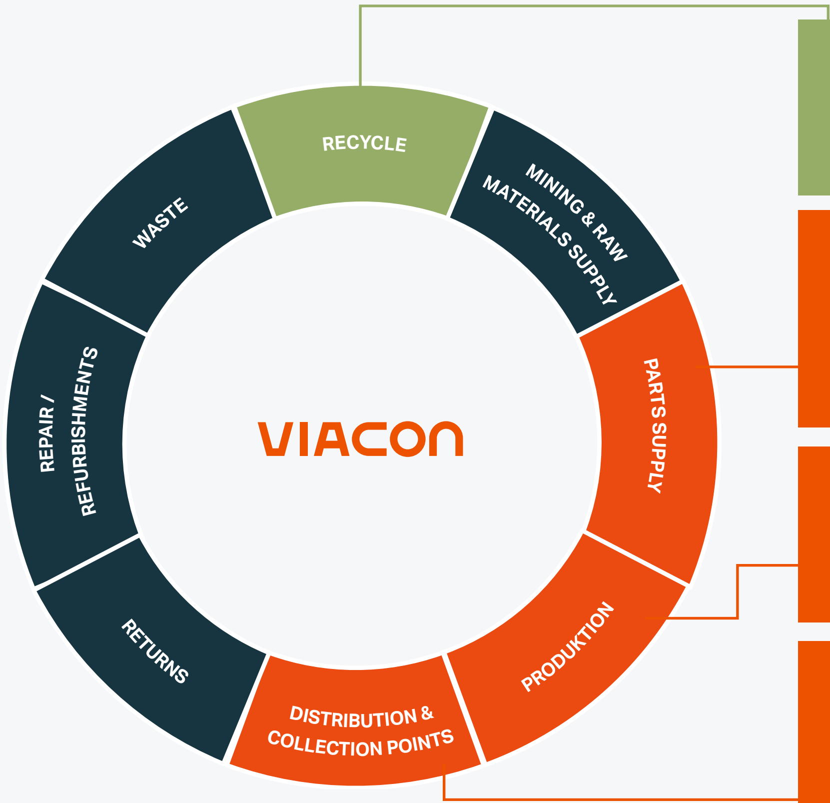
ViaCon has a pronounced goal to become net zero*. By taking a key role in the industry towards circularity, ViaCon can contribute to the industry becoming more sustainable.

ViaCon aims to be a central part of the industry's circularity and sustainability initiatives, and we are already contributing in several parts of the circular value chain. Through the closed loop principle of the circular economy, ViaCon aims to be one of the leading enablers regarding multiple components needed for the circular economy to work.

Life cycle management and asset management through both sourcing of the materials needed, but also through sustainable production of bridges, culverts, geotechnical and stormwater solutions.

In addition, we have a responsibility to recycle all materials that are fit for recycling and reduce emissions within all scopes. ViaCon is committed to become net zero.

*) Net zero means cutting greenhouse gas emissions to as close to zero as possible, with any remaining emissions re-absorbed from the atmosphere, by oceans and forests for instance.



We always store and treat waste in a secure manner at sites for recycling.

Code of conduct for suppliers – the control of the supply chain is based on sustainable principles. We strive to work with suppliers and subcontractors whose ambition is to have as little environmental impact as possible.

ViaCon always strives for our production and our products to have as little environmental impact as possible and therefore chooses sustainable products and resources.

Established distributor Code of Conduct. We handle and transport hazardous goods in an environmentally safe and secure way.

ViaCon's sustainability story

Societies all over the world are looking for solutions to combat the present and future challenges of climate change – ViaCon and the construction industry has a responsibility to find the most sustainable solutions to these challenges.

Europe and the rest of the world are looking for solutions to live in harmony with the climate, while more attention is also given to the issues revolving around inequality and the missing inclusion of people with different disadvantages.

Construction provides many opportunities to be more sustainable. The industry is one of the largest users of global resources and contributors to pollution. We as an industry therefore has a huge responsibility to aid sustainability.

ViaCon is committed to aligning our products and services with sustainability principles, using the EU green development and taxonomy as our guidelines.

We are always striving to be a force for positive change and grow together with our sustainable initiatives – our expansion will enable us to create even more impact in the coming years. When ViaCon grows, our sustainable solutions will grow, reducing the environmental footprint; when ViaCon grows, our production sites and communities become even more inclusive.

SOME OF THE WAYS WE ARE TAKING RESPONSIBILITY

CIRCULARITY & CLIMATE

Our sustainable solutions encourage and enable circularity through the use of recycled steel and the Green Steel Initiative. We aim to challenge both our suppliers and distributors to make sustainable commitments to have a wholly sustainable value chain.

INCLUSION & DIVERSITY

We have always focused on what we consider to be our most important asset – our people. We aim to be the industry's best employer irrespective of gender, ethnical and religious background, disabilities, age or sexual orientation.

FAIRNESS & ETHICS

95% of all employees have completed business ethics training in 2021 and we continue to promote ethical business practices through our entire value chain.

QUICK FACTS

- **Of all metals used in construction, steel is amongst the ones with lowest environmental impact. It has a lower embodied carbon impact than concrete and generates less waste. Additionally, it has more flexibility and more potential for technological advances.**
- **Structural steel is nearly 100% recyclable as well as 90% of all structural steel used today is created from recycled steel.**
- **The lighter nature of a steel bridge compared to other materials means that it leaves the lightest possible footprint. Minimum foundation works is desirable not only for cost reasons, but also to minimize the environmental impact.**

Taking our responsibility

The world we leave to our children should be a better world than we live in today. Environmental consciousness has become increasingly important as mankind have used so much of our non-renewable resources.

While construction so far, has not been in the cutting edge in this development, we are glad to see changes are happening with increasing speed in this field. ViaCon will be in the first wave of impacting these changes. Sustainability has always been in our core values and many of the solutions we provide today are very efficient in this regard, whether it is environmental engineering, soil reinforcement or waterway engineering. There are many advantages to our solutions, like minimizing the CO2 footprint, reducing construction time, optimizing the use on-site and of reusable materials and many others. In the future we aim to increase the awareness and ability to make comparison between alternative solutions.

The increased global focus on sustainability is manifested in different ways, including the transition to renewable energy and stricter work environment legislation. Health and safety requirements increase the demand for vertical access solutions in both mature markets as well as emerging markets, while also increasing the pressure on businesses to switch to more sustainable products and processes.

Maintaining high ESG standards is at the top of ViaCon's strategic agenda

ENVIRONMENTAL

ViaCon, as an organization, is determined to be at the forefront to positively influence the development within the infrastructure sector. ViaCon is in a unique position where our solutions are both environmentally superior compared to competing materials such as concrete and plastics and we directly contribute to climate adaptation. Steel structures have an advantage over concrete by having approximately 50% less CO2 footprint[1], faster construction time, more flexibility and more potential for technological advances to make steel solutions more carbon friendly.

In the future, ViaCon is looking to further raise its environmental ambitions and contribute to a low carbon society. Initiatives include measuring and reducing greenhouse gas (GHG) footprint and reducing consumption of raw materials.

Source: Journal of Cleaner Production 189 (2018) 647-661
Note: 1) Measured on a global warming potential

SOCIAL

ViaCon has always had a strong focus on our most important asset, our people. Our investments in our people include executing business ethics training, Winningtemp Engagement Surveys and creating a platform within its intranet for Environmental, Social and Governance (ESG) policies and training. ViaCon also measures Employee Net Promoter Score* (eNPS) and aims to be the industry's best employer irrespective of gender, ethnical and religious background, disabilities, age or sexual orientation.

GOVERNANCE

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

ViaCon currently has approximately 800 employees. The employees represent diversity in terms of age, education, experience, and cultural background.

VIACON'S 2022 ESG FOCUS

- Further expand our sustainability claims for our solutions
- Further map and assess our own environmental footprint
- Drive employee engagement and eNPS
- Improve Health & Safety (lost days)
- Reduce scrap and raw material in production
- Reduce electricity consumption in production

HEALTH & SAFETY

ViaCon aspire for high health and safety standards. To create and maintain a safe and healthy work environment requires continuous, systematic improvements. We work actively to provide sound working conditions and the health and safety of employees is considered first. We measure performance, plan and implement actions to improve the work environment, as well as monitor progress. Health and safety is an integral part of all our processes and daily routines.

We expect all employees to contribute to and maintain a safe and healthy work environment. Our employees are trained and informed about Health and Safety risks and the work procedures are designed to avoid them. The overall aim is that all employees shall be involved in continuous improvements of the work environment and share best practices.

ACHIEVEMENTS 2021

- **Launched Environmental Product Declarations (EPD) for Bridges & Culverts Solutions in Sweden and Finland**
- **Defined Life Cycle Assessment (LCA) calculation tool for Bridges & Culverts and GeoTechnical Solutions**
- **Delivered webinars and training as per our program of developing solution and awareness in the market**
- **Defined different design levels for GeoTechnical Solutions**
- **Updated authorization matrix**
- **Business ethics training executed to >95% of staff**
- **Rolled out the supplier Code of Conduct – 55% uptake**
- **Defined distribution Code of Conduct for roll out 2022**
- **Ran Winningtemp pilot, eNPS at -14**
- **Employee turnover rate of 13.48%**
- **Lost days for finger related injuries reduced by 33%**

FOCUS 2022

- **Require EPD's from all our suppliers – increase from 5 suppliers in 2021 to 10 suppliers during 2022**
- **Create the design of a sustainable bridge pilot project with the lowest possible environmental impact**
- **Develop database for our real cases for LCA calculations – minimum 5-10 cases**
- **Run two Leadership Development Programs**
- **Improve Engagement Index to 7.0**
- Employee Net Promoter Score* (eNPS) ≥-4
- **Validate H&S audits and create robust plans per production unit**
- **Employee turnover rate <10%**
- **95% direct and indirect labour to complete business ethics training**
- **75% of distributors to sign the Distribution Code of Conduct**
- **75% of suppliers to sign the Supplier Code of Conduct**
- **Establish scientific based measurements in Scope 1 & 2**
- **Track and report material Scope 3 emissions and create baseline in categories**

**) Measures how willing employees are to recommend their workplace to friends and acquaintances.*

UN Sustainable Development Goals (SDGs)

SUSTAINABLE DEVELOPMENT GOALS

ViaCon Group puts safety first in product development and in its operations. With a proven track-record and market leadership, ViaCon group benefits from this. The Group's product portfolio includes solutions for stormwater and continuous R&D efforts to create innovative solutions as well as optimization of current materials and the use of new materials to contribute to the UN SDGs.

	KEY SDGS	SDG TARGETS	EXAMPLE OF ACTIVITIES
8 DECENT WORK AND ECONOMIC GROWTH	As an employer of approximately 800 people, ViaCon supports communities while providing a safe, rewarding and proper workplace in the long term.	8.5 – Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. 8.8 – Protect labor rights and promote safer and secure working environments for all workers.	• Executed two virtual leadership conferences, where our top 60 leaders participated • Virtual H&S Audits and action plans for all factories • New reporting tool for accidents and near misses • Established practice with our search firms to always strive to add both genders in the shortlist
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	ViaCon creates value for the customers by providing them sustainable solutions tailored toward specific customer needs.	9.1 – Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being. 9.2 – Promote inclusive and sustainable industrialization, and raise industry's share of employment.	• Defined LCA calculation tool within Bridges & Culverts Solutions and GeoTechnical Solutions • Promoted solutions; workshops, webinars and exhibitions and volume growth amounts to ~5% (GHG emission avoidance of concrete usage in the market) • Defined different design levels in GeoTechnical Solutions
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	ViaCon is a trusted partner to all our stakeholders with focus on sustainable solutions during all stages of our consumption, production, transport and utilization.	12.2 – Achieve sustainable management and efficient use of natural resources. 12.5 – Substantially reduce waste generation through prevention, reduction, recycling, and reuse. 12.7 – Promote public procurement practices that are sustainable, in accordance with national policies.	• Increased recycled plastic raw material from 27% to 36% of total plastic production • Reduced 10% CO2 emission/kg in Pecor Optima • Addressed climate impact by growing volumes of stormwater solutions with 6% (GHG emissions avoidance of plastic crates and concrete usage in the market)
13 CLIMATE ACTION	ViaCon invests in new and existing plants and facilities to reduce emission from our own operations, as well as from the use of our products. We focus on providing sustainable solutions, on recycling and training.	13.1 – Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. 13.2 – Integrate climate change measures into national policies, strategies and planning.	• Introduced CEMAsys and created baseline for Scope 1 & 2 • Changed to LED lights in factories at 75% • Reduced GHG emissions by 20% in relative figures due to new plastic production line in Lithuania, mainly related to electricity consumption

Selected projects

At ViaCon, we have multiple exciting projects directly related to our SDGs in focus. These are some of our current efforts, and what our ambition is related to those efforts.

	HEALTH & SAFETY FOR ALL WORKERS	PRODUCT LIFECYCLE	INFRASTRUCTURE & ENERGY
Project	• Validate H&S Audits and create robust plans per production unit	• Reduced use of plastic in products such as Pecor Optima	• Establish measurements of all scope reporting
Description	• Provide new H&S policies • Implement said policies in as many sites as possible	• Increased amount of recycled plastic material from 27% to 36% of total plastic production	• Scientific-based measurement in scope 1 and 2 (page 37) • Track and report material scope 3 (page 37) emissions and create basline
Ambition	• Lost days per 1000 reduced by 10% • Near miss reporting increased with 30%	• Reduce the amount of new plastic raw material in the pipes by 22% by 2025	• Reduce GHG emission and become net zero by 2030

Diversity is one of our most important assets

In addition to everything we do to develop our people, we are also aligned with the 8th SDG. We put emphasis on respecting the individual, equality and diversity.

RESPECT FOR THE INDIVIDUAL

Respecting people and organizations is fundamental. Respect generates openness, honesty and security in the working environment. Integrity and credibility can only be earned through the behavior, competence and performance of each and every one of us. We deal with people in a professional way, whether they are customers, partners, colleagues or other stakeholders. This is an inherent part of our Company core behaviors.

We always treat our employees and business partners in a professional, reliable and honest way. Our highly skilled and qualified team ensure excellent production standards. Our operating model is based on the pragmatic application of our knowledge and experience.

EQUALITY AND DIVERSITY

The Group's almost 800 employees are our most important asset. Employee engagement and a performance culture based on customer success, trust and passion are critical for ViaCon to fulfill its mission. The Group strives to offer competitive, performance based, employment terms and benefits as well as a stimulating, safe and healthy work environment.

Equality and fairness characterize the way we deal with colleagues and partners.

Key figures - People

EMPLOYEES PER GEOGRAPHICAL SEGMENT

Segment	2021	2020
Nordics	15.5%	14.6%
Baltics	17.9%	18.0%
Rest of Europe	66.6%	67.4%
Total headcount	**100%**	**100%**

EMPLOYEE STATISTICS

	2021	2020
Sick leave, %	7.1%	4.7%
Employee turnover rate, %	13.5%	N/A*
Number of employees as of Dec 31	804	766
Average FTEs	766	737

AGE DISTRIBUTION

Age		% of whom women
< 25	4%	17%
25 – 35	22%	23%
35 – 45	35%	31%
45 – 55	23%	22%
> 55	16%	17%
Total	**100%**	**24%**

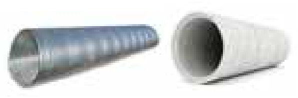
EMPLOYEE SATISFACTION

	2021	Industry average
eNPS	-14	-2
Response participation	80%	N/A
Engagement Index (1-10)	6.9	7.1

**) During 2020, Viacons whole organizational model was changed according to the the new strategy as standalone company. Also the HR function was built up during this period and people KPIs were established. Therefore 2021 is the first full year this KPI is reported.*

CASE STUDY

Environmental impact of steel



Steel is the world's most recycled material and less energy is used in the production and shipping of corrugated steel pipes than concrete pipes, when taking mass into account. This case will serve as a promotion of its environmental advantages.

By using lightweight corrugated steel structures instead of concrete, both energy consumption in manufacturing and installation as well as CO_2 emissions is reduced, with equivalent durability and load-bearing capacity.

A comparative life cycle analysis (LCA) study of corrugated steel pipes and reinforced concrete pipes for the North American market confirms this.

This was commissioned by the Canadian Corrugated Steel Pipe Institute (CSPI) and carried out by the Canadian Consulting firm Groupe AGĒCO.

The study concludes that corrugated steel pipes cause 77% less CO_2 emission in their entire life cycle compared to reinforced concrete pipes.

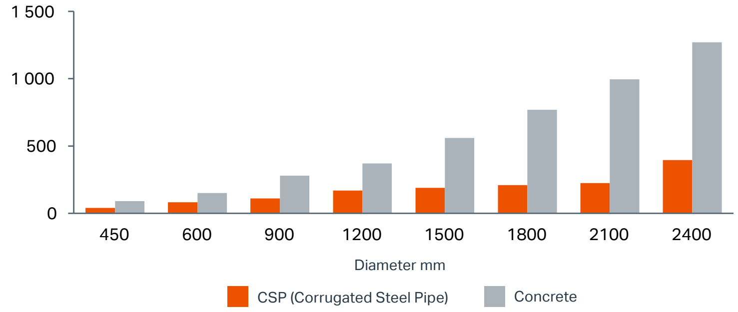
77%
LOWER CO2

ENVIRONMENTAL CALCULATOR

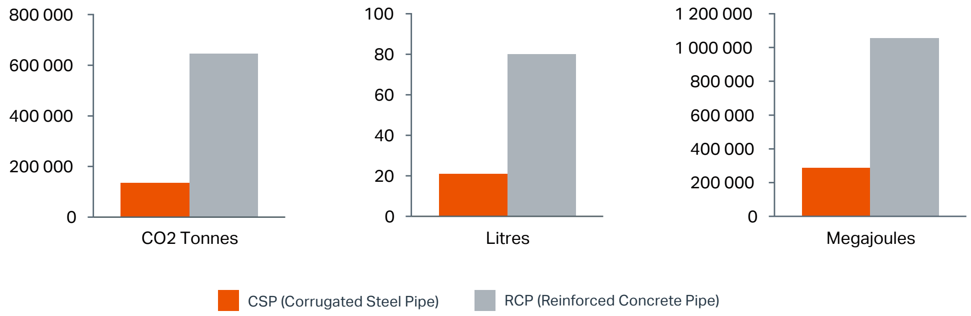
Diameter in Millimeters	**3000**		
Length in Meters	**50**		
	CSP (Corrugated Steel Pipe)	**RCP** (Reinforced Concrete Pipe)	**% Difference**
Global Warming CO2 (Tonnes)	**20.87**	**80.03**	**-74%**
Equivalent – KM's Driven	83 389	319 786	
Fresh Water (Liters)	**135 369**	**646 730**	**-79%**
Equivalent – No. of Plastic bottles to Landfill	194 776	930 546	
Total Primary Energy (Megajoules)	**287 495**	**1 055 553**	**-73%**
Equivalent – Smart Phones Charged	2 696 259	10 339 818	

COMPARISON OF ENVIRONMENTAL IMPACT ON GLOBAL WARMING, BETWEEN REINFORCED CONCRETE PIPES (RCP) AND CORRUGATED STEEL PIPES (CSP):

GREENHOUSE GAS (GHG):
CORRUGATED STEEL PIPES (CSP) VERSUS CONCRETE PER METER



THERE IS A BIG DIFFERENCE BETWEEN CORRUGATED STEEL PIPES (CSP) AND REINFORCED CONCRETE PIPE IN ENVIRONMENTAL FOOTPRINT



CASE STUDY

Environmental data reporting in ViaCon and improvements in Lithuania

We collect data on Group level and together with all FSN owned companies, we report to CEMASYS on all three scopes.

