Annual report with Sustainability Report

2022

Constructing connections.
Consciously.

VIACON

Contents

Formal financial reports can be found on pages 48–91.
The statutory sustainability report can be found on pages 29–47.

2022 IN BRIEF

- Net sales amounted to SEK 2,321.5 million (1,946.3), an increase of 19.3% compared with the same period last year.
- Organic growth amounted to 18.8%.
- Operating earnings (EBIT) amounted to SEK 178.1 million (143.7), corresponding to an EBIT margin of 7.7% (7.4).
- Operating earnings before depreciation (EBITDA) amounted to SEK 239.3 million (200.9), corresponding to an EBITDA margin of 10.3% (10.3).
- Underlying earnings before depreciation (underlying EBITDA) amounted to SEK 285.5 million (239.1), corresponding to an underlying EBITDA margin of 12.3% (12.3).
- Order intake amounted to SEK 2,293.0 million (1,925.6), an increase of 19.1 % on the same period last year. Organic growth amounted to 17,1%.

FINANCIAL KEY FIGURES

tSEK	2022	2021	2020	2019
Net sales	**2,321,454**	**1,946,336**	**1,970,163**	**1,844,449**
Earnings before depreciation (EBITDA)	**239,291**	**200,943**	**177,894**	**133,085**
EBITDA margin	**10.3%**	**10.3%**	**9.0%**	**7.2%**
Items excluded from underlying EBITDA	46,187	38,149	27,629	-
Underlying earnings before depreciation (underlying EBITDA)	**285,477**	**239,092**	**205,523**	**133,085**
Underlying EBITDA margin	**12.3%**	**12.3%**	**10.4%**	**7.2%**
Operating earnings EBIT	**178,094**	**143,697**	**125,000**	**79,127**
EBIT margin	**7.7%**	**7.4%**	**6.3%**	**4.3%**
Items excluded from underlying EBIT	46,187	38,149	27,629	-
Underlying operating earnings (underlying EBIT)	**224,281**	**181,846**	**152,629**	**79,127**
Underlying EBIT margin	**9.7%**	**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 2022 SEK

2,321 m

EBITDA MARGIN

10.3%

ADJ. EBITDA MARGIN

12.3%

EMPLOYEES

~800

EUROPEAN LEADERSHIP POSITION

#1

YEARS OF ENGINEERING EXPERIENCE

+35

*) Incl. Northern Ireland

VIACON OPERATES THROUGH THREE BUSINESS UNITS

BRIDGES & CULVERTS 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 15.

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 21.

STEFAN NORDSTRÖM, PRESIDENT AND CEO

Another record year for ViaCon

ViaCon has seen strong development in 2022. With our strategy, we are confident that we can continue to deliver positive development as the leading European supplier of corrugated steel structures, geotechnical solutions and stormwater solutions, with a strong focus on sustainability. Through strategic acquisitions, we have built a broader platform for deliveries of competitive, sustainable solutions. We have a strong market position with good long-term customer relations, and an excellent foundation to achieve our long-term financial goals. ViaCon is an entrepreneurial company with a history of meeting challenges in a flexible, dynamic way, and despite supply-chain issues during 2022 we have accomplished yet another record year.

IMPROVED PROFITABILITY

Net sales for the year totalled SEK 2,321.5 million (1,946.3), an increase of 19.3% on the previous year. The acquisition of operations in Germany in April 2021 and the UK in December 2021, as well as the Netherlands in May 2022, contributed SEK 130.1 million to sales for the year. ViaCon chose to divest non-core business with sales of about SEK 91.3 million in the previous year. Adjusted for currency effects, divestments and acquisitions, organic growth was 18.8%. Operating earnings (EBIT) amounted to SEK 178.1 million (143.7), corresponding to an EBIT margin of 7,7% (7,4). Adjusted earnings amounted to SEK 224.3 million (181.8), equating to an adjusted EBIT margin of 9.7% (9.3). During the first half of the year, ViaCon saw dramatic price increases for input goods, accompanied by longer lead times. During the second half of the year both prices and lead times decreased, and the market has stabilised both for suppliers and customers' financing. We have focused on increased flexibility during the year, so that we can quickly adapt our business to any changes in demand.

ViaCon is affected by the ongoing geopolitical tension and rising inflation. Costs related to energy, transport and supply chain disruptions are high, which is a challenge, and we are working actively to try to compensate for these effects. High inflation and rises in interest rates do lead to some uncertainty for the market in 2023, especially in the StormWater Solutions Business Unit, which has a higher proportion of privately financed projects.

ViaCon has successfully managed the above challenges, along with higher costs for input goods and longer lead times from suppliers, while maintaining delivery precision for customers. With enhanced processes, digital tools and expertise in key areas like production, purchasing and logistics, ViaCon is a strong partner to all its stakeholders in society, and has advanced its positions as regards future solutions in each Business Unit in order to meet increasing sustainability requirements.

SUSTAINABILITY

Many of the solutions we provide today are efficient from a sustainability point of view as regards environmental engineering and erosion control, as well as soil reinforcement and water management. And the benefits are many, such as minimizing the carbon footprint, the short construction time and the reuse of materials. Since 2020-2022, the pandemic years, the health and safety of our co-workers, suppliers and customers has been a top priority, we also made great progress with our ambitions for sustainability. We set climate goals which clearly show our ambition to do our part for a sustainable society, and we do it by making sure ViaCon develops in a sustainable manner. Read more in our Sustainability Report on page 29.

NEW ORGANIZATION AND ACQUISITIONS

Since 2020, a new organisation has taken shape. The Group comprises three Business Units: Bridges & Culverts Solutions, GeoTechnical Solutions, and StormWater Solutions. With strategic priorities in place, 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 2021 we acquired Hamco and related operations (Germany). The acquisition is part of the Group's plans for further expansion in Western Europe. In December 2021 we acquired Tubosider (United Kingdom) Limited, thus further consolidating ViaCon's market-leading position in Europe for corrugated steel-based construction solutions. In May 2022 we acquired a part of the operation in Bergschenhoek Civiele Techniek B.V. (BCT) (Netherlands). The acquisition is in line with ViaCon's strategy for further growth in Western Europe. The strategic agenda allows scope for further acquisitions, so we can continue to expand the market for deliveries of competitive, sustainable solutions.

THE DEVELOPMENTS IN UKRAINE AND ITS IMPACT ON VIACON

ViaCon currently has very limited risk exposure to Russia. The process of divesting the operation in Belarus was completed in September. We are continuously monitoring the situation to assess and manage any impact on our raw material supply or pricing.

WELL PREPARED FOR 2022

With 2022 behind us, it is clear that our strategy and organisation are working well. Our work in 2022 took place under some challenging external conditions, including the war in Ukraine, supply chain disruptions, high interest rates and high rises in costs. Our ability to manage change and act agilely are important success factors in the prevailing market climate. We predict continued volatility with macroeconomic and geopolitical uncertainty on the markets where we operate.

There are thousands of sustainability projects under way to strengthen Europe, and to rebuild the economy on an entire continent of neglected infrastructure. ViaCon is working actively to reduce the climate impact of our own operations and from our value chain, and we are determined to be at the forefront in helping to secure sustainable development within the infrastructure sector, an area where we can make a difference for our customers and our wider environment.

ViaCon has a strong heritage and brand to build on, and the aim is to achieve an even stronger position with good profitability in our three Business Units on the European market. With our technical expertise and our focus on sustainability, we have reinforced our customer offering of cost-effective solutions. The infrastructure market is continuing to grow across Europe, and ViaCon is also taking market share from competing solutions. Combined with our ambition to carry on expanding our market presence and our customer offering, this enables us to focus on growing faster than the market. We have a clear vision, and alongside our co-workers ViaCon is in a strong position to lead the transition of our industry towards a more sustainable future.

We will continue to focus heavily on delivering on our strategy in 2023.

Stefan Nordström, President and CEO

FOCUS 2022

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

FOCUS 2023

- Deliver from our strong order book, and secure continued strong incoming orders from the current high level of activity on the market.
- Grow our business by taking market share from alternative materials such as concrete and plastic, partly by highlighting our major contribution to sustainability.
- Draw benefit from our technical productivity initiatives.
- Further develop our personnel and organisational efficiency.
- Ensure internal flexibility in order to manage potential market impact from the higher inflation and interest rates.

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 29.

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 50.

OWNERS

Approximately 95% of ViaCon is owned by funds advised by FSN Capital Partners. The remaining approximately 5% 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 EUR 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 35 years of experience

1986

ViaCon was founded in Sweden and Norway.

Expansion in Nordics, Baltics and Central Europe through local entrepreneurship with co ownership.

Expansion of product line from steel products into adjacent segments like geosynthetics and plastic pipes.

2011

ViaCon Group was acquired by Saferoad Group.

Several acquisitions to strengthen the service and product offering.

Further geographic expansion to enhance pan-European presence.

2017

IPO of Saferoad Group on the Oslo Stock Exchange.

2018

Public buyout of Saferoad Group by FSN Capital Fund V and co-investors.

2019

Seperation from Saferoad to strategically concentrate the business and become an independent group under FSN Capital's ownership was started.

2020

New strategy and management team, multiple strategic initiatives implemented and growing presence in Western Europe through acquisitions.

2021

Continued development of the strategy.

New organization with three business units implemented.

Hamco and affiliated companies and Tubosider (United Kingdom) Ltd. acquired.

Senior secured bonds of EUR 100 million issued.

2022

The Financial Supervisory Authority approved the prospectus for admission to trading of the company's bonds at Nasdaq Stockholm.

Assets acquired from Bergschenhoek Civiele Techniek B.V.

ViaCon joined the SteelZero initiative, a commitment to move to 100% net zero steel by 2050.

Market outlook and influencing factors

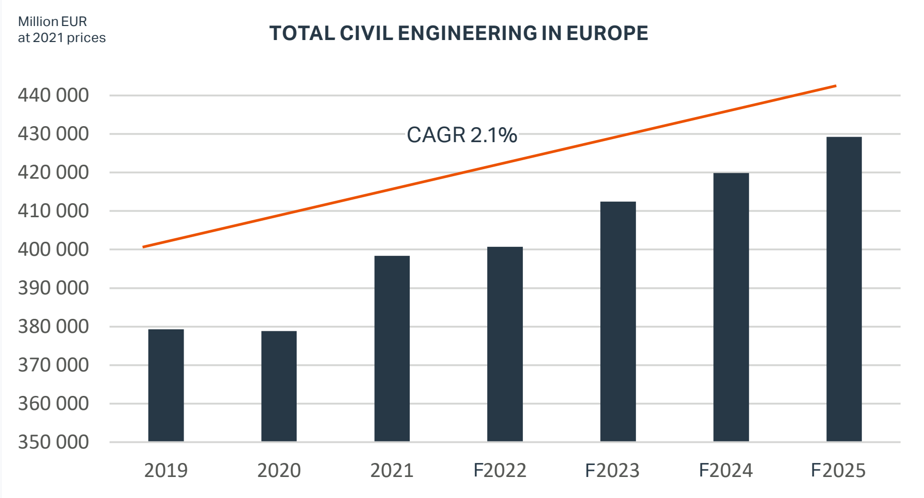
ViaCon is ideally positioned to capitalise on a stable market ready for growth. The market is continuing to grow in infrastructure throughout Europe and, in addition, ViaCon is taking market shares from competing solutions.

ViaCon strives to strengthen its position with strengthened profitability in the European market. Through strategic priorities, ViaCon will grow the business within the Bridges & Culverts Solutions business unit, improve profitability within GeoTechnical Solutions and build the business within StormWater Solutions.

During late 2021 and in 2022, ViaCon has been affected by disruptions in supply chains, long delivery times and some raw material shortages, as well as all-time-high prices among suppliers, but the situation has now stabilized. We do, however, anticipate continued market volatility

and geopolitical uncertainty, which are expected to entail high levels of cost inflation and interest rates. Recent inflation and interest rate rises have caused delays in customers' financing solutions for infrastructure projects, which we deem to be more short-term in nature, although this could have more of an impact on business in the StormWater Solutions business unit, which is privately funded.

Thousands of sustainability projects are underway to strengthen Europe, to rebuild the economy of an entire continent damaged by the Covid-19 crisis. Innovative and sustainable projects in the strategic infrastructure sectors. We aim to strengthen profitability over time 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. ViaCon can thus become a stronger partner for all stakeholders in society and the company will further advance its position in terms of future solutions in each business unit.



Source: EUROCONSTRUCT, November 2022

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

FACTORS INFLUENCING CIVIL ENGINEERING DEMAND

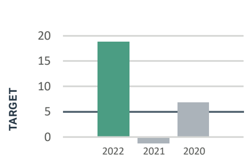
Long-term financial targets

SALES, CAGR >5%

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

Target
>5.0%

Outcome
19.3%



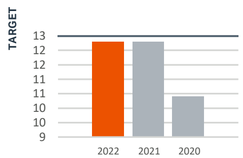
Comments: Growth in 2022 amounted to 19.3 (-1.2)% and we exceeded market growth in the industry as well as our target of 5% average annual growth. ViaCon is in a good position ahead of 2023 to continue to gain market share. However, the effects of the geopolitical uncertainty as well as the high inflation and interest rate increases may have an impact in the future.

EBITDA > 15%

The target is for the operating margin before depreciation (EBITDA) to amount to at least 15 percent.

Target
>15.0%

Outcome
12.3%



Comments: The adjusted operating earnings before depreciation increased to SEK 285.5 (239.1) million, corresponding to an adjusted EBITDA margin of 12.3 (12.3)% and thus did not reach the target of at least 15%.