WE STARTED MEASURING EMISSION LEVELS FOR ALL VIACON COMPANIES IN 2021

Scope 1 focus on directly purchased fuel. This is direct fuel used in company cars, forklifts, own machinery, etc.. Currently it represents ~16% of all emission levels generated in ViaCon. A possible source of reduction is to shift to electric or hydrogen vehicles.

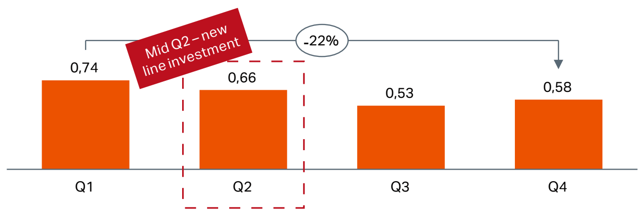
Scope 2 focus on purchased energy. Emission levels are calculated based on country energy production sources, such as hydro energy, coal-based energy, nuclear energy, etc..Scope 2 represent ~50% of emission levels of what is measured today. This is mainly related to plastic pipe production units. Reduction possibilities include technology investments, purchase of green energy in the market and investment into renewable energy production.

Scope 3 will be measured in 2022. It is believed that purchased goods & services and both downstream and upstream transporta-tion & distribution will be major generators of emissions

ENERGY USAGE AND EMISSIONS WERE DRASTICALLY REDUCED AFTER MOVING A PRODUCTION LINE FROM POLAND TO LITHUANIA

Investment into new technology, a new plastic production line in Lithuania, lead to a 22% electricity consumption reduction, on top of savings of 40k EUR for 2021 YTD. Additionally, investing in green energy drastically reduced emissions from production

KWH/KG PRODUCED - LITHUANIA



THE LONG-TERM GOAL IS TO BE CARBON NEUTRAL THROUGH THE FOLLOWING ACTIVITIES:

- **Short term possibility: First major reduction can be achieved in electricity emis-sions – solar panels and/or green energy certificates**
- **Medium term possibility: Emissions stemming from transportation will require development of instrastructure in order to be reduced**
- **Long term possibility: Our supply chain will require our suppliers to become carbon neutral in their activities for us to be carbon neutral**

Responsible Business Practices

ViaCon has multiple sets of fundamental principles of how we operate our business – these guiding principles demand that we keep our promises, act as good ambassadors and respect and comply with the laws, regulations and guidelines in countries where we operate.

We are responsible for our business, conducting it through practices based on respectful behaviour towards all stakeholders. We expect our employees to be good examples for each other and the environment, showcasing values of integrity, delivering excellence under all circumstances and using respect as a guiding principle.

THE CODE OF CONDUCT IS AT CENTER IN EVERYTHING WE DO

The ViaCon Code of Conduct sets out the fundamental principles of how ViaCon operates its business. ViaCon shall operate in accordance with sound, ethical business practices, setting high standards for ourselves and our impact on the environment and society at large. We act with integrity, and in accordance with our ethical principles. These principles guide our way of working and our intercolleague relations, as well as with customers, suppliers and society at large. Additionally, our Trade Sanctions policy, which reflects our Code of Conduct, is in place in all countries.

KNOWLEDGE

At ViaCon, learning is an important tool to teach all our employees in the ways of ethical business, and ensuring that they stay up to date on both compliance and quality. Continous learning is at the top of our agenda, and will continue to be so for the foreseeable future.

All employees, distributors and suppliers should acknowledge our Code of Conduct – 95% of all employees have completed business ethics training in 2021, and our goals is for this to continue into 2022. We have also rolled out the supplier Code of Conduct, which as of now has a 55% uptake and comply. Our courses help our employees and stakeholders to understand the Code of Conduct and why it is so important for our company.

ViaCon has multiple goals related to business ethics for the next year. In addition to 95% direct and indirect labor to complete business ethics training, we have set out an ambitious goal of 75% of both distributors and suppliers to sign their respective Codes of Conduct. We also have a long-term goal that all suppliers will be audited according to risk level, and our target for 2022 is to complete formalized procedures or a tracker for documentation and control.

In terms of anti-bribery, ViaCon has a cohesive manual that all employees must go through. It is an easy-to-understand and accessible guide available in different languages – including an own section on «Do's and Don'ts». ViaCon provides adequate training for all employees consistent with ViaCon's risk profile and appropriate to employee responsibilities. The CEO is responsible for the overall oversight and implementation of the Corporate Compliance Program. HR and Finance are responsible for ViaCon's day-to-day compliance with the aforementioned manual and anti-bribery laws.

MANDATORY CONTENT FOR ALL EMPLOYEES

CODE OF CONDUCT AND CORE BEHAVIOUR (EMPLOYEE, DISTRIBUTOR, SUPPLIER)

TRADE SANCTIONS POLICY

WHISTLEBLOWING CHANNEL

ANTI-BRIBERY MANUAL

GROUP AUTHORISATION GUIDELINES

- Policy
- Acknowledgement
- Training
- Knowledge testing

ViaCon and the future EU regulations

ViaCon contributes and commits to the work done by EU, in order to shape the future of sustainable construction and business as a whole. Steel is a sustainable alternative to concrete and plastic, and we will continue to use this as an advantage for the environment.

The environment has always been important, but over the last years it has become increasingly important for not only consumers, but also for policymakers and for the European Union institutions. Multiple EU initiatives is a testament to this; the European Green Deal underlines the ambition and motivation that the EU has, while initiatives such as the European green bond standard will help scale up and raise the environmental ambitions of green financing in Europe.

The Circular Economy Action Plan for a cleaner, more sustainable and more competitive region states that enabling remanufacturing and the usage of more resilient materials such as steel will be established under these regulatory principles.

The European Commission has already taken on many initiatives to address this – including integrating the circular economy objectives under the EU Taxonomy Regulation. This will help all companies and stakeholders to validate whether an economoic activity is «green» or not – and this will be the foundation for further sustainable funding alternatives. ViaCon, for example, is always taking biodiversity into account during construction.

ViaCon's business and economic activity is aligned, and will continue to be aligned, with the objectives of the EU Taxonomy Regulation.

"For citizens, the circular economy will provide high-quality, functional and safe products, which are efficient and affordable, last longer and are designed for reuse, repair, and high-quality recycling."

Quote from
the Circular Economy Action Plan

Auditor's report on the statutory sustainability report

To the Annual General Meeting of ViaCon Group AB (publ), org.nr 559228 - 2437

ASSIGNMENTS AND DIVISION OF RESPONSIBILITIES

The Board of Directors is responsible for the Sustainability Report for 2021 on pages 26-38 and for its preparation in accordance with the Annual Accounts Act.

FOCUS AND SCOPE OF THE REVIEW

Our review has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability statement. This means that our revew of the sustainability report has a different focus and a significantly smaller scope compared to the focus and scope of an audit according. We believe that the examination has provided us with sufficient basis for our opinions.

STATEMENT

A statutory sustainability report has been prepared.

Gothenburg, April 20, 2022
Ernst & Young AB

Staffan Landén
Authorized Public Accountant

BOARD OF DIRECTORS' REPORT

The Board of Directors and the President and CEO of ViaCon Group AB (publ), corporate identity number 559228-2437 with registered office in Gothenburg, hereby submit the annual report and consolidated financial statements for the 2021 financial year. On September 17, 2021, the parent company was registered as a public limited liability company and changed its name from R. Infrastructure Holding AB to ViaCon Group AB (publ).

THE GROUP'S BUSINESS

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

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

IMPORTANT EVENTS DURING THE YEAR

A new organization with three business units, Bridges & Culverts Solutions, GeoTechnical Solutions and StormWater Solutions, was implemented at the beginning of the year.

On April 1, 2021, ViaCon acquired the German operations in Hamco Dinslaken Bausysteme GmbH, HaKu Service GmbH and MSB Montage von Schutzeinrichtungen und Bausystemen GmbH. The acquisitions contribute to a strengthened position for the Bridges & Culverts Solutions business unit and are part of the Group's plan for further expansion in Western Europe.

On December 1, 2021, the British company Tubosider (United Kingdom) Limited was acquired. The acquisition will primarily strengthen StormWater Solutions' market-leading position in Europe for corrugated steel-based construction solutions.

In November, ViaCon issued senior secured bonds of EUR 100 million with variable interest rates, which meant that ViaCon has its own financing. The separation with the Saferoad Group has thus been completed and ViaCon is now an independent Group. Trading of the bonds started on Börse Frankfurt, Open Market as of December 22, 2021.

SALES, EARNINGS AND PROFITABILITY

Net sales for the Group amounted to SEK 1,946,336 thousand (1,970,163), a decrease of 1.2 % compared to the corresponding period last year. During the year, ViaCon has acquired operations that have contributed SEK 95,838 thousand to sales for the year and has chosen to leave non-core business with annual sales of around SEK 200,000 thousand. Adjusted for divestments and acquisitions, organic growth was 4.5%.

The Group's earnings before depreciation and amortisation amounted to SEK 200,943 thousand (177,894), equating to an EBITDA margin of 10.3% (9.0). Adjusted for non-recurring items that burdened profit for the year, mainly relating to strategy and restructuring work, acquisitions and capital rationalisation, adjusted earnings before depreciation and amortisation amounted to SEK 239,092 thousand (205,523), which resulted in an adjusted EBITDA margin of 12.3% (10.4). Operating earnings amounted to SEK 143,697 thousand (125,000), which equates to an operating margin of 7.4% (6.3). Adjusted operating earnings totalled SEK 181,846 thousand (152,629), with an operating margin of 9.3% (7.7). The Group's net financial items amounted to SEK -194,506 thousand (-12,480). The net effect of exchange differences amounted to SEK -88,437 thousand (109,901) and interest expenses amounted to SEK -118,133 thousand (-121,644), of which interest expenses for lease liabilities were SEK -5,594 thousand (-4,294).

The Group's profit/loss before tax amounted to SEK -50,809 thousand (112,520) and profit/loss after tax to SEK -78,662 thousand (77,673).

Multi-year overview

TSEK	FULL YEAR 2021	2020	2019
Net sales	**1,946,336**	**1,970,163**	**1,844,449**
Earnings before depreciation (EBITDA)	**200,943**	**177,894**	**133,085**
EBITDA margin	**10.3%**	**9.0%**	**7.2%**
Items excluded from underlying EBITDA	38,149	27,629	-
Underlying earnings before depreciation (underlying EBITDA)*	**239,092**	**205,523**	**133,085**
Underlying EBITDA margin*	**12.3%**	**10.4%**	**7.2%**
Operating earnings EBIT	**143,697**	**125,000**	**79,127**
EBIT margin	**7.4%**	**6.3%**	**4.3%**
Items excluded from underlying EBIT	38,149	27,629	-
Underlying operating earnings (underlying EBIT)*	**181,846**	**152,629**	**79,127**
Underlying EBIT margin*	**9.3%**	**7.7%**	**4.3%**

**) These alternative performance measures are described in alternative performance measures on page 85 and in definitions on page 86.*

CASH FLOW AND INVESTMENTS

Cash flow from operating activities for the period was SEK 33,633 thousand (144,955), of which the cash flow effect of the change in working capital amounted to SEK 35,474 thousand (51,895). The lower cash flow was chiefly due to interest paid during the year and the payment of accrued interest relating to refinancing. Cash flow from investing activities totalled SEK -186,736 thousand (-9,355), of which investments in intangible assets and property, plant and equipment accounted for SEK -52,581 thousand (-18,903). The effects of acquired operations equalled SEK -137,035 thousand (-600) , net after deductions for acquired cash and cash equivalents.

FINANCIAL POSITION

The Group's net debt amounted to SEK 1,015,038 thousand (944,157). Adjusted net debt excluding lease liabilities amounted to SEK 896,504 thousand (870,846). Cash and cash equivalents amounted to SEK 199,631 thousand (244,760). In addition, the Group has undrawn granted credit of SEK 153,753 thousand (47,916), which means cash and cash equivalents available to the Group totalled SEK 353,384 thousand (292,676).

In November, new financing was launched when ViaCon issued senior secured bonds of EUR 100 million, which meant that ViaCon has its own financing. The separation with the Saferoad Group has thus been completed and ViaCon is now an independent Group with a clear agenda for the future. Trading of the bonds started on Börse Frankfurt, Open Market as of December 22, 2021. Thereafter admission to trading of the Bonds on Nasdaq Stockholm took place on January 26, 2022. The bonds mature in 2025 and the interest on the new bond loan was set at EURIBOR +6.25%. The net proceeds from the bond issue were used to refinance past debt and for general business purposes, including acquisitions. In connection with the new financing, the Parent Company received a shareholder contribution of SEK 248,500 thousand.

MARKET AND FUTURE OUTLOOK

The ambition for ViaCon is to reach a strong position with good profitability in the European market. Through the strategic priorities, ViaCon will grow the business within the Bridges & Culverts Solutions segment, improve profitability within GeoTechnical Solutions and build the business within StormWater Solutions.

In 2021, ViaCon noted significant price increases on input material and far longer delivery times from suppliers. ViaCon has successfully managed this situation with strengthened margins. The ambition is that profitability will develop further through continued uniform work towards the same goal and by increasing production efficiency with the new organization. ViaCon can thus become a stronger partner for all its stakeholders in society and the company will further strengthen its position when it comes to future solutions in each business unit. General demand is governed by a number of factors and for ViaCon, 2021 has been the best year in the Group's history. The market is continuing to grow in infrastructure throughout Europe and, in addition, ViaCon is gaining market share from competing solutions.

OPERATIONAL STRUCTURE

Operationally, ViaCon Group AB (publ) is managed from the wholly-owned subsidiary ViaCon Holding AB. The management of the Group was employed by ViaCon Holding AB in 2021. From January 2022, all employees of ViaCon Holding AB will have their employment transferred to ViaCon Group AB (publ).

Up until September 2021, when ViaCon Group AB became a public limited liability company, the Board performed its activities from ViaCon Holding AB. The Board then switched to working from ViaCon Group AB (publ).

As of January 2021, when a new organization was implemented, the Group is divided into three different business units: Bridges & Culverts Solutions, GeoTechnical Solutions and StormWater Solutions.

Bridges & Culverts Solutions offers solutions that cover the construction, reconstruction and relining of culverts, bridges, viaducts, grade separations and ecological crossings, tunnels etc. that are used for establishing infrastructural connections and crossings.

GeoTechnical Solutions provides customized solutions for soil reinforcement and groundwater protection as well as technical solutions for different areas of use, such as retaining walls, roads and railways, environmental engineering, as well as solutions with plastic road drums.

StormWater Solutions designs and manufactures, among others, water tanks that are used to store rainwater in the event of a downpour, as well as fire water tanks. These tanks are used primarily under parking spaces in industrial and commercial buildings, as well as by specialised earth moving contractors. The tanks have a large capacity and can be used for polluted water.

EMPLOYEES

The average number of employees (FTE) in the Group from January 1 to December 31, 2021 was 766 (737). At year-end, the number of employees was 804 (766), 82 of whom have been added by means of the acquisitions in Germany and the UK.

COVID-19

ViaCon has taken strong measures to protect the business against the spread of Covid-19 and to date ViaCon has been affected by the pandemic to a fairly limited extent. The measures have been successfully implemented and production capacity has been maintained. The company's management is constantly evaluating the Covid situation.

RISKS AND RISK MANAGEMENT

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

Through the Group's risk management and internal control framework, ViaCon aims to systematically identify, assess and manage risk throughout the Group. Responsibility for risk management and internal control rests primarily with the operation itself, i.e. with the CEO, managers and employees in the operational units and through the work they carry out in accordance with the roles, instructions and guidelines that apply to each of them.

The review of financial compliance and the control environment has been strengthened during the year. Risk management and mitigating initiatives have also been implemented. In the face of increasing challenges, IT and cybersecurity measures have continued to strengthen during the year. In the coming period, risk management activity is expected to include additional interventions and mitigating initiatives.

In 2021 we further increased our efforts within ESG in several areas. Monitoring the health and safety of our employees has long been at the core of the business. During the year we further improved our process of measuring employee satisfaction through the standard eNPS survey and by launching a tool, Winningtemp. By using Winningtemp we facilitate the process of engaging the organisation and identifying improvement actions based on the local survey results.

Given the global Covid-19 pandemic, the ViaCon Group has taken several mitigating actions to safeguard employees, to reduce liquidity risk and to secure future operations. All units have been in close contact with national and local authorities to ensure compliance with regulations and restrictions, in addition to maintaining ongoing dialogue with union and employee representatives. The actions included e.g. working from home when possible, reduced access to production facilities, keeping lower inventories, capacity adjustments and close dialogue with customers and suppliers. The Board has monitored and evaluated the situation closely and continuously assessed whether any further actions are needed.

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

Industry, market and competitive risks

ViaCon is a leading supplier of corrugated steel structures and geotechnical solutions. The Group has three different business units: Bridges & Culverts Solutions, GeoTechnical Solutions and StormWater Solutions.

Due to the nature of its operations, ViaCon is subject to a number of complex, demanding and evolving legal and administrative regulatory requirements relating to´, among other things, criminal and civil laws, public procurement, tax legislation, planning, development, construction, land use, fire protection, health and safety, the environment, competition and employment. These requirements are complicated by the fact that the Group operates in 20 different countries with different legislation. Failure to adapt to the changing regulatory environment in any of the Group's core markets may have an adverse effect on the Group's business, earnings and financial position.

The Group's business is to a large extent dependent on continued levels of public infrastructure investments and development, and thus is impacted by the prevailing global economic climate, as well as European and local economic conditions in the markets in which the Group operates.

The company may 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.

ViaCon is also exposed to seasonal trends in its business in particular relating to a slowdown in business over the winter months. A particularly severe winter may lead to long periods of inactivity where snow and other adverse meteorological conditions result in work being postponed. This can lead to unexpected temporary drops in revenue that can affect the cash flow and liquidity of the Group in the short term.