HIGH CASH CONVERSION

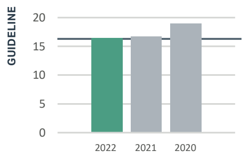
High cash conversion by continuing to reduce working capital in relation to sales. ViaCon's investments represent approximately 2-3 % of the Group's annual sales, with focus on efficiency improvements and strategic initiatives in product and process.

GUIDELINES

OPWC R12/SALES R12

Guideline <16.5%

16.5%



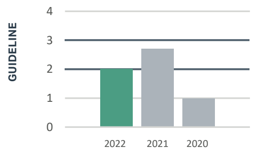
Comments: The guideline is that the operatinge working capital (OPWC*) should amount to a maximum of 16.5% average.

*) Definition on page 96.

INVESTMENTS

Guideline 2-3%

2.0%

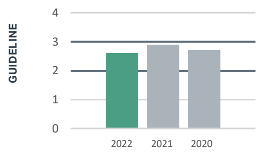


Comments: The guideline is that the cash flow-affecting investments over time should be between 2-3% in order for the business to have a good balance between liquidity and investment in capacity and efficiency. However, the rate of investment may vary between years.

DEPRECIATION

Guideline 2-3%

2.6%



Comments: The guideline is that the depreciation over time should be between 2-3% to balance the investment rate in the cash flow.

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 2022.

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.

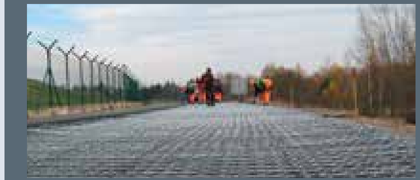
Our ambition is that the profitability will develop further by working uniformly towards the same goal and by increasing production efficiency through the new operations function. Maintaining high ESG standards is also at the top of ViaCon's strategic agenda.

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 2020-2022 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
- 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 sustainable 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.

PROJECT 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. 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

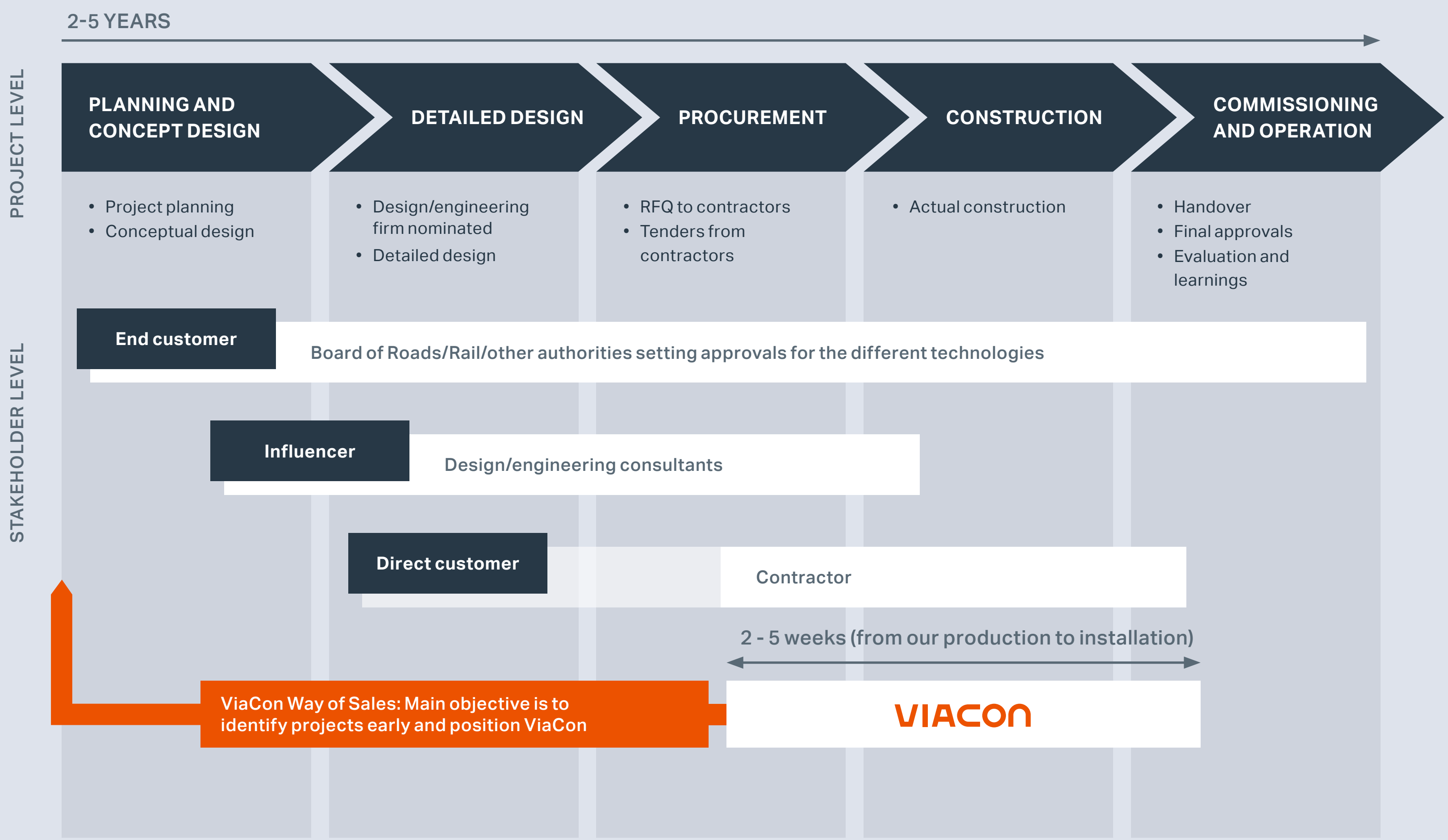
Assembly of steel bridges produced by the Group is offered to customers on a selective basis mostly with contracted resources.

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



BUSINESS UNIT

Bridges & Culverts Solutions

The Bridges & Culverts Solutions business unit accounts for approximately 38% 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 year amounted to SEK 878.6 million (675.0), an increase of 30.2%. Organic growth amounted to 34.6%. Earnings before depreciation amounted to SEK 128.5 million (68,5), corresponding to an EBITDA margin of 14.6% (10.1). However, the underlying earnings before depreciation amounted to SEK 156.9 million (84.7), corresponding to an underlying EBITDA margin of 17.9% (12.5). Order intake for the period amounted to SEK 884.6 million (682.5), an increase of 29.6% compared to last year. Organic growth amounted to 33.5%.

The business unit has a pronounced seasonal variation, with the second and third quarters normally being the strongest, although not this year due to the fact that recent inflation and interest rate increases have led to delays in customers' financing solutions for infrastructure projects. During the fourth quarter, however, we have had a very good execution of the order book and deliveries to many of the previously delayed infrastructure projects have now been able to be executed. There are numerous infrastructure investments around Europe as there is a great need to renew and expand an aging infrastructure in many countries.

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 CO2 footprint*, faster construction time, more flexibility and more potential for technological advances to make steel solutions more carbon friendly.

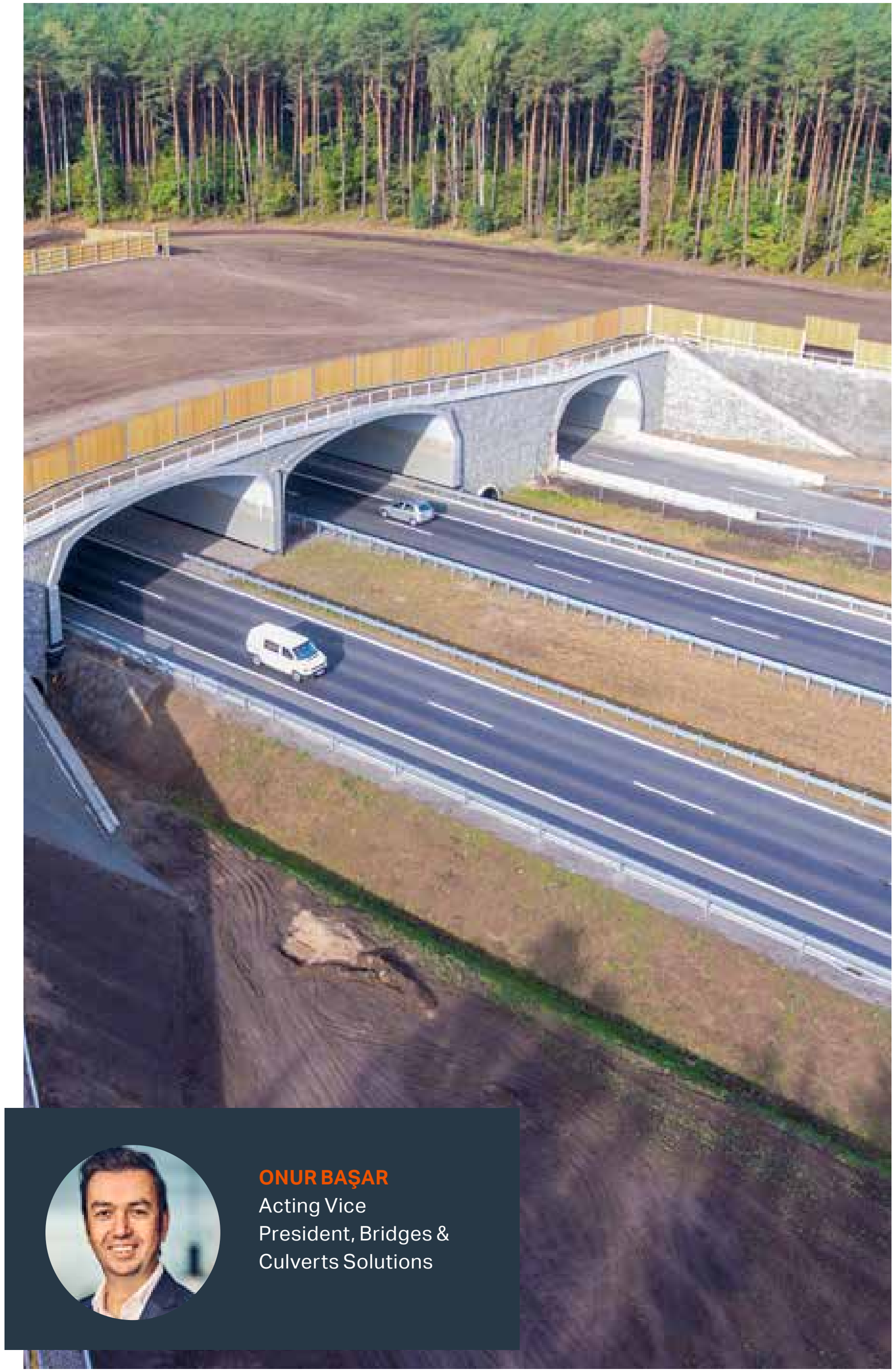
MARKET AND OUTLOOK

The 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. 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.

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



ONUR BAŞAR
Acting Vice President, Bridges & Culverts Solutions

BRIDGES & CULVERTS SOLUTIONS

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

BUSINESS UNIT

Key information

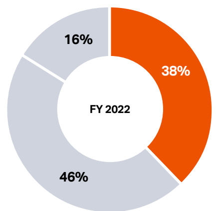
NET SALES SEK

879m

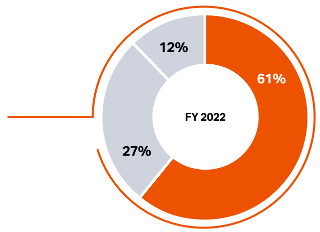
ADJ. EBITDA MARGIN*

17.9%

SHARE OF TOTAL SALES



SHARE OF TOTAL ADJ. EBITDA*



*) Excl. IFRS 16

CASE STUDY

Safer and more environmentally friendly road travel with a ViaCon bridge

Scandinavian Mountains Airport is located between the ski resorts Sälen and Trysil in Scandinavia. In connection with the establishment of the airport, the road network needed to be expanded, and Trafikverket, the Swedish Transport Administration, decided to build a bridge to shorten travel distance for drivers from the airport to further destinations.

CHALLENGE

The bridge would contribute to a better traffic solution both in terms of the environment and safety. Part of the challenge was to move away from the more environmentally demanding concrete bridge construction, common throughout Scandinavia.

Design requirements included:

- Life load according to EN 1991
- A cover depth of 1.15 metres
- Backfilling parameters according to SDM with sub-base material
- 120 years' durability
- Corrosion protection layers: zinc coating of thickness according to EN ISO 1461:2009 Fe/Zn 115, surface of the structure painted 100% on both sides with paint to thickness of 300 µm

SOLUTION

The less resource-intensive soil-steel composite bridge construction method was selected instead of concrete. The bridge was built from UltraCor Special 38U and the finished steel structure has the following dimensions:

- Span: 14.42 m
- Rise: 4.13 m
- Bottom length: 12.3 m
- Top length: 12.3 m
- Plate thickness: 9 mm
- Steel grade: S420MC