ViaCon faces competition from a number of international service providers as well as from competing solutions, for example concrete and plastic crate solutions. ViaCon must ensure that its products and services remain at the forefront of technological development particularly in relation to sustainability, product relevance, pricing and quality in order to meet customer expectations.

Operational risks

ViaCon's operations consist of the production and delivery of 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. ViaCon's business is dependent on its ability to carry out its work in a timely fashion and on production and delivery of its products meeting contractual obligations. Accordingly, the Group is exposed to the operational risk, for example, that weaknesses or faults in the Group's processes or systems, delays in completing orders due to significant break downs of machines or other delays in delivery schedules may lead to lost revenues and reputational damage. ViaCon is also reliant for part of its product solutions offering on patented and licensed products. If these relationships were terminated for any reason, the Group may need to develop alternative solutions, which may entail a delay in production. ViaCon is actively working to protect its brand, names, domain names and copyrights in the jurisdictions in which the Group operates.

ViaCon's products require substantial amounts of certain raw materials. Raw materials are priced in the world market and the prices, which are primarily quoted in USD, generally vary in accordance with the availability of such raw materials. Due to the nature of the business, as well as its geographical footprint, ViaCon is directly and indirectly exposed to the global supply chain. Any disruption in the global supply chain may have a material adverse impact on the Group's profitability. The Group's profitability is also dependent in part on raw material and intermediate goods prices and the extent to which changes in those prices correlate to changes in the price of its own products. ViaCon has pricing agreements with the majority of its major suppliers.

ViaCon may be unable to procure certain necessary raw materials or intermediate goods on a timely basis, at acceptable prices and on acceptable terms, in sufficient amounts or at all. There may, however, be alternative suppliers in the market for each of the Group's raw materials and intermediate goods. There may also be issues with the quality of the raw materials and intermediate goods it purchases.

ViaCon is subject to environmental laws and regulations, including laws and regulations governing air emissions, use of plastics and remediation of environmental damage. Compliance with environmental regulation is an ongoing process and, as regards new legislation and regulations, the imposition of more stringent requirements, or more rigorous enforcement thereof may require ViaCon to modify its operations.

A significant proportion of ViaCon's revenue comes from contracts which may vary greatly in size from one year to the next In the event that one or more customers were to reduce the size of their contracts in a given year, unless the Group were able to replace such deficiencies through increased orders from other existing or new customers, the Group would be subject to overcapacity and its revenues and profit margins would be significantly reduced. Furthermore, delays and postponement in infrastructure projects using the Group's products may lead to unforeseen periods, where such products are unused and require storage and insurance. In the event that such a risk were to materialise, it could have a material adverse effect on the Group's business, earnings and financial position. ViaCon analyzes and assesses risks in the tender stage and systematically manages risks in the business throughout the execution.

ViaCon relies on its information technology (IT) infrastructure to manage its business processes, in particular the complex logistical elements of its cross-border operations, as well as its extensive customer data base and transactions. Accordingly, any prolonged outages possibly leading to significant delays in order timelines, reputational damage and even loss of customers. Any such effects would be likely to have a negative impact on the Group's net sales, earnings and financial position.

Sustainability risks
Further, the Group has a significant share of its business in Furthermore, the Group has a significant share of its business in markets that could be associated with ESG risks. To avoid official sanctions, financial losses or a loss of reputation due to failure to comply with laws, regulations and standards, the Group has implemented a strengthened ESG program, with strengthened policies and digital tools that will have a preventive effect. ViaCon's work with municipalities and governmental authorities exposes it to the risk of breaches of various anti-bribery and anti-corruption laws. Corruption occurs in all countries and sectors, although to varying degrees. Areas deemed to be at particular risk are the sales and purchasing processes, and the exercise of authority. Furthermore, the Group's business includes work in certain jurisdictions with less transparency than is expected in Western Europe. ViaCon runs through its code of conduct, anti-corruption and other policies with its employees to ensure good business ethics. The Group must demonstrate a high level of integrity and maintain the trust and trust of its stakeholders. Deficiencies in compliance with policies may adversely affect the Group's reputation and brand.

The future success depends on its ability to attract and retain personnel to secure ViaCon's core values. A lack of employee commitment could have a direct negative impact on the company's brand, position and earnings. HR systems help the organisation to implement and follow up HR policies and strategies. . Non-compliance with laws and regulations can lead to materially negative effects on the Group's operations, revenues and financial position.

Strategic risks
The Group's future development and success depend on having relevant and effective strategies for the Group, on measures being properly executed and on the Group delivering the expected results. If the formulated strategies are not relevant or effective or not properly executed, the Group may have difficulty meeting its targets. To ensure that the Group develops in the optimum way, strategic risk is managed through clear vertical and horizontal communication regarding short-term goals and strategy, continuous monitoring of competitors and the market, follow-up of profitability, and through product development and planning processes.

Financial and market risks
The Group is exposed to financial risks associated with financial instruments such as accounts receivable, liquidity and interest-bearing liabilities. These risks are classified as currency, credit and liquidity risks.

The ViaCon Group reports its financial results in Swedish kronor (SEK). However, the Group conducts a significant part of its operations in foreign subsidiaries. With the exception of subsidiaries in Norway and Sweden, which purchase goods and services in other currencies than their revenues, the foreign subsidiaries in the Group primarily have their revenues and cost base in their local currencies. Other subsidiaries may from time to time generate income or incur costs in currencies that differ from their accounting currency. Currently more than 90% of the Group's business is conducted in EUR, PLN and SEK. Accordingly the Group is subject to currency exposure and fluctuations in exchange rates, mainly between SEK and those key currencies as well as to a certain extent from other local currencies, which could have an adverse effect on ViaCon's business, earnings and financial position.

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

The company has primarily financed its operations by issuing senior secured bonds of EUR 100 million. In addition, the Group has entered into a new financing agreement with EUR 24 million of credit in total. The financing is associated with certain terms, which means that if the terms are not met, the lender may terminate all or part of the agreement. Furthermore, if, for some reason or at some point, there is a lack of liquidity in the Group, or if the company is unable to borrow on commercially acceptable terms, the operation, results and financial position may be adversely affected.

For a more detailed description of how the Group manages these risks in its activities, see Note 25 – Financial instruments and financial risks.

DISPUTES
Companies within the Group may, from time to time, be involved in litigation and other legal procedures or disputes that arise in the normal course of business. For more detailed information, see Note 29 – Contingent liabilities.

SEASONALITY
ViaCon has pronounced seasonal variations during the year, which tie in with the weather conditions and vary from quarter to quarter and from year to year. In addition, the outcome is affected by customers' strategic planning of infrastructure investments over the year. The lowest net sales and operating earnings are usually reflected in the first and fourth quarters.

SUSTAINABILITY REPORT
ViaCon is subject to the sustainability reporting rules and has prepared a sustainability report for ViaCon and its subsidiaries. In accordance with the Annual Accounts Act, Chapter 1. 6, §11, ViaCon has chosen to prepare the sustainability report as a separate report from the annual report. The sustainability report is available on pages 26-38 of this report.

CORPORATE GOVERNANCE
In accordance with the Annual Accounts Act, ViaCon has 6, §8 chosen to prepare the corporate governance report as a separate report from the annual report. The corporate governance report is available on pages 87-93 of this report.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

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

On April 5, 2022, the newly established company ViaCon Netherlands B.V entered into an agreement to acquire assets from Bergschenhoek Civiele Techniek B.V (BCT) related to the product ranges MultiPlate, SuperCor, HelCor/Spirosol and plastic pipes. The transaction is expected to close on May 2, at an estimated purchase price of approximately SEK 38.3 million (EUR 3.7 million).

There is uncertainty about how and to what extent ViaCon's operations will be affected by the ongoing conflict in Ukraine. An initial evaluation shows that short-term financial exposure is currently limited. In the long run, there may be risks in raw material supply and pricing. ViaCon continuously monitors the development of the war situation to continuously evaluate and manage the impact and possible risks. The process of divesting operations in Belarus continues according to communication in December, see Note 1 - General information.

Otherwise, there are no significant events to report after the end of the year.

PARENT COMPANY

ViaCon Group AB (publ) is the Parent Company of the ViaCon Group with holding operations. On September 17, 2021, the Parent Company was registered as a public limited liability company and changed name from R. Infrastructure Holding AB to ViaCon Group AB (publ). Operating earnings in the Parent Company amounted to SEK -3,576 thousand (-) and profit/loss before tax to SEK -93,532 thousand (-39,992). The Parent Company's net debt amounted to SEK 989,710 thousand (434,072). In November, senior secured bonds of EUR 100 million were issued and the net proceeds were partly used to refinance previous debt. Equity amounted to SEK 218,884 thousand (63,916). In connection with the new financing, the Parent Company received a shareholder contribution of SEK 248,500 thousand. The Parent Company's cash flow amounted to SEK -50 thousand (50). There were no cash and cash equivalents on the balance sheet date

OWNERSHIP STRUCTURE AND NUMBER OF SHARES

ViaCon Group AB (publ), is a wholly owned subsidiary of the Norwegian company RI Holding AS with company registration number 923 991 484. ViaCon is part of the Group SRH BridgeCo AS, Oslo, Norway, which prepares consolidated financial statements for the highest level. SRH BridgeCo AS is owned by FSN Capital V. ViaCon's management and other representatives have an indirect ownership in the ViaCon Group by owning 4.9 % of the Norweigan parent company RI Holding AS.

At the end of 2021, the share capital amounted to SEK 501,000, divided into 50,100 shares.

THE BOARD'S OPINION ON DIVIDENDS

The Board of Directors does not intend to propose a dividend to the Annual General Meeting. The available financial resources will instead be reinvested in the business of financing the company's long-term strategy.

APPROPRIATION OF EARNINGS

The following earnings are available to the Annual General Meeting in the Parent Company (SEK):

Earnings brought forward and other capital contributions	311,915,505
Earnings for the year	-93,532,157
Total	**218,383,348**

The Board of Directors proposes that the profit be appropriated as follows (SEK):

Carried forward	218,383,348
Total	**218,383,348**

As regards the Group and Parent Company's results and position in general, please see the following income statements and balance sheets with accompanying notes.

All amounts, unless otherwise stated, are rounded to the nearest thousands. The data in parentheses refer to the previous year.

Consolidated income statement

TSEK	Note	2021	2020
Net sales	*5, 30*	**1,946,336**	**1,970,163**
Other operating income	*5*	19,533	19,059
Total operating income		**1,965,869**	**1,989,222**
Cost of sales	*6*	-1,176,419	-1,261,299
Personnel costs	*7*	-336,005	-309,307
Depreciation, amortisation and impairment	*8*	-57,246	-52,894
Other external expenses	*9, 10*	-252,502	-240,722
Total operating costs		**-1,822,172**	**-1,864,222**
Operating earnings		**143,697**	**125,000**
Financial income	*11*	25,900	117,269
Financial expenses	*11*	-220,406	-129,749
Net financial items		**-194,506**	**-12,480**
Earnings before tax		**-50,809**	**112,520**
Tax on earnings for the year	*12*	-27,853	-34,847
Earnings for the year		**-78,662**	**77,673**
Earnings for the year attributable to			
Equity holders of the parent company		-79,683	76,102
Non-controlling interests		1,021	1,570
		-78,662	**77,673**

Consolidated comprehensive income

TSEK	2021	2020
Earnings for the year	-78,662	77,673
Items to be reclassified to income statement in subsequent periods:		
Exchange differences on translation of foreign operations	23,941	-50,978
Exchange differences on loans treated as net investments	-585	-3,365
Exchange differences on hedge instruments of net investments in foreign operations	-13,708	-
Other comprehensive income for the year, net of tax	**9,648**	**-54,343**
Total comprehensive income for the year	**-69,014**	**23,330**
Total comprehensive income attributable to:		
Equity holders of the parent company	-72,597	24,605
Non-controlling interests	3,583	-1,276
	-69,014	**23,330**

Consolidated balance sheet

TSEK	Note	31 DEC 2021	31 DEC 2020
ASSETS			
Non-current assets			
Intangible assets			
Capitalised development cost	*13*	4,746	759
Goodwill	*13*	409,792	333,399
Other intangible assets	*13*	5,566	6,329
Total intangible assets		**420,104**	**340,487**
Property, plant and equipment			
Land and buildings	*14*	153,776	112,107
Machinery and plant	*14*	77,153	46,638
Construction in progress	*14*	351	337
Equipment and vehicles	*14*	23,480	16,684
Right-of-use assets	*15*	121,315	75,734
Total property, plant and equipment		**376,075**	**251,500**
Financial assets			
Non-current receivables	*16*	7,305	6,267
Total financial assets		**7,305**	**6,267**
Deferred tax assets	*12*	26,603	14,615
Total non-current assets		**830,087**	**612,869**
Current assets			
Inventories	*6*	227,994	158,374
Current receivables			
Accounts receivable	*17, 25*	276,930	328,795
Other current receivables	*18*	51,935	96,157
Total current receivables		**328,865**	**424,952**
Cash and cash equivalents	*20*	199,631	244,760
Total current assets		**756,490**	**828,086**
TOTAL ASSETS		**1,586,577**	**1,440,954**

TSEK	Note	31 DEC 2021	31 DEC 2020
EQUITY AND LIABILITIES			
Equity			
Equity attributable to parent company shareholders	*21*	-48,476	-224,794
Non-controlling interests	*21*	-	1,857
Total equity		**-48,476**	**-222,937**
Non-current liabilities			
Deferred tax liabilities	*12*	**10,456**	**7,458**
Pension obligations	*22*	8,326	1,889
Other provisions	*23*	7,882	10,286
Bond	*25*	985,465	-
Liabilities to credit institutions	*24*	2,034	3,132
Other non-current interest-bearing liabilities	*26*	174,253	1,144,028
Total non-current liabilities		**1,188,416**	**1,166,793**
Current liabilities			
Liabilities to credit institutions	*24*	28,214	24,474
Accounts payables	*25*	202,743	196,628
Current tax liabilities	*12*	5,108	14,346
Other current interest-bearing liabilities	*26*	23,682	21,662
Other current liabilities and accrued expenses	*27*	186,889	239,988
Total current liabilities		**446,636**	**497,098**
TOTAL EQUITY AND LIABILITIES		**1,586,577**	**1,440,954**

Consolidated statement of changes in equity

TSEK	Note	Attributable to parent company shareholders Share capital	Other contributed capital	Other reserves	Retained earnings	TOTAL	Non-controlling interests	TOTAL EQUITY
Opening balance as of January 1, 2020	*21*	**50**	**104,190**	**8,330**	**-408,172**	**-295,602**	**49,726**	-245,876
Comprehensive income								
Earnings for the year					76,102	76,102	1,570	77,673
Other comprehensive income net of tax								
Exchange differences on translation of foreign operations				-48,132		-48,132	-2,846	-50,978
Exchange differences on loans treated as net investments				-3,365		-3,365		-3,365
Total comprehensive income		**-**	**-**	**-51,497**	**76,102**	**24,605**	**-1,276**	**23,330**
Transactions with shareholders								
Dividends							-451	-451
Buy-out/transaction non-controlling interests					46,044	46,044	-46,143	-99
Group contribution received					159	159		159
Total transactions with shareholders		**-**	**-**	**-**	**46,203**	**46,203**	**-46,594**	**-391**
Closing balance as of December 31, 2020		**50**	**104,190**	**-43,167**	**-285,867**	**-224,794**	**1,857**	**-222,937**
Comprehensive income								
Earnings for the year					-79,683	-79,683	1,021	-78,662
Other comprehensive income net of tax								
Exchange differences on translation of foreign operations				21,379		21,379	2,562	23,941
Exchange differences on loans treated as net investments				-585		-585		-585
Exchange differences on hedge instruments of net investments in foreign operations				-13,708		-13,708		-13,708
Total comprehensive income		**-**	**-**	**7,086**	**-79,683**	**-72,597**	**3,583**	**-69,014**
Transactions with shareholders								
Bonus issue		451	-451			-		-
Dividends							-1,862	-1,862
Buy-out of non-controlling interests							-3,578	-3,578
Shareholders' contribution			248,500			248,500		248,500
Group contribution received					415	415		415
Total transactions with shareholders		**451**	**248,049**	**-**	**415**	**248,915**	**-5,440**	**243,475**
Closing balance as of December 31, 2021		**501**	**352,239**	**-36,081**	**-365,135**	**-48,476**	**-**	**-48,476**

Consolidated cash flow statement

TSEK	Note	2021	2020
Operating activities			
Earnings after financial items		-50,809	112,520
Adjustments for items not included in cash flow	*19*	93,149	-941
Taxes paid		-44,181	-18,519
Cash flow from operating activities before changes in working capital		**-1,841**	**93,060**
Cash flow from changes in working capital			
Increase (-)/ Decrease (+) in inventories		-27,766	38,405
Increase (-)/ Decrease (+) in accounts receivable		61,000	17,056
Increase (+)/ Decrease (-) in accounts payables		-11,716	31,018
Change in other current recceivables and liabilities		13,956	-34,584
Cash flow from operating activities		**33,633**	**144,955**
Investing activities			
Acquisition of property, plant and equipment and intangible assets		-52,581	-18,903
Acquisition and sale of subsidiaries	*2*	-137,035	-600
Divestment of property, plant and equipment		2,880	10,148
Cash flow from investing activities		**-186,736**	**-9,355**
Financing activities			
Proceeds from borrowings		1,010,262	935,813
Repayment of borrowings		-848,397	-815,671
Transactions with non-controlling interests	*2*	-1,496	-67,403
Dividend to non-controlling interests		-1,750	-451
Paid group contributions		-426	-1,017
Repayment of lease liabilitites		-34,465	-28,591
Cash flow from financing activities		**123,728**	**22,680**
Net increase/decrease in cash		**-29,375**	**158,280**
Reconciliation of cash and cash equivalents			
Cash and cash equivalents as of beginning of the financial year		244,760	95,541
Cash flow for the year		-29,375	158,280
Exchange-rate difference in cash and cash equivalents		-15,754	-9,111
Cash and cash equivalents at year-end	*20*	**199,631**	**244,760**

NOTE 1
GENERAL INFORMATION

ViaCon Group AB (publ) is a Swedish public limited liability company registered with the Swedish Companies Registration Office with corporate identity number 559228-2437 and with its registered office in Gothenburg, Sweden. On September 17, 2021, the Company was registered as a public limited liability company and changed name from R. Infrastructure Holding AB to ViaCon Group AB (publ).

The Company is the Parent Company of the ViaCon Group, an international Group, providing sustainable engineering solutions with a focus on sales and manufacturing of corrugated steel structures, geo-technical, and storm-water solutions.

ViaCon has on December 16, 2021, entered into an agreement to divest its operations in Belarus. With the divestment, ViaCon continues to implement its strategy of focusing ViaCon Group's operations on selected product solutions and main markets. Subject to the necessary approval, completion of the transaction is expected to take place no later than the end of April 2022.

This annual report and these consolidated financial statements were approved for publication by the Board on April 20, 2022 and will be presented to the Annual General Meeting of shareholders on May 12, 2022.

The Group consists of the following entities:

			Ownership %	
Entity	Corporate ID	Country	2021	2020
ViaCon Group AB (publ)	559228-2437	Sweden	100	100
ViaCon Holding AB	556826-4062	Sweden	100	100
FLA Geoprodukter AB	556187-7357	Sweden	100	100
ViaCon Invest AB	556661-6099	Sweden	100	100
ViaCon International AB	556619-6159	Sweden	100	100
ViaCon AB	556620-7519	Sweden	100	100
ViaCon Production AB	556457-4472	Sweden	100	100
Nordic Culvert AB	556754-2898	Sweden	100	100
OY ViaCon Ab	0969082-9	Finland	100	100
Kiinteistö Oy Rumtikli	1646291-2	Finland	100	100
Solcon Oy	0914228-3	Finland	100	100
ViaCon A/S Denmark	37331643	Denmark	100	100
ViaCon AS	847016272	Norway	100	100
ViaCon Polska Sp. z o.o.	KRS 00000281974	Poland	100	100
Geotex Sp. z o.o.	5442381	Poland	100	100
Elikopol BK Sp. z o.o.	143544	Poland	100	100
Steel-System Sp. z o.o.	0000362766	Poland	100	100
ViaCon ČR s.r.o.	25910434	Czech Republic	100	70
ViaCon SK s.r.o.	36720321	Slovakia	100	100
ViaCon Hungary Kft.	13-09-160009	Hungary	100	100
ViaCon Bulgaria EOOD	201466113	Bulgaria	100	100
ViaCon Austria GmbH	FN 344929	Austria	100	100
ViaCon Romania SRL	J08/1323/2012	Romania	100	100
ViaCon Geotechnical Solutions S.R.L.	J8/3640/2021	Romania	100	100
ViaCon İnşaat Müh. San. Tic. A.Ş.	İTO-910795	Turkey	100	100
ViaCon Middle East FZE	Dubai Silicon Oasis Authority License No. 3268.	UAE	100	100
AS ViaCon Eesti	10398015	Estonia	100	100
SIA ViaCon Latvija	50003289621	Latvia	100	100
UAB ViaCon Baltic	110788621	Lithuania	100	100
UAB ViaCon Baltic Pipe	301670782	Lithuania	100	100
ViaCon Technologies COOO	190778183	Belarus	100	100
ViaCon France SAS	340740745	France	100	100
ViaCon Germany GmbH	HRB 120007	Germany	100	100
ViaCon Hamco GmbH	HRB 120312	Germany	100	100
HaKu Service GmbH	HRB 29995	Germany	100	0
Tubosider (United Kingdom) Limited	02173337	United Kingdom	100	0
Tubosider CSP Limited	02073382	United Kingdom	100	0

NOTE 2
BUSINESS COMBINATIONS

Changes in the composition of the Group 2021

On April 1, 2021, the Group acquired all shares in Haku Service GmbH as well as the operations in Hamco Dinslaken Bausysteme GmbH, MSB Montage von Schutzeinrichtungen and Bausystemen GmbH via its wholly-owned German company ViaCon Germany GmbH. Hamco sells and manufactures bridges for road constructions and Haku, which also includes MSB Montage's operation, acts as a service and assembly company. Above all, the acquisition consolidates the Group's position in the Bridges & Culverts Solutions segment and is part of the Group's plans for further expansion in Western Europe.

On December 1, 2021 was Tubosider (United Kingdom) Limited acquired, a leading manufacturer and supplier of corrugated steel-based construction solutions in the UK. The acquisition strengthens ViaCon's StormWater Solutions segment as a market leader in Europe in this field.

	2021
Purchase price	
Purchase consideration	154,760
Total cost of the acquisition	**154,760**
Acquired assets and liabilities at fair value	
Non-current assets	56,572
Deferred tax assets	1,509
Current assets	70,186
Cash and cash equivalents	2,509
Deferred tax liabilities	-1,938
Provision for pensions	-5,928
Non-current liabilities	-3,254
Current liabilities	**-34,384**
Total fair value of net assets	85,272
Goodwill	69,488
Cash flow effect from acquisitions	
Purchase consideration	-154,760
Not paid purchase price	15,216
Acquired cash and cash equivalents	2,509
Change in cash and cash equivalents due to acquisitions	**-137,035**

The purchase price for the German acquisitions totalled EUR 5,605 thousand (SEK 56,857 thousand) and the purchase price for Tubosider (United Kingdom) Limited amounted to GBP 8,300 thousand (SEK 97,903 thousand). According to agreement, EUR 1,500 thousand, corresponding to SEK 15,216 thousand, of the German purchase price falls due for payment when the annual report for ViaCon Germany GmbH is approved, but no later than May 31, 2022. The purchase price for the acquisitions was higher than the book values for the net assets, which means that the acquisitions gave rise to goodwill, which can mainly be attributed to future new markets, synergies and profitability.

Acquisition-related costs totalled SEK 11,123 thousand and have been recognised as other costs and included under non-recurring items.

The German acquired operations contributed net sales of SEK 86,480 thousand and earnings after tax of SEK -3,194 thousand for the period April 1 to December 31, 2021. German net sales for the full year 2021 amounted to SEK 101,532 thousand. Tubosider (United Kingdom) Limited contributed net sales of SEK 9,358 thousand and earnings after tax of SEK -317 thousand for the period December 1 to December 31, 2021. The company's net sales for the full year 2021 amounted to SEK 94,128 thousand.

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

Acquisitions of non-controlling interests

On September 26, 2021 it was agreed to purchase the remaining 30 % of the shares in ViaCon ČR s.r.o. in the Czech Republic. The agreed purchase price for the minority share in ViaCon ČR s.r.o. is EUR 355 thousand (SEK 3,578 thousand), of which EUR 166 thousand (SEK 1,496 thousand) was paid in the fourth quarter of 2021 and the remaining purchase price will be paid in 2022.

Changes in the composition of the Group 2020

During 2020 there were no acquisitions leading to change in control in the ViaCon Group.

Acquisitions or paid additional purchase fees:

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

Divestments

On July 6, 2020, the Saferoad subsidiary Latvia was sold. A loss from the sale of around SEK -600 thousand net, is included in other external expenses.

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

NOTE 3
BASIS FOR CONSOLIDATION

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with the Swedish Financial Reporting Board's recommendation, RFR 1 (Supplementary accounting rules for groups).

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

The consolidated financial statements have been prepared in accordance with the cost method, unless otherwise stated in the accounting policy in the respective note.

IASB has issued several changed accounting standards, which have been adopted by EU. No standards, amendments to or interpretations of existing standards that came into effect in 2021 have had any material effect on the Group's reporting.

Other known recommendations from IFRS and IFRIC that come into effect after the closing date will not have any significant effect on either the results or the financial position of the Group.

All amounts, unless otherwise stated, are rounded to the nearest thousands. The data in parenthese refer to the previous year.

Accounting policy	Note		IFRS Standard
Company acquisitions	*2*	Business Combinations	IFRS 3, IFRS 5
Operating Segments	*4*	Segment reporting	
Other Comprehensive Income	*21*	Equity	IAS 32
Revenue	*5*	Revenue	IFRS 15
Financial income and expenses	*11*	Financial income and expenses	IFRS 9
Income taxes	*12*	Income taxes	IAS 12
Intangible assets	*13*	Intangible assets	IAS 38, IAS 36
Tangible assets	*14*	Property, plant and equipment	IAS 16, IAS 36
Right-of-use assets	*15*	Right-of-use assets	IFRS 16
Inventories	*6*	Cost of sales	IAS 2
Accounts receivable	*17,25*	Accounts receivable, Financial instruments and financial risks	IAS 32, IFRS 7, IFRS 9, IFRS 16
Accounts payable	*25*	Financial instruments and financial risks	IAS 32, IAS 37, IFRS 7, IFRS 9
Non-controlling interests	*21*	Equity	IFRS 10, IFRS 12
Employee benefit	*22*	Pension obligations	IAS 19
Provisions	*23*	Other provisions	IAS 32, IAS 37, IFRS 11
Borrowing	*24,25*	Liabilities to credit institutions, Financial instruments and financial risks	IAS 32, IAS 37, IFRS 7, IFRS 9
Statement of cash flows	*19*	Cash flow	IAS 7
Transactions with related parties	*30*	Related Party Disclosures	IAS 24

Important estimates and assessments for accounting purposes

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

Estimates and assessments	Note	
Revenue recognition	*5*	Revenue
Assesment of tax loss carry forward	*12*	Income taxes
Impairment of goodwill	*13*	Intangible assets
Classification of leasing	*15*	Right-of-use assets
Inventory obsolescence	*6*	Cost of sales
Valuation of accounts receivable	*17*	Accounts receivable
Legal risks, compensation demands	*23, 29*	Other provisions, Contingent liabilities

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

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

Consolidated financial statements

Subsidiaries

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

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

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

Elimination of transactions between Group companies

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

Translation of foreign currencies

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

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

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

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

	average rate		closing rate	
	2021	2020	2021	2020
BYN	3.38	3.78	3.54	3.13
CZK	0.40	0.40	0.41	0.38
DKK	1.41	1.41	1.38	1.35
EUR	10.14	10.49	10.25	10.03
GBP	11.80	11.80	12.20	11.16
HUF	0.03	0.03	0.03	0.03
LTL	2.94	3.04	2.97	2.91
NOK	1.00	0.98	1.03	0.96
PLN	2.22	2.36	2.23	2.20
RON	2.06	2.17	2.07	2.06
RUB	0.12	0.13	0.12	0.11
TRY	0.99	1.32	0.67	1.10
USD	8.57	9.21	9.05	8.18

Classification of current and non-current assets and liabilities

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

Non-recurring items

Non-recurring items are recognised separately in the financial statements when this is necessary for explaining the Group's results as APM (Alternative Performance Measurement).

Non-recurring items refer to significant income or expense items which are mainly attributable to restructuring costs in the implementation of new strategy, capital efficiency projects and acquistion costs.

NOTE 4
SEGMENT REPORTING

	FULL YEAR 2021				
	Bridges & Culverts Solutions	GeoTechnical Solutions	StormWater Solutions	Not allocated items IFRS16	ViaCon Group
Net sales	**675,021**	**992,504**	**278,811**	**-**	**1,946,336**
Earnings before depreciation (EBITDA)	**68,491**	**78,109**	**27,943**	**26,400**	**200,943**
EBITDA margin	**10.1%**	**7.9%**	**10.0%**		**10.3%**
Non-recurring items excluded from underlying EBITDA	16,211	16,062	5,876	-	38,149
Underlying earnings before depreciation (underlying EBITDA)	**84,702**	**94,171**	**33,819**	**26,400**	**239,092**
Underlying EBITDA margin	**12.5%**	**9.5%**	**12.1%**		**12.3%**
Operating earnings (EBIT)	**51,440**	**68,502**	**18,779**	**4,976**	**143,697**
EBIT margin	**7.6%**	**6.9%**	**6.7%**		**7.4%**
Non-recurring items excluded from underlying EBIT	16,211	16,062	5,876	-	38,149
Underlying operating earnings (EBIT)	**67,651**	**84,564**	**24,655**	**4,976**	**181,846**
Underlying EBIT margin	**10.0%**	**8.5%**	**8.8%**		**9.3%**
Non-recurring items					
Implemention new strategy and restructuring	7,715	8,877	1,317	-	17,909
Capital efficiency	1,727	3,741	730	-	6,198
Acquisition	6,752	1,000	3,371	-	11,123
Other	17	2,444	458	-	2,919
Total non-recurring items	**16,211**	**16,062**	**5,876**	**-**	**38,149**

As of January 2021, when a new organization was implemented, the Group is divided into three different business units: Bridges & Culverts Solutions, GeoTechnical Solutions och StormWater Solutions. The business has not previously been followed up per business unit and allocation of costs can not be made in a reliable way for 2020, therefore no comparative figures are presented.

These three business units are the segments at which management and the Board carries out follow-ups. The chief operating decision maker in the Group is the President and CEO, who runs the operation together with the other members of the Group mangement.

The segments' accounting policies adhere to the same policies as those applied in the preparation of the consolidated financial statements.

Key measures for management and reporting are net sales, underlying earnings before depreciation and underlying operating earnings.

The effect of IFRS 16 is applied at Group level and is not allocated to the different segments.

NOTE 5
REVENUE

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

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Timing of revenue recognition is considered for each separate performance obligation, as described below. The transaction price is recognised net of any expected variable consideration such as customer bonuses, cash discounts for early payment, penalties, refunds and returns. Most revenues for the Group origin from contracts from the sale of goods.

Revenue by main geography regions

The Group receives most of its income from Northern and Eastern Europe. Poland is the Group's single largest market with a share of 23.5% (23.8). There is no single customer in the Group whose revenue exceeds 10% of the Group's net sales.

The table below presents the distribution of the Group's income from external customers based on the geographic market.

	2021	2020
Sweden	206,954	242,057
Nordic (excl. Sweden)	249,422	284,419
Baltic	388,794	373,977
Eastern Europe	824,036	839,551
Western Europe	267,295	183,425
Other	9,835	46,734
Total	**1,946,336**	**1,970,163**

Balance sheet

Contract assets are included in balance items Non-current receivables and Other current receivables. Contract liabilities are included in Other current liabilities.

	31 DEC 2021	31 DEC 2020
Account receivables	276,930	328,795
Contract assets, current	14,438	724
Contract assets, non-current	5,259	4,636
Contract liabilities	17,119	20,846

ACCOUNTING POLICIES

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

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

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

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

(ii) Sale of services
The Group's service contracts consist of installation services. Service contracts normally consist of single tasks (e.g., a particular installation.

Revenue from performing services are recognised over time.

(iii) Sale of goods/services combined and projects
Revenue of sale of goods/services combined and projects relates to contracts where the Group is selling products completely assembled and installed at the customer's premises as well as construction of customised assets for the customer. Examples of such contracts include sale and installation of geomembranes, retaining walls and soil steel bridges among others.

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

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

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

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

Contract balances

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

Accounts receivable
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). See note 25 - Financial risks and financial instruments for initial recognition and subsequent measurement of financial assets.

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

NOTE 6
COST OF SALES

Cost of sales

	2021	2020
Purchase of goods and changes in inventories	-1,176,993	-1,253,799
Write-down of inventories	573	-7,500
Total	**-1,176,419**	**-1,261,299**

Inventories

	31 DEC 2021	31 DEC 2020
Raw materials and consumables	74,345	41,411
Work in progress	22,263	3,310
Own produced finished goods	22,602	21,615
Goods purchased for resale	108,784	92,038
Total	**227,994**	**158,374**
Of which value adjustment reserve:	-17,575	-17,310

ACCOUNTING POLICIES

The cost of sale comprises costs for raw materials, semi-finished goods, finished goods and services as well as changes in inventory.

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

Physical stock counts are carried out periodically during the year.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

For assessment of obsolete inventory, the ViaCon Group's basis for write down is age distribution per item, i.e. inventory movement with regards to last sale or transfer to production.

NOTE 7

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

Average number of employees

	Number of people		Of whom women	
	2021	2020	2021	2020
ViaCon Holding AB	**7**	**1**	**44%**	**25%**
Subsidiaries				
Sweden other than parent company	53	57	15%	18%
Nordic countries other than Sweden	44	47	28%	28%
Baltic countries	126	117	18%	18%
Poland	272	292	16%	19%
Eastern Europe other than Poland	187	179	23%	23%
Western Europe	75	42	18%	16%
Other	2	2	50%	33%
Total	**766**	**737**	**20%**	**19%**

Gender distribution of Board members and Senior executives

	Number of people		Of whom women	
	2021	2020	2021	2020
Board of Directors	6	6	17%	-
Senior executives	7	8	14%	13%

Salaries, other remunerations and social security expenses

	Salaries and remuneration		Social security expense	
	2021	2020	2021	2020
ViaCon Holding AB	-26,222	-15,178	-13,616	-7,783
of which pension costs	-	-	-4,133	-2,519
Subsidiaries	-239,957	-226,533	-48,998	-46,681
of which pension costs	-	-	-9,933	-9,577
Total salaries, other remuneration and social security expenses	**-266,179**	**-241,711**	**-62,614**	**-54,464**
of which pension costs	-	-	-14,066	-12,094

The Parent Company ViaCon Group AB (publ) had no employees in 2021 or 2020. Operationally, the company has been managed from the wholly-owned subsidiary ViaCon Holding AB. Up until September 2021, when ViaCon Group AB became a public limited liability company, the Board performed its activities from ViaCon Holding AB. The Board then switched to working from ViaCon Group AB. Remuneration to the Board is recognised in ViaCon Holding AB for the full year 2021. With regard to the fact that the management and Board have worked from ViaCon Holding AB, this company is recognised separately, as though it were the Parent Company. From January 2022, all employees of ViaCon Holding AB will have their employment transferred to ViaCon Group AB.

Remuneration to the Board of Directors, for the period during which they have been elected, were a total of SEK 908 thousand (850). The Chair of the Board received remuneration of SEK 500 thousand (500). For details of remuneration to other Board members, see the table "Remuneration to the Board and senior executives".

Remuneration to the President and CEO and other senior executives consists of a base salary, variable remuneration, other benefits and pension. Senior executives are defined as those individuals who are members of the executive management. In 2021, this group consisted of seven people. For the President and CEO the salary is proposed and adopted by the Board. For other senior executives, the salary is proposed by the President and CEO (of ViaCon Holding AB) and adopted by the Board. The variable short-term incentive (STI) for the President and CEO can be up to 80% of the base salary. For other senior executives, the variable short-term incentive (STI) can be up to 65% of the base salary. Variable remuneration is based on performance in relation to set targets. The President and CEO was paid a base salary of SEK 5,479 thousand (5,248) for the year. Other senior executives received a base salary totalling SEK 10,896 thousand (9,098) for the year. For 2021, the President and CEO earned variable remuneration of SEK 4,326 thousand (4,160). Other senior executives earned variable remuneration totalling SEK 6,459 thousand (7,293).

Senior executives domiciled in Sweden have been offered a premium-based occupational pension scheme. The provision is a maximum of 35% of the fixed annual salary. The ordinary retirement age for the President and CEO is 65. The pension expense for the President and CEO equates to 35% of the fixed salary.

Executives domiciled outside of Sweden may be offered pension solutions that are competitive in the country in which the persons are or have been domiciled or to which they have a significant link, primarily premium-based solutions.

In the event of termination by the company of the President and CEO, compensation is paid during the notice period of 18 months. No severance pay is payable. if employment is terminated by own termination, the notice period is six months. Generally there is a mutual notice period of six months, and of no more than 18 months, for other senior executives.