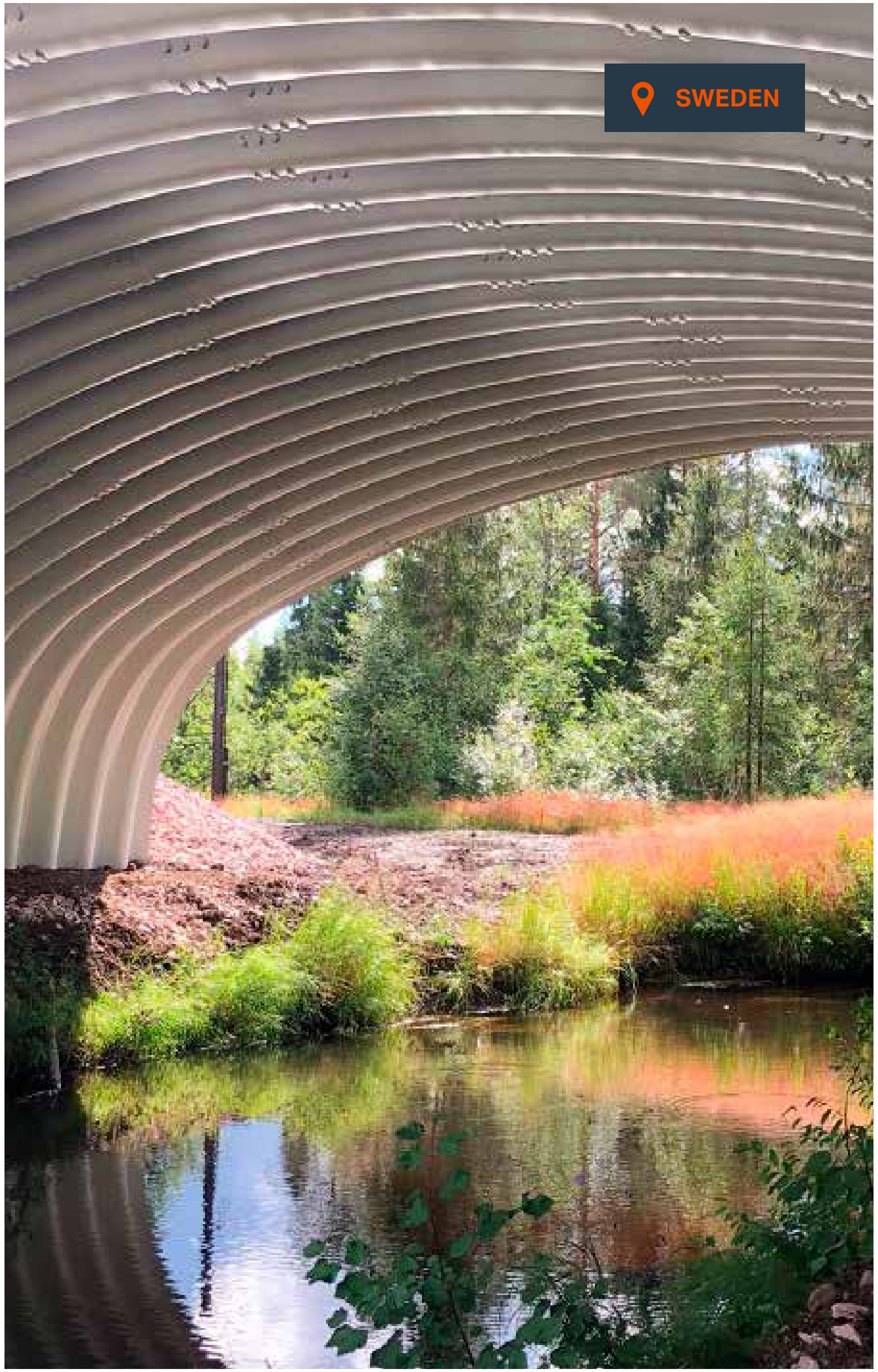
Prefilled gabions were used as retaining walls, which had a special requirement for red-colored stones inside them to match the natural stone material in the surrounding area.

ADVANTAGE

The bridge shortens the travel distance to and from the airport and therefore contributes to a better solution in terms of the environment. In addition to that, it has also increased road safety.

Thanks to a more uncomplicated structure, the construction time could also be shortened. This meant that the construction not only became competitive in terms of cost, but also that it required less energy and fossil fuel consumption during the construction period.

Furthermore, the maintenance requirements are lower compared to other materials. Steel is also 100% recyclable, which contributes to the circular economy at the end of its life.



BUSINESS UNIT

GeoTechnical Solutions

The GeoTechnical Solutions business unit accounts for approximately 46% 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 year amounted to SEK 1,073.8 million (992.5), an increase of 8.2%. Organic growth amounted to 8.4%. Earnings before depreciation amounted to SEK 58.0 million (78.1), corresponding to an EBITDA margin of 5.4% (7.9). However, the underlying earnings before depreciation amounted to SEK 68.8 million (94.2), corresponding to an underlying EBITDA margin of 6.4% (9.5). Order intake for the year amounted to SEK 1,030.1 million (981.8), an increase of 4.9% compared to last year. Organic growth amounted to 3.7%.

Also within this business unit, you can see a seasonal variation where the peak season is normally in the second and third quarters. The business unit has had a strong growth during the first half of the year. During the third quarter, the development slowed somewhat in line with rising inflation and interest rate increases before stabilizing during the fourth quarter with more normal volumes. The business unit's sales and results was affected by the macroeconomic disturbances, which among other things led to a less favorable sales mix within the business unit.

In quarter three, the restructuring of plastic pipe production in Lithuania was completed. During the period from September to November, some run-in problems were experienced with slightly lower volumes and profitability as a result. The sales focus has been on core products and solutions and being selective in projects and thus shaping the business unit's offerings to support the strategic goals.