Executives domiciled outside of Sweden may be offered notice periods and severance pay that are competitive in the country in which the persons are or have been domiciled or to which they have a significant link, primarily corresponding to what applies for executives domiciled in Sweden.

Remuneration to the Board and Senior executives

	2021					2020				
	Remuneration/ basic salary	Variable remuneration	Other benefits	Pension	Total	Remuneration/ basic salary	Variable remuneration	Other benefits	Pension	Total
ViaCon Group AB/ViaCon Holding AB										
The Board										
Patrik Nolåker	-500	-	-	-	-500	-500	-	-	-	-500
Krzysztof Andrulewicz	-350	-	-	-	-350	-350	-	-	-	-350
Tobias Funke	-	-	-	-	-	-	-	-	-	-
Niclas Thiel	-	-	-	-	-	-	-	-	-	-
Ulrik Smith	-	-	-	-	-	-	-	-	-	-
Moritz Madlener	-	-	-	-	-	-	-	-	-	-
Gunilla Spongh*	-58	-	-	-	-58	-	-	-	-	-
Total to the Board	**-908**	**-**	**-**	**-**	**-908**	**-850**	**-**	**-**	**-**	**-850**
Senior executives										
Stefan Nordström, President and CEO	-5,479	-4,326	-3	-1,924	-11,732	-5,248	-4,160	-2	-1,820	-11,230
Other senior executives	-10,896	-6,459	-540	-2,240	-20,135	-9,098	-7,293	-592	-1,138	-18,121
Total to Senior executives	**-16,375**	**-10,785**	**-543**	**-4,164**	**-31,867**	**-14,346**	**-11,453**	**-594**	**-2,958**	**-29,351**
Total remuneration	**-17,283**	**-10,785**	**-543**	**-4,164**	**-32,775**	**-15,196**	**-11,453**	**-594**	**-2,958**	**-30,201**

** Refers to the period Nov-Dec 2021*

NOTE 8
DEPRECIATION, AMORTISATION AND IMPAIRMENT

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

	2021	2020
Amortisation and impairment intangible assets	-2,492	-2,621
Depreciation and impairment property, plant and equipment	-27,679	-26,843
Depreciation and impairment right-of-use assets	-27,075	-23,430
Total depreciation, amortisation and impairment	**-57,246**	**-52,894**

NOTE 9
OTHER EXTERNAL EXPENSES

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

	2021	2020
Rentals, short term	-5,409	-6,800
Other costs related to premises	-25,267	-21,276
Maintenance of equipment, tools and fittings etc	-40,146	-35,515
Selling and distribution costs	-72,717	-81,160
Administrative costs	-89,337	-61,327
Membership, insurance, license and guarantee costs	-7,456	-3,281
Capital losses upon sales of fixed assets	-483	-362
Bad debts	-408	-4,018
Other	-11,279	-26,982
Total other external expenses	**-252,502**	**-240,722**

NOTE 10
AUDIT FEES

The audit fees are included in Other external expenses.

Audit fees from EY

	2021	2020
Audit fees	-3,879	-2,566
Audit-related fees	-1,770	-270
Fees for tax services	-35	-29
Fees for other services	-4	-50
Total fees from EY	**-5,688**	**-2,915**

Audit fees from other audit firms

	2021	2020
Audit fees	-63	-560
Audit-related fees	-130	-30
Fees for tax services	-98	-
Fees for other services	-6	-
Total fees from other audit firms	**-297**	**-590**

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

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

Tax services include tax-related advisory.

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

NOTE 11
FINANCIAL INCOME AND EXPENSES

Financial income

	2021	2020
Exchange rate gains	9,894	110,133
Interest income from related parties	-	1,599
Interest income	15,590	5,358
Other financial income	416	179
Total financial income	**25,900**	**117,269**

Financial expenses

	2021	2020
Exchange rate losses	-98,331	-232
Interest expenses to related parties	-81,034	-108,774
Interest expenses	-31,505	-8,576
Interest expenses related to lease liabilities	-5,594	-4,294
Other financial expenses	-3,942	-7,873
Total financial expenses	**-220,406**	**-129,749**

ACCOUNTING POLICIES

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

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

NOTE 12
INCOME TAXES

Reconciliation effective rate of tax

	2021	2020
Profit/(loss) before tax	**50,809**	**112,520**
Expected income taxes according to income tax rate in Sweden 20,6% (21,4%)	10,467	-24,079
Adjustment of current income tax from previous years	2,689	116
Deferred tax assets not recognised current year	-27,752	-23
Use of previously unrecognised loss carried forward	-	10,468
Effect of reduced valuation allowance [1]	676	4,814
Non-deductible expenses [2]	-24,634	-30,419
Non-taxable income	2,486	2,481
Effect of other tax rates outside Sweden	4,917	2,207
Effect due to change in tax rates [3]	-42	-480
Other	3,340	68
Tax income/expense recognised in the consolidated statement of comprehensive income	**-27,853**	**-34,847**

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

2) The non-deductible expenses includes other financial expenses related to changes in estimated future payments for non-deductible interest expenses, and loss on sale of subsidiaries.

3) Deferred tax assets/liabilities are measured at new tax rate 20,6% from year end 2021 for Swedish entities as Sweden has decided to reduce the corporate income tax from 21.4% in 2020 to 20.6% in 2021.

Tax reported in other comprehensive income

	2021	2020
Pensions	-33	-
Exchange differences on loans treated as net investments	121	853
Exchange differences on hedge instruments of net investments in foreign operations	3,459	-
Income tax on other comprehensive income	**3,547**	**853**
Tax income/(expense) reported directly in equity		
Transaction costs	-	-
Income tax reported directly in equity	-	-

Tax reported in the Group income statement and balance sheet

	2021	2020
Current tax	-34,556	-37,309
Deferred tax	6,703	2,462
Total tax on earnings for the year	**-27,853**	**-34,847**
Prepaid tax (included in other receivables)	3,528	3,678
Current tax liabilities (-)	-510	-14,346
Total (net) tax payable December 31	**3,018**	**-10,668**

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

Deferred tax liabilities/ deferred tax assets

	31 DEC 2021	31 DEC 2020
Non-current assets and liabilities		
Intangible assets	245	57
Tangible fixed assets	-9,663	-8,137
Pensions	1,897	437
Other non-current items	4,758	-893
Total non-current assets and liabilities	**-2,763**	**-8,535**
Current assets and liabilities		
Inventory	2,746	2,524
Liabilities	5,029	4,919
Trade receivables	2,338	3,653
Other current items	1,850	-698
Total current assets and liabilities	**11,963**	**10,398**
Tax losses carried forward	47,640	23,549
Of which assets not recognised (valuation allowance)	-40,693	-18,255
Net recognised deferred tax assets	**16,147**	**7,157**
Of which deferred tax assets	26,603	14,615
Of which deferred tax liabilities (-)	-10,456	-7,458
Net recognised deferred tax assets	**16,147**	**7,157**

Tax losses carried forward

	Sweden	Lithuania	Other	2021	2020
Current year + 1 year	-	-	11,842	11,842	1,676
Current year + 2 years	-	-	1,365	1,365	842
Current year + 3 years	-	-	746	746	8,803
Current year + 4 years	-	-	3	3	442
Current year + 5 years or later	-	-	452	452	2
No due date	186,872	15,263	8,153	210,288	101,197
Total tax loss carried forward	**186,872**	**15,263**	**22,561**	**224,696**	**112,962**
On which deferred tax assets have not been recognised	-186,872	-	-8,060	-194,932	-83,211
Total tax loss on which deferred tax assets have been recognised	**0**	**15,263**	**14,501**	**29,764**	**29,751**

Changes in net deferred taxes

	2021	2020
Opening balance	7,157	5,019
Recognised in profit and loss	6,703	2,461
Recognised as other comprehensive income	3,547	853
Acquistions and disposals	427	-76
Translation differences	-1,687	-1,100
As of December 31	**16,147**	**7,157**
Of which deferred tax assets	26,603	14,615
Of which deferred tax liabilities (-)	-10,456	-7,458

ACCOUNTING POLICIES

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

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

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

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

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

NOTE 13
INTANGIBLE ASSETS

	Capitalised development cost	Goodwill	Other intangible assets	Total
Acquisition cost				
Balance at January 1, 2020	**4,674**	**333,340**	**16,766**	**354,780**
Additions, acquisition of subsidiaries	-	59	-	59
Additions, other	148	-	1,999	2,147
Derecognition	-	-	-196	-196
Translation differences	-901	-	-594	-1,495
Balance at December 31, 2020	**3,921**	**333,399**	**17,975**	**355,295**
Additions, acquisition of subsidiaries	2,300	69,488	1,200	72,988
Additions, other	1,220	-	690	1,910
Derecognition	0	-	-3,822	-3,822
Translation differences	882	6,905	-324	7,463
Balance at December 31, 2021	**8,323**	**409,792**	**15,719**	**433,834**

Accumulated deprecation and impairment				
Balance at January 1, 2020	**-2,755**	**-**	**-10,480**	**-13,235**
Amortisations	-532	-	-2,090	-2,622
Derecognition	-	-	196	196
Impairments	-	-	-	-
Translation differences	125	-	728	853
Balance at December 31, 2020	**-3,162**	**-**	**-11,646**	**-14,808**
Amortisations	-379	-	-2,113	-2,492
Derecognition	-	-	3,822	3,822
Impairments	-	-	-	-
Translation differences	-36	-	-216	-252
Balance at December 31, 2021	**-3,577**	**-**	**-10,153**	**-13,730**

Carrying value December 31, 2020	**759**	**333,399**	**6,329**	**340,487**
Carrying value December 31, 2021	**4,746**	**409,792**	**5,566**	**420,104**

Impairment of intangible assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment or if any impairment indicators exist. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

Impairment requirement testing for goodwill

Recognised consolidated goodwill amounts to SEK 409,792 thousand (333,399). The goodwill is distributed to the Group's business areas as follows: Bridges & Culverts Solutions SEK 210,527 thousand, GeoTechnincal Solutions SEK 115,098 thousand and StormWater Solutions SEK 84,167 thousand. Last year, the Group consisted only of one cash-generating unit, which means that no comparative figures can be presented.

Each year, the Group tests whether there is an impairment requirement with regard to goodwill. Goodwill is monitored by the management at ViaCon Group level. The recoverable amount per business area (cash-generating unit) has been determined by calculating the value in use. Calculations are based on estimated future cash flows from financial plans that have been approved by the executive management and cover a period of three years.

Significant assumptions in the financial plans include sales growth, productivity developments and operating margins. These assumptions are determined based on published statistics for the development of the industry, customers' long-term delivery plans as well as the executive management's assessment of the development of group margins. Cash flows beyond the three-year period are extrapolated using an estimated growth rate resulting from assumed inflation of 2.0 (2.0)%. The forecasted cash flow has been calculated at present value using the following discount rates per business areas: Bridges & Culverts Solutions 12.0%, GeoTechnical Solutions 8.8% and StormWater Solutions 7.2%.

Last year's discount rate for the entire Group, as one cash-generating unit, was 8.3% before tax. The discount rate has been determined by calculating a weighted cost of own and borrowed capital based on the companies and countries that are part of each business area. In Bridges & Culverts Solutions, the largest countries are Poland, Turkey and Finland. For GeoTechnical Solutions, it is the operations in Poland, Lithuania and Romania that make up the majority. StormWater Solutions consists mostly of operations in France. In both 2021 and 2020, the estimated recoverable amount for ViaCon has exceeded the book value, so no impairment requirement has been identified.

Alternative calculations have been made by changing the assumptions concerning the discount interest rate and growth rate. A change in any of these individual assumptions of one percentage point would not result in any impairment requirement for goodwill.

ACCOUNTING POLICIES

Capitalised development cost

Development costs that are attributable to an individual project are reported as an asset on the balance sheet when the Group can demonstrate the following:

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

Capitalised development cost is amortised over its expected useful life and tested for impairment annually.

Goodwill

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

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

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

Other intangible assets

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

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

Depreciation/amortisation

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

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The impairment requirement for goodwill is assessed annually, or more frequently if needed, by calculating the recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. If the calculated value is less than the carrying amount, an impairment is made to the asset's recoverable amount. To determine the value in use, estimated future cash flows are used, which are based on internal business plans and forecasts. Although the executive management believes that the estimated future cash flows are reasonable, different assumptions regarding such cash flows could affect valuations substantially. In assessing the goodwill value of around SEK 409,792 thousand (333,399) as of the end of 2021 and 2020, no impairment requirement was identified.

NOTE 14
PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Machinery and plant	Construction in progress	Equipment and vehicles	Total
Acquisition cost					
Balance at January 1, 2020	**166,646**	**159,034**	**8,203**	**52,991**	**386,874**
Reclassifications	11,153	16,574	-10,914	1,180	17,993
Additions, other	1,844	5,890	3,367	4,830	15,931
Disposals	-166	-8,935	-	-10,080	-19,181
Translation differences	-12,660	-12,148	-319	-4,062	-29,189
Balance at December 31, 2020	**166,817**	**160,415**	**337**	**44,859**	**372,428**
Reclassifications	346	679	-455	3,633	4,203
Additions, acquisition of subsidiaries	38,237	11,368	-	1,501	51,106
Additions, other	9,465	30,628	461	10,117	50,671
Disposals	-513	-21,336	-	-10,439	-32,288
Translation differences	3,833	-363	8	1,265	4,743
Balance at December 31, 2021	**218,185**	**181,391**	**351**	**50,936**	**450,863**
Accumulated deprecation and impairment					
Balance at January 1 2020	**-49,869**	**-94,939**	**-**	**-33,351**	**-178,159**
Reclassifications	-	-17,143	-	-850	-17,993
Disposals	166	4,810	-	9,372	14,348
Depreciations	-8,776	-11,324	-	-5,244	-25,344
Impairments	-	-1,499	-	-	-1,499
Translation differences	3,769	6,318	-	1,898	11,985
Balance at December 31, 2020	**-54,710**	**-113,777**	**-**	**-28,175**	**-196,662**
Reclassifications	-	-241	-	-2,304	-2,545
Disposals	222	20,841	-	9,454	30,517
Depreciations	-9,089	-11,148	-	-6,222	-26,459
Impairments	-	-1,165	-	-55	-1,220
Translation differences	-832	1,252	-	-154	266
Balance at December 31, 2021	**-64,409**	**-104,238**	**-**	**-27,456**	**-196,103**
Carrying value December 31, 2020	**112,107**	**46,638**	**337**	**16,684**	**175,766**
Carrying value December 31, 2021	**153,776**	**77,153**	**351**	**23,480**	**254,760**

ACCOUNTING POLICIES

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

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

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

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

Principles for depreciating property, plant and equipment

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

The following depreciation periods are applied:

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

Critical accounting estimates and judgements

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

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

NOTE 15
RIGHT-OF-USE ASSETS

	Leased premises	Leased machinery/ tools/ vehicles	Leased company cars	Leased furniture/ fixtures/ office machines	Total
Acquisition cost					
Balance at January 1, 2020	**61,863**	**20,197**	**23,823**	**36**	**105,919**
Reclassifications	-	-	-890	-	-890
Additions, other	9,391	-	4,398	-	13,789
Disposals	-1,390	-208	-3,299	-	-4,897
Translation differences	-2,719	-1,405	-903	-2	-5029
Balance at December 31, 2020	**67,145**	**18,584**	**23,129**	**34**	**108,892**
Reclassifications	-	-	-4,203	-	-4,203
Additions, acquisition of subsidiaries	1,268	647	-	-	1,915
Additions, other	89,208	13	10,671	482	100,374
Disposals	-36,435	-491	-4,244	-	-41,170
Translation differences	13	-832	-865	6	-1,678
Balance at December 31, 2021	**121,199**	**17,921**	**24,488**	**522**	**164,130**
Accumulated deprecation and impairment					
Balance at January 1 2020	**-9,643**	**-370**	**-7,712**	**-17**	**-17,742**
Reclassifications	-	-	890	-	890
Disposals	1,390	208	3,239	-	4,837
Depreciations	-10,809	-5,122	-7,483	-17	-23,431
Impairments	-	-	-	-	0
Translation differences	912	828	545	3	2288
Balance at December 31, 2020	**-18,150**	**-4,456**	**-10,521**	**-31**	**-33,158**
Reclassifications	-	-	2,545	-	2,545
Disposals	9,924	491	4,308	-	14,723
Depreciations	-16,821	-3,656	-6,542	-56	-27,075
Impairments	-	-	-	-	-
Translation differences	259	-145	37	-1	150
Balance at December 31, 2021	**-24,788**	**-7,766**	**-10,173**	**-88**	**-42,815**
Carrying value December 31, 2020	**48,995**	**14,128**	**12,608**	**3**	**75,734**
Carrying value December 31, 2021	**96,411**	**10,155**	**14,315**	**434**	**121,315**

Lease liabilities

	31 DEC 2021	31 DEC 2020
Long-term interest-bearing lease liabilities	94,853	50,558
Current interest-bearing lease liabilities	23,682	22,753
Total interest-bearing lease liabilitites	**118,535**	**73,311**

Amounts related to leases recognised in the income statement

	2021	2020
Depreciation expense of right-of-use assets	-27,075	-23,431
Interest expense on lease liablitities	-5,594	-4,294
Expenses related to short-term leases, variable lease payments not included in lease liabilities and low value asset leases	-10,400	-10,398
Total lease expenses	**-43,069**	**-38,123**

The total cash flow for leases in 2021 amounts to SEK 40,084 thousand (28,241).

ACCOUNTING POLICIES

The Group has leases, as a lessee, primarily for premises, machinery and equipment and company cars. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset. Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term.

The right-of-use assets, in the table above, are included in the same category item as where the corresponding underlying assets would be presented if they were owned. The lease liabilities are secured by the related underlying asset.

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

Rights-of-use assets

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

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

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

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

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

The Group applies a limit value equivalent to EUR 5,000 for an asset to be considered to have a low value and thus be recognised as expense on a straight-line basis over the lease term.

NOTE 16

NON-CURRENT RECEIVABLES

	31 DEC 2021	31 DEC 2020
Deposits	2,055	1,631
Contract assets	9,716	8,832
Provision for impairment of contract assets	-4,466	-4,197
Total non-current receivables	**7,305**	**6,267**

NOTE 17

ACCOUNTS RECEIVABLE

	31 DEC 2021	31 DEC 2020
Accounts receivable gross	300,429	355,341
Provision for bad debt	-23,499	-26,547
Accounts receivable, net	**276,930**	**328,795**

ACCOUNTING POLICIES

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

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

Gains and losses are recognised in profit and loss when the asset is recognised, modified or impaired. The net credit losses are recognised in Other external expenses under the item "Bad debts", see Note 9 - Other external expenses.

NOTE 18
OTHER CURRENT RECEIVABLES

	31 DEC 2021	31 DEC 2020
Contract assets	14,438	694
Prepayments to suppliers	8,831	11,942
VAT receivables	9,122	9,870
Prepaid expenses and accrued income	6,682	2,147
Other receivables	12,862	71,504
Total other current receivables	**51,935**	**96,157**

NOTE 19
CASH FLOW

Adjustments for items not included in cash flow

	2021	2020
Depreciation of non-current assets	57,246	52,894
Net exchange rate gains/ losses	92,104	-104,911
Net financial items	-50,820	52,683
Gains and losses on sale of tangible assets	-3,565	-5,075
Gains and losses on sale of subsidiaries	-	-4,500
Impairment of inventory	(2,232)	7,558
Other	416	410
Total	**93,149**	**-941**

Interest paid and received

	2021	2020
Interest paid	-169,538	-77,870
Interest received	11,915	7,102

NOTE 20
CASH AND CASH EQUIVALENTS

	31 DEC 2021	31 DEC 2020
Cash and bank deposits	198,193	242,524
Restricted cash	1,438	2,236
Total cash and cash equivalents	**199,631**	**244,760**

NOTE 21
EQUITY

ACCOUNTING POLICIES

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

Share capital

Ordinary shares are classified as equity. The share capital, as per December 31, 2021, consists of 50,100 common A-shares. All shares are fully paid for. On the extraordinary general meeting on August 27, 2021 a resolution was adopted regarding a bonus issue, entailing an increase of the share capital of SEK 450 thousand, with unchanged number of shares. Quotient value after the bonus issue is SEK 10.

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

Other contributed capital

Other contributed capital relates to amount paid by shareholders for shares in excess of their nominal value.

The total equity consist of the equity attributable to parent company shareholders and non-controlling interests.

At the end of 2021, the Group's total equity amounted to SEK -48,476 thousand (-222,937).

Other reserves

Other reservers consist of the translation reserve covering currency differences that arise as a result of translating the income statements and balance sheets of all Group companies into the Group´s reporting currency.

Other reserves also include profit and loss on hedging instruments that meet the requirements for hedging net investments.

NOTE 22
PENSION OBLIGATIONS

Post-employment remuneration is mainly handled in the Group through defined-contribution pensions, however there are a few defined-benefit plans, the biggest of which are in Germany and France.

The French defined-benefit obligation consists of a long-term obligation whereby each employee is entitled to a one-off payment upon retirement. The following assumptions are used as a basis for the valuation: a discount rate of 0.96% (0.5) and a pay increase of 1.35% (1.5).

The German net obligation for its defined-benefit pension plan amounted to SEK 5,983 thousand upon acquisition on April 1, 2021. The present value of the defined-benefit obligation was SEK 6,514 thousand, minus the fair value of the plan assets amounting to SEK 531 thousand. The following assumptions are used as a basis for the valuation: a discount rate of 1.15% and a pay increase of 1%.

Pension expense for the year

	2021	2020
Defined benefit expense	-293	-345
Defined contribution expense	-13,773	-11,045
Total pension expense	**-14,066**	**-11,390**

Defined benefit assets and liabilities

	31 DEC 2021	31 DEC 2020
Present value of defined benefit obligations	8,901	1,889
Fair value of the plan assets	-575	-
Net benefit obligations	**8,326**	**1,889**

Pension obligations

	31 DEC 2021	31 DEC 2020
France	1,217	1,562
Germany	6,306	-
Other	803	327
Total net defined pension obligations	**8,326**	**1,889**

ACCOUNTING POLICIES

Pension obligations

The Group's companies have different pension systems in accordance with local terms and the practice in the countries in which they operate. The predominant form of pension is a defined-contribution pension plan. Under these plans, the employer's obligation is limited to the amount it agrees to contribute to the plan. With defined-contribution plans, the contribution is expensed as it is incurred.

However, under pension plans that are based on an agreed future pension entitlement, so-called defined-benefit pension plans, the company's responsibility extends further and, for example, assumptions about the future affect the company's recognised cost. The Group's net obligation is calculated separately for each plan by estimating the future remuneration the employees have earnt through their employment in both current and earlier periods, this remuneration is discounted to a present value.

The liability recognised in the balance sheet for defined-benefit pension plans is the current value of the defined-benefit obligation at the close of the reporting period minus the fair value of the plan assets. The defined-benefit pension obligation is calculated annually by independent actuaries using the so-called projected unit credit method. The present value of the defined-benefit obligation is determined by discounting estimated future cash flows. Actuarial gains and losses as a result of experience-based adjustments and changes to actuarial assumptions are recognised in other comprehensive income in the period in which they arise. Costs regarding service in earlier periods are recognised directly in the income statement.

Other long-term employee benefits

Other long-term employee benefits relate to the Group's defined-benefit obligations under a plan that gives employees a flexible transition from employment to retirement. The plan aims to enable flexible working as agreed between the employer and employee. The Group's defined-benefit obligation is determined annually using the so-called projected unit credit method. Unlike the reporting required for defined-benefit pension obligations, revaluations of the obligation are recognised in the income statement and not in other comprehensive income.

NOTE 23
OTHER PROVISIONS

Changes in provisions in 2021

	Warranty provisions	Other provisions	Total non-current provisions	Restructuring provisions	Total current provisions
Opening balance January 1, 2021	6,492	3,794	10,286	-	-
Additions	1,256	6,471	7,727	-	-
Used (amount charged against provision)	-1,720	-4,940	-6,660	-	-
Unused amounts reversed	-	-3,002	-3,002	-	-
Other movements	1,384	-2,007	-623	-	-
Translation differences	94	60	154	-	-
Total provisions December 31, 2021	**7,506**	**376**	**7,882**	**-**	**-**

Changes in provisions in 2020

	Warranty provisions	Other provisions	Total non-current provisions	Restructuring provisions	Total current provisions
Opening balance January 1, 2020	3,588	2,241	5,829	773	773
Additions	4,211	7,870	12,081	-	-
Used (amount charged against provision)	-151	-5,223	-5,374	-773	-773
Unused amounts reversed	-576	-404	-980	-	-
Translation differences	-580	-691	-1,271	-	-
Total provisions December 31, 2020	**6,492**	**3,794**	**10,286**	**-**	**-**

ACCOUNTING POLICIES

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

Warranties
A provision for a warranty is recognised when the underlying products or services are sold. The provision is based on historical information on guarantees and a weighting of possible outcomes according to the likelihood of their occurrence. The initial calculations of the reserves are based on historical warranty statistics considering known quality improvements, costs for remedy of defaults etc.

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

NOTE 24
LIABILITIES TO CREDIT INSTITUTIONS

	31 DEC 2021	31 DEC 2020
Total liabilities to credit institutions	**30,248**	**27,606**
whereof		
Non-current liabilities	2,034	3,132
Current liabilities	28,214	24,474

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

ACCOUNTING POLICIES

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

NOTE 25
FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

Net debt

	31 DEC 2021	31 DEC 2020
Non-current interest-bearing liabilities	-1,161,752	-1,147,160
Provision for pensions	-8,326	-1,889
Current interest-bearing liabilities	-51,896	-46,136
Financial interest-bearing receivables	7,305	6,267
Cash and cash equivalents	199,631	244,760
Net debt (-)	**-1,015,038**	**-944,158**

Capital management
ViaCon previously had a joint financing agreement within the SRH BridgeCo Group which included both ViaCon and the Saferoad Group. At the beginning of the year, ViaCon established its own cash pool and in November new financing was set up by means of ViaCon issuing senior secured bonds of EUR 100 million and a separate financing agreement with a total credit of EUR 24 million, which represented the last step in its separation from Saferoad.

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

Liquidity risk
Liquidity risk is the risk that the company cannot make its payments due to insufficient liquidity and/or difficulty in obtaining credit from external lenders. In order to be able to finance its operations and mitigate the effects of fluctuations in cash flows, the Group must ensure that adequate cash and cash equivalents are readily available by entering into financing arrangements. Liquidity risk is managed by the Group having sufficient cash and cash equivalents and investments in securities etc. with a liquid market plus sufficient financing through agreed credit facilities.

The management closely monitors rolling forecasts of the Group's liquidity reserve, which consists of unused loan commitments and cash and cash equivalents, based on expected cash flows. This occurs at two levels in the Group: at a local level in the Group's operating companies and at Group level.

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

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

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

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

The table below summarises the Group's financial liabilities broken down according to the time remaining until the contractual maturity date at the balance sheet date (including any interest payments). The amounts indicated in the table are the contractual, non-discounted cash flows:

Per December 31, 2021	Within 1 year	Within 2 years	Within 3 years	Within 4 years	Within 5 years or more
Bond	65,992	64,242	64,242	1,089,262	-
Liabilities to credit institutions	28,246	1,352	813	-	-
Loan from related parties*	7,245	7,245	7,245	7,245	86,645
Lease liability	36,378	24,789	19,093	13,417	63,514
Accounts payable	202,743	-	-	-	-
Total	**340,604**	**97,628**	**91,393**	**1,109,924**	**150,159**

** The loan has no agreed due date and the amounts refer to an assumption of interest payments for 5 years.*

Credit risk

The credit risk assessment of a customer is done locally, to ensure that sales of products and services take place only to customers with a satisfactory credit history. Customer credit in the form of payment days is only granted after a credit assessment has been carried out. If a contract is large, the credit risk is normally covered through a prepayment from the customer of around 30% of the contract value. The Group's diversified customer base in different countries and from different industries helps to spread and thereby reduce its credit risks regarding accounts receivable

Realised losses during the year are classified as other operating expenses in the profit or loss (see Note 9 – Other external expenses). The Group's age distribution for outstanding accounts receivable is relatively stable. Costs for bad debts in the Group amounted to SEK -408 thousand (-4,018) in 2021.

Changes in provision for doubtful accounts receivable

	31 DEC 2021	31 DEC 2020
Balance at January 1	-26,547	-32,973
Additions	-2,169	-8,040
Reversals	4,035	4,022
Write-offs	4,012	7,028
Changes due to business combinations	-2,742	-
Translation difference	-88	3,416
Balance at December 31	**-23,499**	**-26,547**

For information about the age distribution of accounts receivable, see below. Accounts receivable amounted to SEK 276,930 thousand (328,795) and included provisions for doubtful accounts receivable of SEK 23,499 thousand (26,547).

Aging analysis accounts receivable, December 31, 2021

	Total	Not due	< 30d	30-60d	60-90d	>90d
Accounts receivables	300,429	198,317	40,724	9,934	2,250	49,204
Provision for bad debt	-23,499	-	-	-226	-48	-23,225
Total accounts receivable, net	**276,930**	**198,317**	**40,724**	**9,708**	**2,202**	**25,979**

Aging analysis accounts receivable, December 31, 2020

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

Foreign exchange risk

As a consequence of the international business activities, ViaCon is exposed to foreign exchange risks from the flow of goods (transaction exposure) and from assets and liabilities in currencies other than the reporting currency (translation exposure). ViaCon is also exposed to foreign exchange risks in financial loans, primarily the bond loan denominated in EUR and the remaining loan from a related party denominated in NOK.

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

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

Transaction exposure

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

Translation exposure

The consolidated accounts are also affected by translation effects when translating foreign subsidiaries' profits/losses and net assets into SEK and translating assets and liabilities denominated in foreign currencies. Treasury shall continuously monitor, measure and follow-up the exposure to evaluate the effects on the financial statements

Hedge accounting

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

ViaCon has identified EUR 50 million (0) of the bond loan as a hedging instrument to mitigate the translation risk of net investments in EUR. The result of the hedging before tax amounted to SEK -17,264 thousand (0) and was recognised in equity via other comprehensive income. No ineffectiveness has affected the income statement for 2021 or 2020.

Interest rate risk

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

Financial derivatives

At year-end 2021, the Group had no outstanding forward currency contracts or interest swaps

Financial assets

	31 DEC 2021	31 DEC 2020
Non-current receivables	7,305	6,267
Accounts receivable	276,930	328,795
Contract assets, current	14,438	724
Cash and cash equivalents	199,631	244,760
Total financial assets*	**498,304**	**580,546**

**All financial assets have been valued at amortised cost*

ACCOUNTING POLICIES

The Group classifies its financial instruments into the following categories: financial assets measured at fair value either through the income statement and other comprehensive income or financial assets measured at amortised cost. The classification of investments in debt instruments depends on the Group's business model for managing financial assets and the contractual terms of the assets' cash flows. Management determines the classification of the financial assets at the first recognition. The Group has only financial assets in the amortised cost category.

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

Financial liabilities

	31 DEC 2021	31 DEC 2020
Non-current interest-bearing liabilities	1,161,752	1,147,160
Current interest-bearing liabilities	51,896	46,136
Accounts payable	202,743	196,628
Contract liabilities, current	17,119	20,846
Total financial liabilities*	**1,433,510**	**1,410,770**

**All financial liabilities have been valued at amortised cost*

Non-current interest-bearing liabilities include corporate bonds of EUR 100,000 thousand (0) and a loan to ViaCon Group AB (publ) from RI Holding AS, Norway, of NOK 79,400 thousand (453,013). In November 2021, new financing was launched when ViaCon issued senior secured bonds of EUR 100 million. The bonds mature in 2025 and the interest on the new bond loan was set at EURIBOR +6.25%. The carrying amount of the bonds on December 31, 2021 amounted to SEK 985,465 thousand and the fair value was SEK 1,014,768 thousand.

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

The net proceeds from the bond issue were used to repay a previous loan from RI Holding AS, Norway, to ViaCon Holding AB, dated December 18, 2019, of NOK 591,400 thousand and to amortise NOK 373,613 thousand of a loan from RI Holding AS, Norway, to ViaCon Group AB (publ), dated December 18, 2019.

The translation difference for the year in net financial items regarding the loans in NOK amounts to SEK -44,078 thousand compared with the positive effect of SEK 106,119 thousand the previous year.

ACCOUNTING POLICIES

The Group classifies its financial liabilities in the categories: liabilities measured at amortised cost and derivative instruments. The Group has only financial liabilities in the amortised cost category.

Interest-bearing liabilities

Interest-bearing liabilities are initially recognised at fair value, which usually corresponds to the cost. Interest-bearing liabilities are subsequently recognised at amortised cost, and any difference between the amount received and the repayment amount is recognised in the income statement over the loan period using the effective interest method.

Accounts payable

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

Derivative instruments

At the end of 2021 and 2020 the Group had no derivative contracts.

Fair value

The fair value of financial assets and liabilities is determined in accordance with three levels of input, depending on the available market information used in the assessment. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date. Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. For level 3 inputs, the assessment is based on unobservable inputs for the asset or liability.

The fair value of the bond loan has been determined in accordance with level 1, i.e. based on quoted prices at the balance sheet date.

On the balance sheet dates in 2021 and 2020, there were no financial assets and liabilities recognised at fair value.

NOTE 26
OTHER INTEREST-BEARING LIABILITIES

	31 DEC 2021	31 DEC 2021
Lease liability	118,535	73,311
Non-current interest-bearing liabilities to related parties	79,400	1,092,277
Other non interest-bearing non-current liabilities	-	102
Total other interest-bearing liabilites	**197,935**	**1,165,690**
whereof:		
Current liabilites	**23,682**	**21,662**
Non-current liabilites	**174,253**	**1,144,028**

NOTE 27
OTHER CURRENT LIABILITIES

	31 DEC 2020	31 DEC 2020
Accrued expenses and prepaid income	12,136	798
Accrued salary, bonus and holiday pay	64,672	55,434
Contract liability	17,119	21,226
Personnel related liabilities	14,555	13,116
VAT liabilities	21,554	28,250
Liabilities to related party	1,627	90,558
Other current liabilities and accrued expenses	55,226	30,606
Total other current liabilities	**186,889**	**239,988**

NOTE 28
PLEDGED ASSETS

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

Previous collateral in connection with the agreements between SRH Investco AS and GSO Capital and DNB has ceased to apply.

The calculation of the value of pledged shares, in cases where they had been registered at year-end 2021, amounted to SEK 547,777 thousand (356,576).

The following companies are guarantors:

ViaCon Holding AB	Sweden
ViaCon Invest AB	Sweden
ViaCon International AB	Sweden
ViaCon AB	Sweden
ViaCon Production AB	Sweden
FLA Geoprodukter AB	Sweden
Oy ViaCon AB	Finland
UAB ViaCon Baltic	Lithuania
UAB ViaCon Baltic Pipe	Lithuania
ViaCon Polska Sp. z o.o.	Poland
ViaCon Romania SRL	Romania
ViaCon İnşaat Müh. San. Tic. A.Ş.	Turkey
ViaCon France SAS	France

In addition to the above mortgage prescriptions, ViaCon Polska Sp. z o.o. has provided accounts receivable amounting to SEK 66,893 thousand (44,012) as collateral for bank guarantees.

NOTE 29
CONTINGENT LIABILITIES

	31 DEC 2021	31 DEC 2020
Guarantees	23,237	10,202
Total	**23,237**	**10,202**

ACCOUNTING POLICIES

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

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

NOTE 30
TRANSACTIONS WITH RELATED PARTIES

Related companies relate to companies within the Saferoad sphere of companies.

Sales of goods, services and other

	FULL YÉAR	
	2021	2020
Related companies	4,960	7,650

Purchase of goods, services and other

	FULL YÉAR	
	2021	2020
Related companies	-4,046	-13,539

Financial income

	FULL YÉAR	
	2021	2020
Related companies	-	1,713

Financial expense

	FULL YÉAR	
	2021	2020
Related companies	-81,034	-108,773

Balance sheet

	RECEIVABLES		LIABILITIES	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Related companies	167	63,486	88,815	1,120,075

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

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

NOTE 31
EVENTS AFTER BALANCE SHEET DATE

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

On April 5, 2022, the newly established company ViaCon Netherlands B.V entered into an agreement to acquire assets from Bergschenhoek Civiele Techniek B.V (BCT) related to the product ranges MultiPlate, SuperCor, HelCor/Spirosol and plastic pipes. The transaction is expected to close on May 2, at an estimated purchase price of approximately SEK 38.3 million (EUR 3.7 million)

There is uncertainty about how and to what extent ViaCon's operations will be affected by the ongoing conflict in Ukraine. An initial evaluation shows that short-term financial exposure is currently limited. In the long run, there may be risks in raw material supply and pricing. ViaCon continuously monitors the development of the war situation to continuously evaluate and manage the impact and possible risks. The process of divesting operations in Belarus continues according to communication in December, see Note 1 - General information

Otherwise, there are no significant events to report after the end of the year.