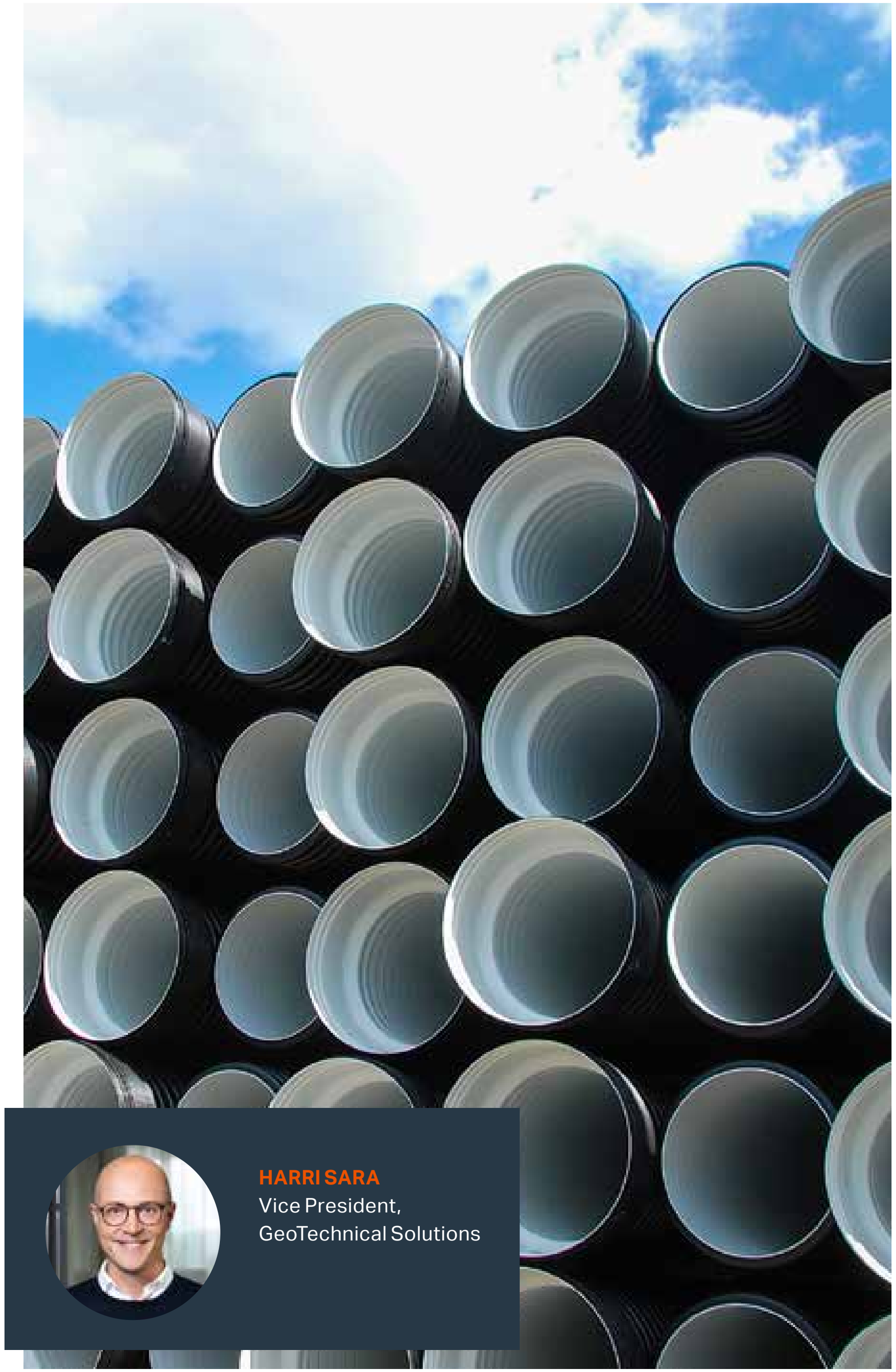
COMPETITIVE ADVANTAGES

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,
GeoTechnical Solutions

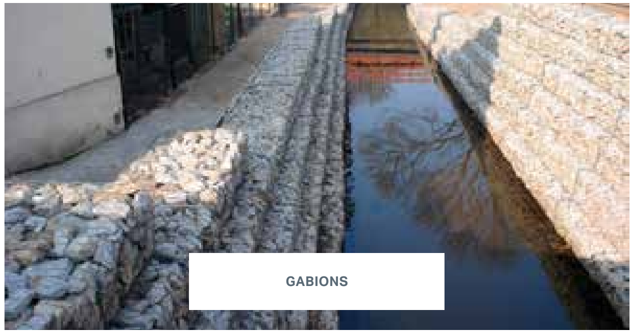
GEOTECHNICAL SOLUTIONS

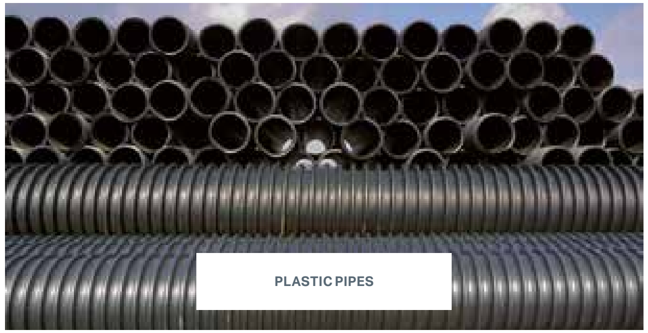
Products

The GeoTechnical Solutions business unit offers customized solutions for soil reinforcement and groundwater protection and technical solutions for different areas of use.

KEY PRODUCTS OFFERED INCLUDE:

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





BUSINESS UNIT

Key information

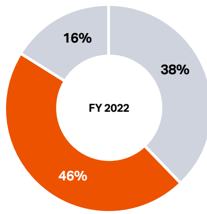
NET SALES SEK

1,074m

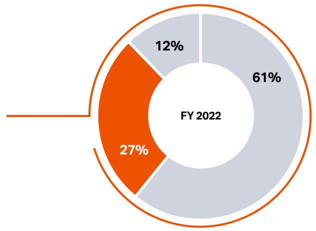
ADJ. EBITDA MARGIN*

6.4%

SHARE OF TOTAL SALES



SHARE OF TOTAL ADJ. EBITDA*



*) Excl. IFRS 16

CASE STUDY

Reinforced retaining wall from ViaCon – a sustainable end-to-end solution at lower cost

In Hungary, a customer sought a more cost-efficient and faster-to-implement solution for replacing a reinforced concrete retaining wall.

CHALLENGE

The costs of steel are increasing. The customer therefore wanted a solution that required less steel, while also being a more sustainable alternative to concrete.

SOLUTION

The solution was a two-part, mechanically stabilised earth (MSE) wall and gabion solution. The front face of the MSE wall was made of small blocks, extruded geogrid and backfill material crushed stone from a local mine, and second of gabion blocks.

This approach met the customer's cost and design, as well as their sustainability requirements. ViaCon provided a full, end-to-end solution, from design to technical advice and delivery.

ADVANTAGE

The two-part solution has several advantages compared to retaining walls with reinforced concrete. Less steel is needed and no cement, which generates the most CO2, is required. Since local crushed stone and soil were used as backfill material, fewer transports were required and thus less burden on the environment.

The end-to-end solution also increased efficiency. By working with a single solution provider, the customer received a significantly lower cost compared to the original concrete retaining wall. The implementation was simplified and the delivery time was significantly faster compared to concrete since no wet materials were used.

BUSINESS UNIT

StormWater Solutions

The StormWater Solutions business unit accounts for approximately 16% 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 year amounted to SEK 369.1 million (278.8), an increase of 32.4%. Organic growth amounted to 15.3%. Earnings before depreciation amounted to SEK 25.3 million (27.9), corresponding to an EBITDA margin of 6.9 % (10.0). However, the underlying earnings before depreciation amounted to SEK 32.3 million (33.8), corresponding to an underlying EBITDA margin of 8.7% (12.1). Order intake for the period amounted to SEK 378.4 million (261.3), an increase of 44.8% on the corresponding period last year. Organic growth amounted to 24.8%.

The business unit is gaining market share in its established markets and has recently expanded into a number of new markets. The acquisition in the UK of Tubosider (United Kingdom) Limited aims to strengthen the position of the StormWater Solutions business unit as the market leader in Europe in corrugated steel-based construction solutions, but also the Bridges & Culverts Solutions business unit in its customer offering. The quarter's sales and order intake developed strongly. Operating earnings have been affected by inflation and a higher cost structure linked to the strategic initiatives to build up the business within StormWater Solutions. The business unit had a very strong end to the year with high turnover and greatly strengthened margins.