Parent company's income statement

TSEK	Note	FULL YEAR 2021	2020
Net sales		-	-
Other operating expenses	2	-3,576	-
Operating earnings		**-3,576**	**-**
Financial income	3	-	48,515
Financial expenses	3	-89,956	-42,207
Net financial items		**-89,956**	**6,308**
Appropriations		-	-46,300
Earnings before tax		**-93,532**	**-39,992**
Tax on earnings for the year	4	-	-332
Earnings for the year		**-93,532**	**-40,324**

Parent company's comprehensive income

TSEK	FULL YEAR 2021	2020
Earnings for the year	-93,532	-40,324
Other comprehensive income	-	-
Total compehensive income for the year	**-93,532**	**-40,324**

Parent company's balance sheet

TSEK	Note	31 DEC 2021	31 DEC 2020
ASSETS			
Non-current assets			
Participations in group companies	5	1,220,749	585,862
Total non-current assets		**1,220,749**	**585,862**
Current assets			
Current receivables from group companies		57,909	-
Other current receivables		979	-
Prepaid expenses and accrued income		4,462	-
Cash and cash equivalents		-	50
Total current assets		**63,350**	**50**
TOTAL ASSETS		**1,284,099**	**585,912**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	6	501	50
Total restricted equity		**501**	**50**
Non-restricted equity			
Share premium reserve		103,739	104,190
Retained earnings		208,176	-
Earnings for the year		-93,532	-40,324
Total non-restricted equity		**218,383**	**63,866**
Total equity		**218,884**	**63,916**
Non-current liabilities			
Bond		968,201	-
Non-current liabilities to parent company		79,400	434,122
Total non-current liabilities	7	**1,047,601**	**434,122**
Current liabilities			
Accounts payables		1,315	-
Current liabilities to parent company		1,032	87,542
Tax liabilities		332	-
Other current liabilities		18	332
Accrued expenses and prepaid income	8	14,917	-
Total current liabilities		**17,614**	**87,874**
TOTAL EQUITY AND LIABILITIES		**1,284,099**	**585,912**

Parent company's statement of changes in equity

TSEK	Note	Share capital	Share premium reserve	Retained earnings incl. Earnings for the year	Total equity
Opening balance as of January 1, 2020		-	-	-	-
Comprehensive income					
Earnings for the year				-40,324	-40,324
Total comprehensive income		**-**	**-**	**-40,324**	**-40,324**
Transactions with shareholders					
Paid share capital	*6*	50			50
New share issue			104,190		104,190
Total transactions with shareholders		**50**	**104,190**	**-**	**104,240**
Closing balance as of December 31, 2020		**50**	**104,190**	**-40,324**	**63,916**
Comprehensive income					
Earnings for the year				-93,532	-93,532
Total comprehensive income		**-**	**-**	**-93,532**	**-93,532**
Transactions with shareholders					
Bonus issue	*6*	451	-451		0
Shareholders' contribution				248,500	248,500
Total transactions with shareholders		**451**	**-451**	**248,500**	**248,500**
Closing balance as of December 31, 2021		**501**	**103,739**	**114,644**	**218,884**

Parent company's cash flow statement

TSEK	Note	2021	2020
Operating activities			
Earnings after financial items		-93,532	6,308
Adjustments for items not included in cash flow	11	51,510	-6,308
Taxes paid		-	-
Cash flow from operating activities before changes in working capital		**-42,022**	**-**
Cash flow from changes in working capital			
Change in other current recceivables		-5,441	-
Change in other current liabilities		-35,135	-
Cash flow from operating activities		**-82,598**	**-**
Investing activities			
Acquisition of financial assets		-	-585,862
Cash flow from investing activities		**-**	**-585,862**
Financing activities			
Proceeds from borrowings		951,409	481,672
Repayment of borrowings		-822,561	-
Paid group contribution		-46,300	-
New share issue		-	104,240
Cash flow from financing activities		**82,548**	**585,912**
Net increase/decrease in cash		**-50**	**50**
Reconciliation of cash and cash equivalents			
Cash and cash equivalents as of beginning of the financial year		50	-
Cash flow for the year		-50	50
Exchange-rate difference in cash and cash equivalents		-	-
Cash and cash equivalents at year-end		**-**	**50**

NOTE 1
ACCOUNTING POLICIES

The Parent Company applies standard RFR 2 Accounting for legal entities, issued by the Swedish Financial Reporting Board. RFR 2 states that parent companies of groups that voluntarily choose to apply IAS/IFRS in their consolidated financial statements shall, as a rule, also apply the same IAS/IFRS. The Parent Company therefore applies the policies used for the consolidated financial statements and which have been described above in Note 3 of the consolidated financial statements, with the exceptions stated below.

Shares and participations in subsidiaries are recognised at their cost of acquisition after deductions for impairment where relevant. Dividends received are recognised as financial income. Dividends that exceed the subsidiary's comprehensive income for the period or which mean that the book value of the participation's net assets in the consolidated financial statements are lower than the book value of the participations are an indication of an impairment requirement. When there is an indication that shares and participations in subsidiaries have decreased in value, an estimate is made of the recoverable value. If this is lower than the carrying amount, impairment is carried out. Impairment is recognised under 'Profit from participations in Group companies'.

Shareholder contributions are reported directly in equity by the recipient and are activated as shares and participations by the contributor to the extent that impairment is not necessary.

Group contributions are recognised by applying the so-called alternative rule in accordance with RFR 2, IAS 27, p.2. The alternative rule means that contributions both received and paid are recognised as an appropriation in the income statement.

The Parent Company applies hedge accounting of net investments in euros and thereby does not translate the entire bond loan. The effectiveness of the hedging is continuously monitored.

NOTE 2
AUDIT FEES

The audit fees are included in Other operating expenses.

Audit fees from EY

	2021	2020
Audit fees	-839	-
Audit-related fees	-	-
Fees for tax services	-	-
Fees for other services	-	-
Total fees	**-839**	**-**

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

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

Tax services include tax-related advisory.

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

NOTE 3
FINANCIAL INCOME AND EXPENSES

Financial income

	2021	2020
Exchange rate gains	-	48,515
Total financial income	**-**	**48,515**

Financial expenses

	2021	2020
Exchange rate losses	-40,331	-
Interest expenses to related parties	-37,520	-42,207
Interest expenses	-12,105	-
Total financial expenses	**-89,956**	**-42,207**

NOTE 4
INCOME TAX

Reconciliation effective rate of tax

	2021	2020
Earnings before tax	-93,532	-39,992
Expected income taxes according to income tax rate in Sweden 20,6% (21,4%)	19,268	**8,558**
Deferred tax assets not recognised current year	-9,045	-
Non deductible expenses	-10,223	-8,890
Tax for the year	**0**	**-332**

NOTE 5
ACCUMULATED ACQUISITION VALUES

	31 DEC 2021	31 DEC 2020
Balance at January 1	585,862	-
Acquisition	-	585,862
Shareholders' contribution	634,887	-
Balance at December 31	**1,220,749**	**585,862**

Group company / Registered office	Co. Id. No.	Capital share %	No. of shares	Carrying amount
ViaCon Holding AB, Stockholm Sweden	556826-4062	100%	126,263	1,220,749

NOTE 6
NUMBER OF SHARES AND QUOTIANT VALUE

	31 DEC 2021	31 DEC 2021
Number of A-shares	50,100	50,100
Quotient value (SEK)	10	1

On the extraordinary general meeting on August 27, 2021 a resolution was adopted regarding a bonus issue, entailing an increase in the share capital of SEK 451 thousand, with unchanged number of shares. Quotient value per share after bonus issue is SEK 10.

NOTE 7
NON-CURRENT LIABILITIES

	31 DEC 2021	31 DEC 2020
Balance at January 1	434,122	-
Borrowings	1,007,590	434,122
Redemption of previous loans	-354,722	-
Accrued borrowing costs	-39,389	-
Balance at December 31	**1,047,601**	**434,122**

Other non-current liabilities refer to the bond loan of EUR 100 million, which matures in November 2025, and a loan to RI Holding AS, Norway, amounting to NOK 77,373 thousand, with an indefinite term. The Parent Company applies hedge accounting of net investments in euro and thereby does not translate the entire bond loan. See the Group's Note 25 - Financial instruments and financial risks for further information.

NOTE 8
ACCRUED EXPENSES AND PREPAID INCOME

	31 DEC 2021	31 DEC 2020
Accrued interest	10,144	-
Other accrued expenses	4,773	-
Total accrued expenses and prepaid income	**14,917**	**-**

NOTE 9
PROPOSED APPROPRIATION OF EARNINGS

The AGM has the following at its disposal in the Parent Company (SEK):

	31 DEC 2021
Earnings brought forward and other capital contributions	311,915,505
Earnings for the year	-93,532,157
Total	**218,383,348**

The Board proposes that the profits be appropriated as follows (SEK):

Carried forward	218,383,348
Total	**218,383,348**

NOTE 10
PLEDGED ASSETS AND CONTINGENT LIABILITIES

	31 DEC 2021	31 DEC 2020
Pledged shares in subsidiaries	-	585,862
Contingent liabilities	None	None

For further information on pledged assets for the bond and credit agreement, see the Group's Note 28 - Pledged assets.

NOTE 11
CASH FLOW

Adjustments for items not included in cash flow

	2021	2020
Net exchange rate differences	40,335	-47,550
Interest	11,175	41,242
Total	**51,510**	**-6,308**

NOTE 12
TRANSACTION WITH RELATED PARTIES

Remuneration to the Board of Directors have been reported in ViaCon Holding AB for the full year 2021.

Transactions with related parties during the year regarding interest expenses are shown in Note 3 - Financial income and expenses. Transactions with related parties have taken place on terms equal to those which apply for transactions on business terms.

DECLARATION AND SIGNATURES

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

Gothenburg April 20, 2022

PATRIK NOLÅKER
Chair of the Board

GUNILLA SPONGH
Board member

KRZYSZTOF ANDRULEWICZ
Board member

MORITZ MADLENER
Board member

NICLAS THIEL
Board member

ULRIK SMITH
Board member

STEFAN NORDSTRÖM
President and CEO

Our auditor's report was signed on April 21, 2022
Ernst & Young AB

STAFFAN LANDÉN
Authorized Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the general meeting of the shareholders of ViaCon Group AB (publ), corporate identity number 559228 - 2437

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of ViaCon Group AB (publ) for the financial year 2021 The annual accounts and consolidated accounts of the company are included on pages 39-82 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-38 and 85-93. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibility

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

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. 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 the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors [and the Managing Director].
- Conclude on the appropriateness of the Board of Directors' [and the Managing Director's] use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as

a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of ViaCon Group AB (publ) for the financial year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Gothenburg April 21, 2022
Ernst & Young AB

Staffan Landén
Authorized Public Accountant

ALTERNATIVE PERFORMANCE MEASURES (APM)

Consolidated adjusted income statement

	FULL YEAR	
TSEK	2021	2020
Net sales	**1,946,336**	**1,970,163**
Earnings before depreciation (EBITDA)	**200,943**	**177,894**
Items excluded from underlying EBITDA	38,149	27,629
Underlying earnings before depreciation (underlying EBITDA)	**239,092**	**205,523**
Underlying EBITDA margin	**12.3%**	**10.4%**
Operating earnings (EBIT)	**143,697**	**125,000**
Items excluded from underlying EBIT	38,149	27,629
Underlying operating earnings (underlying EBIT)	**181,846**	**152,629**
Underlying EBIT margin	**9.3%**	**7.7%**
Non-recurring items		
Implemention new strategy and restructuring	17,909	14,680
Capital efficiency	6,198	10,774
Acquisition	11,123	-
Other	2,919	2,175
Total non-recurring items	**38,149**	**27,629**

Consolidated liquidity

TSEK	31 DEC 2021	31 DEC 2020
Cash and cash equivalents	199,631	244,760
Undrawn credit facilities*)	153,753	47,916
Total liquidity	**353,384**	**292,676**

**) Undrawn revolving credit facility of MEUR 15 (MNOK 50)*

Consolidated adjusted net debt composition

TSEK	31 DEC 2021	31 DEC 2020
Net debt (-)	-1,015,038	-944,158
Less interest-bearing liabilities attributable to lease liabilities	118,535	73,311
Adjusted net debt (-), excluding lease liabilities	**-896,503**	**-870,847**

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

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

DEFINITIONS

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

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

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

Equity
Recognised equity including non-controlling interests.

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

Inventory turnover
Cost of goods sold divided by average inventories.

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

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

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

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

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

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

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

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

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

Corporate governance report

ViaCon Group AB (publ) is a Swedish public limited liability company based in Gothenburg, Sweden. The company's name was formerly R. Infrastructure Holding AB. ViaCon with its Parent Company, ViaCon Group AB (publ), are owned by RI Holding AS, Oslo. ViaCon is part of the group SRH BridgeCo AS, Oslo, Norway, with the Parent Company FSN Capital V. ViaCon's management and other representatives have an indirect ownership in the ViaCon Group by owning 4.9 % of the Norweigan parent company RI Holding AS.
Operationally ViaCon Group AB (publ) has been managed during 2021 from the wholly-owned subsidiary ViaCon Holding AB, where the Board and management have conducted their activities for much of the year. The management of the Group was employed by ViaCon Holding AB in 2020. The company complies with Nasdaq Stockholm's regulations for issuers interest-bearing financial instruments (the "Regulatory Framework"). ViaCon has complied with the Regulations since the Swedish Financial Supervisory Authority (Sw: Finansinspektionen) on January 24, 2022 approved ViaCon's prospectus for admission to trading of the Company's bonds on Nasdaq Stockholm. The corporate governance report has been prepared in accordance with the Annual Accounts Act and has been reviewed by the Company's auditors.

ANNUAL GENERAL MEETING

In accordance with the Swedish Companies Act, the Annual General Meeting is the company's highest decision-making body and shareholders exercise their voting rights on key issues at the Annual General Meeting such as adoption of the income statement and balance sheet, appropriation of the company's profit, granting the members of the Board of Directors and the President and CEO, election of board members and auditors, as well as remuneration to the Board of Directors and auditors. In addition to the Annual General Meeting, an Extraordinary General Meeting may be convened.

ANNUAL GENERAL MEETING 2022

The Annual General Meeting of ViaCon AB (publ) will be held on Thursday 12 May in Gothenburg, Sweden.

SHAREHOLDER

ViaCon Group AB (publ), corp. ID no. 559228-2437, has one shareholder, RI Holding AS, corp. ID no. 923 991 484, which owns all 50,100 shares.

COMPOSITION OF THE BOARD OF DIRECTORS IN 2021

The table to the right shows an overview of the composition of the Board of Directors for the full year 2021. Up until September 2021, when ViaCon Group AB became a public limited liability company, the Board of Directors conducted its activities from ViaCon Holding AB. Subsequently, the Board of Directors transferred to operate from ViaCon Group AB (publ). The Board of Directors is presented in more detail on page 90 of this corporate governance report.

Name	Board function at ViaCon Holding AB	Elected	Left
Patrik Nolåker	Chairman	Dec 2019	Dec 2021
Ulrik Smith	Member	Nov 2019	Dec 2021
Niclas Thiel	Member	Dec 2019	Dec 2021
Moritz Madlener	Member	Oct 2021	Dec 2021
Krzysztof Andrulewicz	Member	Dec 2019	Dec 2021
Tobias Funke	Member	Dec 2019	Oct 2021
Thomas Rökke	Deputy	Apr 2019	Dec 2021

Name	Board function at ViaCon Group AB (publ)	Elected	Left
Patrik Nolåker	Chairman	Sep 2021	
Ulrik Smith	Member	Nov 2019	
Niclas Thiel*	Member	Nov 2019	
Moritz Madlener	Member	Sep 2021	
Krzysztof Andrulewicz	Member	Sep 2021	
Gunilla Spongh	Member	Nov 2021	
Helena Wennerström	Deputy	Sep 2021	

**Niclas Thiel stepped down as Chairman of the Board of ViaCon Group AB (publ) in September 2021 and was succeeded by Patrik Nolåker.*

THE BOARD

The Board of Directors is the highest decision-making body after the Annual General Meeting. According to the Swedish Companies Act, the Board of Directors is responsible for the company's administration and organisation, which means that the Board of Directors is responsible setting goals and strategies, ensuring procedures and systems are in place for evaluating set goals, continuously evaluating the company's results and financial position, and evaluating the operational management. The Board of Directors is also responsible for preparing and submitting the annual report and consolidated financial statements and for ensuring that the interim reports are prepared on time. In addition, the Board of Directors also appoints the President and CEO. Every year the Board members are elected at the Annual General Meeting for the period up until the end of the next Annual General Meeting. According to the company's articles of association, the Board, to the extent that it is elected by the Annual General Meeting, shall comprise a minimum of three and a maximum of ten members with a maximum of ten deputies.

CHAIRMAN OF THE BOARD

The Chairman of the Board is elected by the Annual General Meeting. The Chairman has a special responsibility for the management of the Board's work and for ensuring that the Board's work is well organised and carried out efficiently.

RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

The Board of Directors follows a written rules of procedure that are revised annually and determined at the inaugural Board meeting each year. The Rules of Procedure regulate, among other things, functions and the division of work between the Board members and the President and CEO. In connection with the inaugural Board meeting, the Board of Directors also establishes instructions for financial reporting and instructions for the President and CEO together with the rules of procedure for the Board's Audit Committee.

The Board of Directors meets at least six ordinary times in addition to the inaugural meeting in accordance with an annual schedule determined in advance. In addition to these meetings, additional meetings may be organised to deal with issues that cannot be referred to a regular meeting. In addition to board meetings, the Chairman of the Board and President and CEO have an ongoing dialogue regarding the management of the Company. Currently, the Company's Board of Directors consists of six ordinary members elected by the Annual General Meeting. These are presented in more detail on page 90 - Board of Directors elected at the AGM.

BOARD MEETINGS IN 2021

Attendance at Board meetings in 2021.

	Present/Total number of meetings	
Name of Board member	ViaCon Holding AB	ViaCon Group AB (publ)
Patrik Nolåker	8/8	3/3
Ulrik Smith	8/8	6/6
Niclas Thiel	8/8	6/6
Moritz Madlener	1/1	3/3
Tobias Funke	5/7	NA
Krzysztof Andrulewicz	8/8	3/3
Gunilla Spongh (elected 3 Nov 2021)	1/1	2/2

EVALUATION OF THE BOARD'S WORK IN 2021

The Board continuously evaluates its work, often during a summing up discussion at the end of each Board meeting. In addition, the Chairman of the Board initiates a more structured evaluation of the Board's work once a year. The purpose of the evaluation is to find out more about the Board members' views on how the work of the Board is managed and what measures can be taken to streamline the Board's work. The intention is also to find out what kind of issues the Board believes should be given more scope and to identify any areas where further Board expertise may be required. In 2021, the evaluation of the Board's work was carried out in accordance with this procedure and the results were discussed in the Board.