COMPETITIVE 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,
StormWater Solutions

STORMWATER SOLUTIONS

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

BUSINESS UNIT

Key information

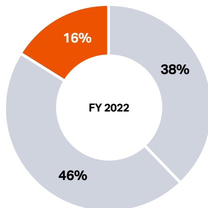
NET SALES SEK

369m

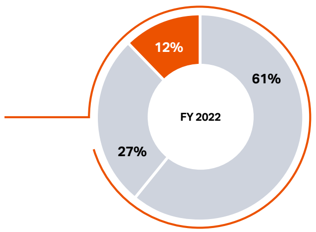
ADJ. EBITDA MARGIN*

8.7%

SHARE OF TOTAL SALES



SHARE OF TOTAL ADJ. EBITDA*



*) Excl. IFRS 16

CASE STUDY

A sustainable and cost-effective solution for data center cooling

A Swedish company needed a solution to cool its data center. Since the municipality could not provide large enough amounts of water to cover the company's needs, they needed to find another solution and contacted ViaCon.

CHALLENGE

The alternative proposal was to harvest rainwater from the roof of the industrial building. This required a system for collecting large amounts of rainwater that would be more cost-effective, durable and also faster to assemble than other alternatives such as concrete or plastic.

SOLUTION

ViaCon engineers suggested a WaterCorTank retention tank, made of spiral corrugated HelCor pipes.

- Product: WaterCor process water tank
- Material: Polymer-coated steel
- Diameter: 2,500 mm
- Length: 535 m
- Size: 2,624 m3

After installing the first WaterCor tank, the customer ordered three more.

ADVANTAGE

The ViaCon solution could serve the purpose more effectively than the originally planned "tanks" from reinforced concrete slab material, which was more expensive, had higher production costs and a shorter life span.

Thanks to a simpler structure, the construction time could be shortened. This meant that the construction not only became cost competitive, but also that it required less energy and fossil fuel consumption during construction.

Furthermore, the maintenance requirements are lower compared to other materials. Steel is also 100 percent recyclable, which contributes to the circular economy at the end of its life.

The customer received an environmentally friendly and durable construction of renewable material with a longer lifespan and with a reduced carbon footprint, more in harmony with the environment.

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 which was divested in 2022) where buried flexible steel structures, steel pipes & culverts, watertanks and plastic pipes among others are produced.

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.

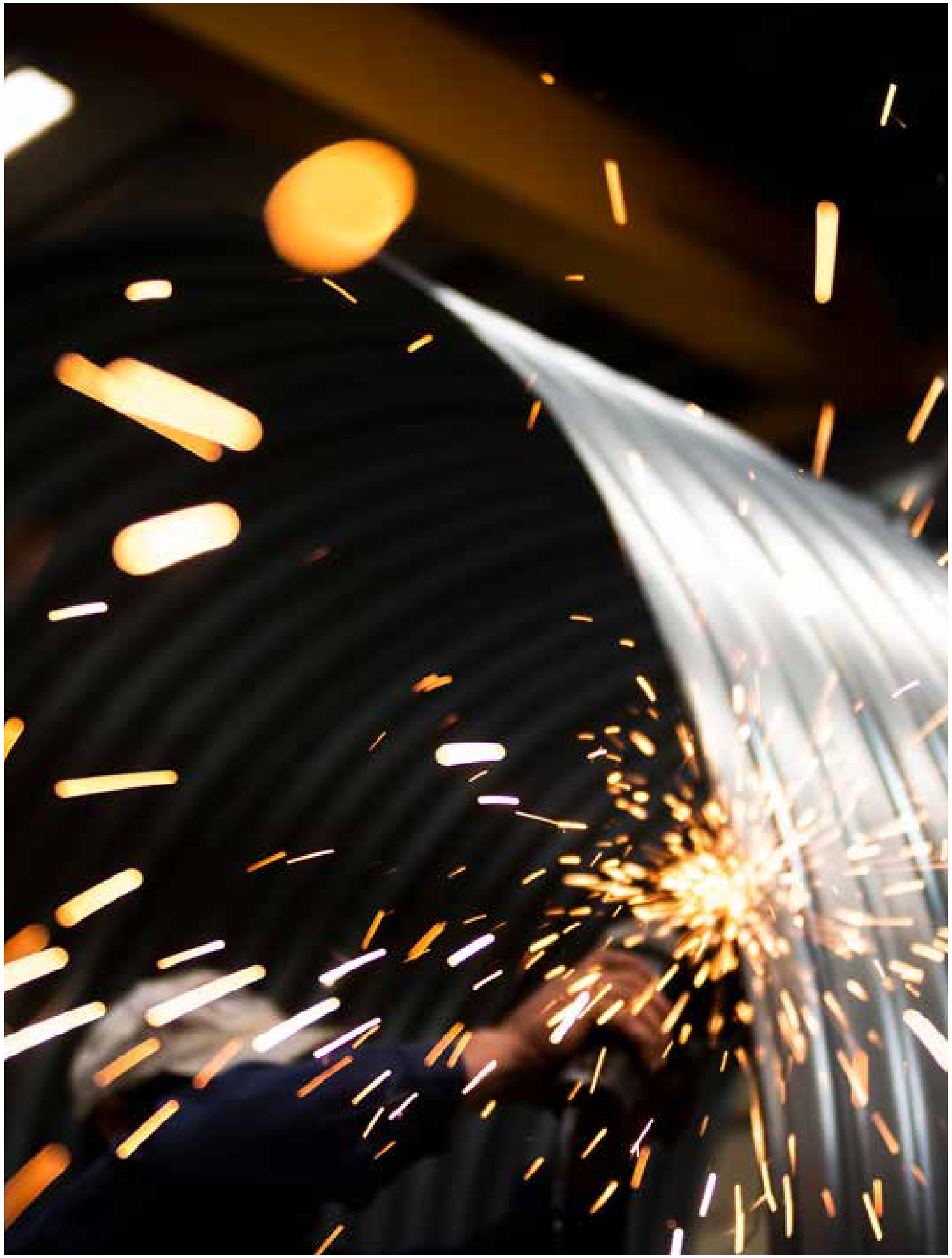
PRODUCT GROUPS

At ViaCon, we have the following main product groups:

- Corrugated steel bridges
- Corrugated steel culverts
- Steel 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 improved factory footprint.

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.