THE BOARD'S WORK IN 2021

The Board regularly considers strategic issues relating to ViaCon's business and focus, any divestments and acquisitions, and major investments. The accounts and annual report are addressed at the beginning of the year, as are the issues to be presented at the Annual General Meeting. Towards the end of the year, the Board looks at the budget for the upcoming year and the Group's long-term strategic plan. The agenda is approved by the Chairman of the Board and sent, along with the relevant documentation, to all members around one week before each meeting. At each meeting, the President and CEO and the CFO report on the Group's sales and results, current business situations and important external factors that could affect the Group's results. At each ordinary Board meeting, a discussion is held without the presence of the President and CEO and the CFO. Where appropriate, members of the management other than the President and CEO and CFO also report to the meeting. The company's auditor attends meetings where appropriate and participates once a year without the management attending. In addition to the information provided in connection with the Board meetings, the management submits a monthly report to the Board members and remains in close contact with the the Chairman of the Board. Between the Board meetings, the the Chairman of the Board and the main owner's representatives on the Board remain in contact with the President and CEO, partly through weekly meetings.

The Board's focus areas during the year:

- The Board meetings during the year focused heavily on the impact of the Covid-19 pandemic on ViaCon and its markets. The emphasis was on securing ViaCon's resilience and flexibility in these challenging times. The Board's first priority was to protect employees' health.
- The development of ViaCon's strategic plan was also high up on the agenda, with future growth and increased profitability as priorities. The work was realised through a new organisational structure for the Group consisting of three business units, which was introduced in early 2021.
- In addition, during the year two acquisitions were made to support ViaCon's strategic priorities. .
- Long-term financing and access to cash and cash equivalents were also actuated.

AUDIT COMMITTEE

The Board of ViaCon did not set up an audit committee for the 2021 financial year. Nor was ViaCon obliged to have such a committee during the 2021 financial year.

In the first quarter of 2022, in connection with the company's bonds being admitted to Nasdaq Stockholm for trading, it was decided that the duties of the audit committee were to be performed by the Board as a whole. None of the committee's members are employed by the company and at least one of the members has accounting or auditing expertise. Patrik Nolåker has been appointed Chairman of the committee. Without impacting on the Board's other responsibilities and duties, the audit committee shall monitor the company's financial reporting, monitor the effectiveness of the company's internal control, internal audit and risk management, keep informed of the audit of the annual report and consolidated financial statements, examine and monitor the auditor's impartiality and independence and in particular pay close attention if the auditor provides the company with services other than audit services, and assist in drawing up proposals for the general meeting of shareholders' resolutions about electing auditors. The audit committee regularly meets with the company's auditors. The audit committee does not have any decision-making powers.

THE PRESIDENT AND CEO AND OTHER SENIOR EXECUTIVES

The President and CEO is subordinate to the Board of Directors and has main responsibility for the ongoing administration and day-to-day management of the company. The division of work between the Board of Directors and the President and CEO is stated in the formal work plan for the Board of Directors and the instructions for the President and CEO. The President and CEO is also responsible for preparing reports and compiling information from the management ahead of Board meetings and presents the material at Board meetings. The instructions for financial reporting state that the President and CEO is responsible for financial reporting in the company and must, consequently, ensure that the Board of Directors receives sufficient information to continuously evaluate ViaCon's results and financial position. This means that the President and CEO must keep the Board of Directors informed of developments in the company's operations, the volume of its sales, the company's results and financial position, liquidity and credit situation, important business events and any other event, circumstance or condition that it cannot be assumed is not important for the company's shareholders that the Board be aware of. The President and CEO and other senior executives are presented in more detail on page 91 – Executive management.

REMUNERATION TO BOARD MEMBERS AND SENIOR EXECUTIVES

Remuneration to Board members

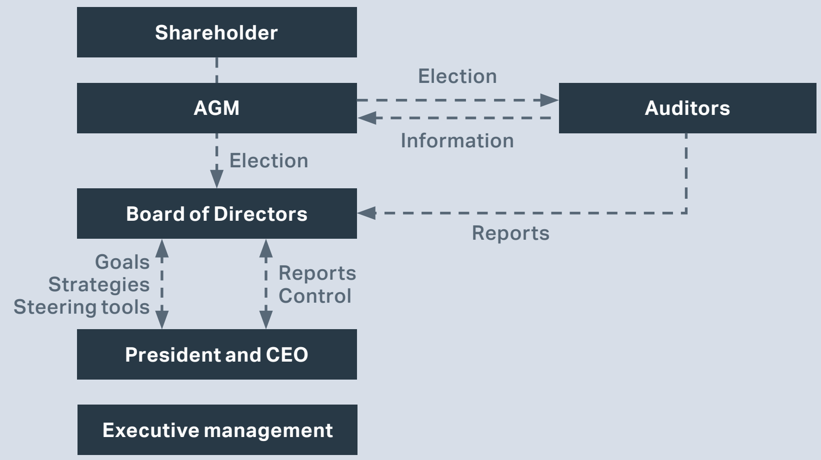
Fees and other remuneration to Board members elected by the Annual General Meeting are approved by the Annual General Meeting. It has been resolved that a fixed annual fee shall be paid to the Board of Directors of SEK 1,200,000 from the annual general meeting to the next annual general meeting, of which SEK 500,000 shall be paid to the Chairman of the Board and SEK 350,000 to each of the Board members who are not employed by FSN Capital or ViaCon. A prerequisite for payment is that the Board member is appointed by the General Meeting. . If a Board member has not been in the role for the whole year, a fee is paid only for the months they were on the Board. This year's cost of Board fees, based on the selected period, amounted to SEK 908 333 (850 000). The company's Board members are not entitled to any benefits after they resign as Board of Directors. For further information on remuneration to Board members, see Note 7 in this Annual report

Remuneration to senior executives

According to the resolution by the Board of Directors, for 2021, the following guidelines for remuneration and other terms of employment apply to the President and CEO and other senior executives. Salary and other terms of employment shall be such that ViaCon can always attract and retain competent senior executives at reasonable costs for the Company. Remuneration within ViaCon shall be based on the nature of the role, performance, competitiveness and fairness of the position. Senior executives' salary consists of fixed salary, variable remuneration, pension and other benefits. Each senior executive shall be offered a fixed salary that is market-based and based on the senior executive's responsibility, competence and performance. Each senior executive may, from time to time, be offered bonuses to be paid in cash.

For the President and CEO and other senior executives, the salary is prepared and determined by the Board of Directors. For the President and CEO, the variable short-term remuneration (STI) is maximized to 80 percent of the base salary. For other senior executives, variable remuneration (STI) is maximized to 65 percent of the base salary. The variable remuneration is based on the results achieved in relation to set targets. For further information on remuneration to senior executives, see Note 7 in this Annual Report.

OVERVIEW OF CORPORATE GOVERNANCE



IMPORTANT EXTERNAL RULES

- Companies Act
- Stock exchange rulebook for issuers
- Annual Accounts Act
- The Book-keeping Act

IMPORTANT INTERNAL RULES

- Articles of association
- Formal work plan for the Board
- Formal work plan for the Board's audit committee
- Formal work plan for Board and instructions for President and CEO
- Decision-making procedures for Group and segments
- ViaCon's code of conduct
- Steering documents in the form of policies, rules, guidelines and instructions

Board of Directors

	PATRIK NOLÅKER	KRZYSZTOF ANDRULEWICZ	MORITZ MADLENER	ULRIK SMITH	GUNILLA SPONGH	NICLAS THIEL
						
	Chairman of the Board	Board member	Board member	Board member	Board member	Board member
Elected	November 2019	December 2019	October 2021	November 2019	November 2021	November 2019
Education	MBA, Maastricht School of Management, the Netherlands, B.Sc. in Business Administration, Karlstad University	Civil Engineer, MBA diploma	B.Sc. in Accounting, University of Denver, USA	MBA, Harvard Business School, USA, BA, McGill University, Canada United World College of the Atlantic, UK	M.Sc. in Industrial Economics and Engineering, Institute of Technology, Linköping University	M.Sc. in Economics and Business Administration, Stockholm School of Economics
Previous experience	CEO Dywidag-Systems International, CEO Alimak Group, senior positions at Atlas Copco and ABB	EVP and CEO Skanska Poland, CEO Archicom	Goldman Sachs, USA	McKinsey & Company, Citigroup, Venturepark, Goldman Sachs	Previously CFO Preem AB, International Business Director and CFO Mekonomen Group	15 years' experience from investment management and investment banking roles at Bain Capital Private Equity, Investor AB and Carnegie Investment Bank
Born	1963	1968	1993	1976	1966	1982
Nationality	Swedish	Polish	German	Norwegian	Swedish	Swedish
Other assignments	Chairman of the Board of AQ Group AB, Fibo Group AS and Saferoad Group AS, and Board member of Systemair AB and iMPREG Group (CIPP Holding ApS)	Consultancy services for Aldesa, Poland	Associate at FSN Capital Partners and Board member of Saferoad Holding AS	Co-Managing Partner på FSN Capital. Board member of Saferoad Holding AS and Mørenot Group (Holding Cage AS)	Board member of AQ Group, Byggmax Group, Consivo Group, Lernia, Meds Apotek, Momentum Group, Pierce Group, Swedish Stirling and Systemair	Principal at FSN Capital Partners. Board member of Saferoad Holding AS and Holmbergs Second Holding AB

Executive management

	STEFAN NORDSTRÖM	HELENA WENNERSTRÖM	MATTIAS HAKERÖD	LARS JONSSON	MICHAŁ MOŃKA	HARRI SARA	HANS GSCHIRR
							
Current position	Chief Executive Officer	Chief Financial Officer	Chief Human Resources and Sustainability Officer	Chief Operating Officer	Vice President for Bridges & Culverts Solutions Business Unit	Vice President for GeoTechnical Solutions Business Unit	Vice President for StormWater Solutions Business Unit
Employed since	November 2019	September 2020	May 2020	December 2020	July 2020	December 2020	October 2021
Education	M.Sc. in Mechanical Engineering, MBA	Degree in Business Administration	B.Sc. in Human Resources and B.Sc. in International Workinglife	Basic Law and Personnel Management	M.Sc. in Engineering, MBA	B.Sc. in Construction Economics	Degree in Mechanical Engineering, MBA
Previous experience	Senior VP and senior roles in business areas at ABB, SVP European Region at AB Volvo, and CEO TitanX. Board assignment since 2018.	EVP and CFO Bulten AB, SVP and CFO Finnveden Bulten AB, various finance roles at Digitalfabriken AB and Topcon Sweden AB.	EVP Human Resources at Handicare Care AB and SVP Human Resources at Fingerprint Cards AB, various senior roles at Mölnlycke Healthcare and different roles such as Global/Regional HR Business Partner at AstraZeneca.	SVP Operations & Development at Inwido AB, EVP and COO Specma Group, CEO Crane Currency AB, VP Operations IMI Indoor Climate AB and Op. Mgr. SAAB Automobile AB.	16 years' experience at ViaCon Group, head of CEE Region and President of ViaCon Polska	19 years' experience at ViaCon Group. Previously head of Nordics and President of ViaCon Finland	MD at Leistritz Pumps GmbH, MD and sales roles in multinational companies.
Born	1964	1965	1974	1965	1978	1977	1966
Nationality	Swedish	Swedish	Swedish	Swedish	Polish	Finnish	German
Board assignments	Chairman of the Board of Bruks Siwertell Group AB, and Chairman or Board member of several companies within the ViaCon Group.	Board member of Ascelia Pharma AB (publ) and deputy Board member of TVM Consulting i Göteborg AB, deputy Board member of ViaCon Group AB (publ) and Chairman or Board member of several companies within the ViaCon Group	None	Board member of DP Sweden AB and PH AB	Chairman or Board member of several companies within the ViaCon Group	Chairman or Board member of several companies within the ViaCon Group	Chairman or Board member of several companies within the ViaCon Group

EXECUTIVE MANAGEMENT

In 2021, the executive management comprised of seven members consisting of: the President and CEO, Chief Financial Officer (CFO), Chief HR Officer (CHRO), Chief Operating Officer (COO), Vice President Group BU Bridges & Culverts Solutions, Vice President Group BU GeoTechnical Solutions, Vice President Group BU StormWater Solutions. Executive management meets monthly to monitor the Group's position regarding business and earnings situation. A lot of importance is also attached to maintaining close contact with the operational side of the business.

INTERNAL AUDIT

There is no separate internal audit function within ViaCon. The Board of Directors annually assesses the need to establish a separate function for internal auditing n. In 2021, the Board of Directors found that no such need existed. . To justify its decision, the Board of Directors , the Board of Directors took into account that the internal control is mainly exercised through: - the operational managers at different levels - local and central financial functions - group management's supervisory controller. These points, together with the size of the company, make the Board of Directors consider that it is not financially justifiable to have an additional administrative function.

INTERNAL CONTROL

This section contains the Board's annual reporting on how internal control to the extent that it relates to financial reporting is organized. The starting point for the description has been the guidance developed by working groups within the Confederation of Swedish Enterprise and FAR SRS. The Board of Directors' responsibility for internal control is set out in the Swedish Companies Act and the internal control regarding the financial reporting is covered by the Board's reporting instructions to the President and CEO. ViaCon's financial reporting complies with the laws and regulations that apply to issuers of interest-bearing financial instruments on Nasdaq Stockholm and the local rules that apply in each country where operations are conducted. In addition to external rules and recommendations, there are internal instructions, instructions and systems, as well as an internal division of roles and responsibilities aimed at good internal control in the financial reporting.

The control environment forms the basis for internal control. ViaCon's control environment consists of organizational structure, instructions, policies, guidelines, reporting and defined responsibilities. The Board of Directors has overall responsibility for internal control regarding financial reporting. The Board of Directors has established a written rules of procedure clarifying the Board's responsibilities and regulating the division of duties between the Board of Directors and its committee. The Board of Directors will perform the obligations of the Audit Committee during 2022 whose main task is to ensure that established principles for financial reporting and internal control are complied with and that appropriate relationships with the company's auditor are maintained.

The Board of Directors has also prepared an instruction for the President and CEO and agreed on the financial reporting to the Board of Directors of ViaCon Group AB (publ). The Group's Chief Financial Officer (CFO) will report the results of the work with internal control to the Audit Committee. ViaCon Group AB (publ) essential and governing documents in the form of policies, guidelines and manuals, to the extent that they relate to the financial reporting, are kept continuously updated and communicated through relevant channels to the companies involved in the Group. Systems and procedures have been created to provide management with the necessary reports on business performance in relation to established objectives. The necessary information systems exist to ensure that reliable and up-to-date information is available to management in order for it to perform its tasks correctly and efficiently.

RISK ASSESSMENT

ViaCon's risk assessment of its financial reporting aims to identify and evaluate the most important risks that affect internal control relating to financial reporting in the Group's companies, segments and processes. The most important risks relating to financial reporting identified in the Group's work on internal control are managed through control structures that are based on reporting deviations from set goals or established norms, such as valuations of inventories and other significant assets. Internal control regarding financial reporting.
Financial reports are prepared monthly, quarterly and annually in the Group and its subsidiaries. In connection with the reporting, analyses are made with comments and updated forecasts that aim, among other things, to ensure that the financial reporting is correct. Financial functions and controllers with functional responsibility for accounting, reporting and analysis of financial development are available at Group, business unit and entity level. ViaCon's internal control work aims to ensure that the Group lives up to its financial reporting targets.

The financial reporting shall

- be accurate and complete and comply with applicable laws, rules and recommendations
- provide a true and fair description of the company's operations
- support a rational and initiated valuation of the business
- In addition to these three objectives, internal financial reporting shall support correct business decisions at all levels of the Group.

INFORMATION AND COMMUNICATION

Internal information and communication is about creating awareness among the Group's employees about external and internal control instruments, including powers and responsibilities. Information and communication on internal financial reporting instruments is available to all affected employees

Important tools for this are ViaCon's manuals, policies, intranets and training.

CONTROL ACTIVITIES

The Group's Chief Financial Officer (CFO) has a central role in analysing and monitoring the Group's financial reporting and results. The Group has additional functions for ongoing analysis and follow-up of the Group's and its subsidiaries' financial reporting. A group-wide internal control program, based on self-assessment of significant processes at subsidiary och group level, has been implemented. The Group's reporting units also conduct regular self-assessments regarding the effectiveness of internal control over financial reporting.

FOLLOWING UP FINANCIAL INFORMATION

The Board of Directors issues and is responsible for the company's financial reporting. The Audit Committee assists the Board of Directors by preparing the work to ensure the quality of the company's financial reporting. This is done, among other things, by the Audit Committee reviewing the financial information and the company's financial controls. The Board of Directors is informed monthly about the development, earnings, position and cash flow of operations. Evaluation and follow-up of outcomes and forecasts are carried out. All companies in the Group shall report the financial information according to a defined format and according to given accounting principles. In connection with the reporting, an analysis and risk assessment of the financial situation is carried out.must report their financial information using a set format and in accordance with set accounting policies. In connection with the reporting, an analysis and risk assessment of the financial situation is carried out.

AUDITORS

ViaCon's auditor is Ernst & Young (EY), with Staffan Landén as the principal auditor. EY conducts the audit of ViaCon Group AB (publ) and of most of the Group's significant subsidiaries. Each year the audit includes a statutory audit of ViaCon's annual report, a statutory audit of the Parent Company and all significant subsidiaries, and an audit of internal report packages. Reviews of the internal control are a part of this work. During the second quarter, meetings are held with the corporate management to approve the audit plan and analysis of the organisation, operations, business processes and balance sheet items, with the aim of identifying areas more at risk of error in the financial reporting. Furthermore, meetings are held with the audit committee to agree the strategy and focus. The auditor attends at least one Board meeting a year in accordance with the formal work plan of the audit committee. In October an early warning review of the nine-month accounts is conducted, followed by an early warning meeting with the corporate management where important issues are raised prior to preparation of the annual accounts. The annual accounts and annual report are reviewed and audited in January and February. Aside from the audit engagement, in 2021 ViaCon primarily consulted EY on issues relating to tax, transfer prices and accounting. The remuneration paid to EY in 2021 is shown in Note 10 on page 58. EY is obliged to demonstrate its independence ahead of the decision to provide independent advice to ViaCon alongside its audit engagement. According to the company's articles of association, the company must have a minimum of one and a maximum of two auditors, and a maximum of two deputy auditors or a registered public accounting firm. The company's articles of association also state that the term for the auditor is one year.

COMMUNICATION

The company's information for shareholders and other stakeholders is provided via the annual report, interim reports and press releases. All external information is published on the company website, www.viacongroup.com.

Gothenburg April 20, 2021

The Board

AUDITOR'S STATEMENT ON THE CORPORATE GOVERNANCE REPORT

To the general meeting of the shareholders of ViaCon Group AB (publ), corporate identity number 559228 - 2437

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the financial year 2021 on pages 87-93 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Gothenburg April 21, 2022

Ernst & Young AB

Staffan Landén
Authorized Public Accountant

Contact

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