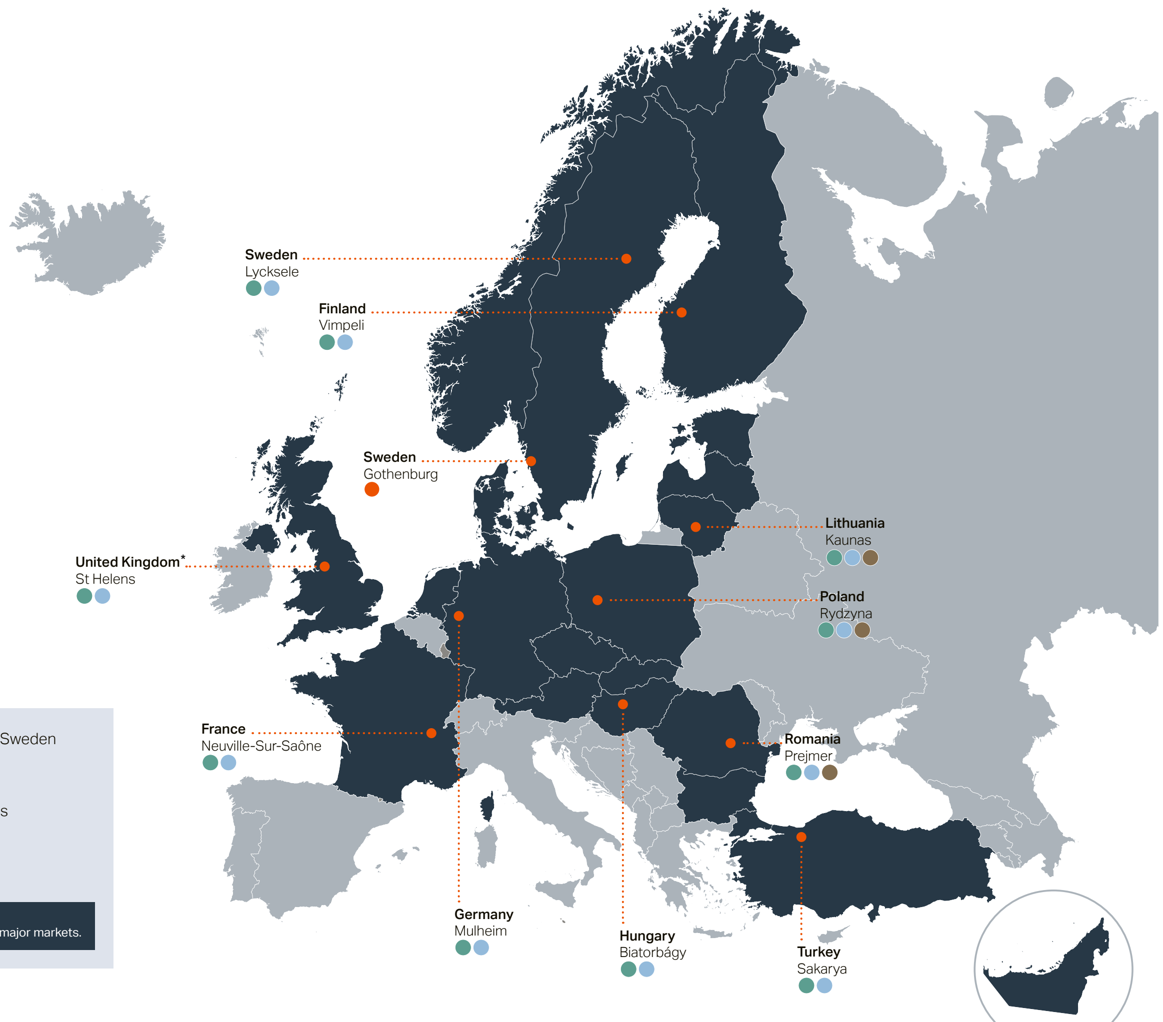
By actively pursuing professional purchasing work within the Group and locally in the daily work, best practice can be applied. This means lower total costs, improved working capital, shorter lead times and reduced risks in the supply chain.

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.



*) Incl. Northern Ireland

Our employees - our most vital resource and unique edge

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

In 2022, similar to 2021, we left the pandemic behind but saw market turbulence due to price instability, raw material availability and the dual inflation and energy crises in Europe. Despite tough circumstances, our ViaCon organisation has once again proven that we are up to the challenges.

THE WORKPLACE OF THE FUTURE

Our business unit organisations were launched in 2021, and during 2022 we have gradually switched from creating structures, organisation, goals and priorities to working with team development, leadership development and engagement initiatives. We have also worked with the technical competence of various functions, which is important for our strategic direction as well as personal development of our employees. Within the framework of our business units, we have also conducted several webinars in different focus areas to engage our external stakeholders to provide solutions and value to customers, the environment and society as a whole.

NEW STRATEGY AND COMPETENCE DEVELOPMENT

In 2022, we have implemented two leadership programmes where, over a period of six months, we have held a number of seminars and trainings. The goal of these leadership programmes has been to get leaders to communicate better, manage change and drive results. Based on our core values, we have worked to develop leaders with the ability to create efficiency in the organisation.

We worked with a Performance Management Process during 2022. This process describes how we break down our budget and departmental goals to team and individual level. The goals were clarified at the beginning of the year, and during the year we coached our employees around these priorities. By creating custom breakdowns of our strategy via the FEF (FSN Execution Framework), it is disseminated to every level of the organisation, down to our individual employees. Complementing this process, both the bonus program and the annual salary review will be driven by performance outcomes over the calendar year. Through clear and customised goals, we can reward good performance and achieve even better results.

From an organisational perspective, we have continued the work of strengthening ViaCon through important recruitment and new skills. We have hired several new colleagues in sales and marketing in order to strengthen our market presence and depth of talent in these disciplines. In addition, we have strengthened our business units and operations with several staff and leadership roles.

Our organisation and its talent has also expanded through acquisition initiatives. We have welcomed new colleagues in ViaCon Netherlands via the acquisition of Bergschenhoek Civiele Techniek B.V. in May. We also welcomed new colleagues in the UK with the acquisition of Tubosider UK already in December 2021. The integration of this new entity took place in 2022.

At the same time, ViaCon's operations in Belarus were divested in September, and approximately 15 employees left the group.

ViaCon uses an organisational review process to address bottlenecks and issues and to effectively implement our strategy. This is ongoing work that culminates in action plans and HR strategies to create the best possible staffing, higher engagement levels and to improve our processes and create more efficient ways of working.

ENGAGEMENT SURVEY TOOL

To provide our managers with a tool to develop their organisation and their teams, we work with Winningtemp, which enables the adoption of real-time insight for managers to further develop their teams. Winningtemp is a tool for employee surveys from which managers regularly receive feedback from their employees so that they can receive early signals from the organisation and draw up action plans.

COMMUNICATION

From a communication perspective, we have made significant changes and improvements in 2022. We now have a clear brand strategy with a focus on an outside-in perspective, where data is used to ensure we target the right audience at the right time with the right message in the right channel. We are strengthening the ViaCon brand, having rolled out new branding, new communications and content approaches, and extensive website overhauls for greater visibility and consistency across the local markets. This work is ongoing, as is fundamental awareness-building, education and improved internal and external communication initiatives.

Further, we now have a commercial leadership forum in place to ensure a consistent and more effective organisation for continuing to build on the ViaCon brand together.

PEOPLE PROCESSES

We have developed a new performance appraisal process to connect with the strategic FEF objectives at the departmental level. This will be an extension of 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. An important element is also the personal development plan that is defined and agreed with each employee. This is a critical part of our performance management process to support the growth of our people. With this plan we ensure our employees are able to perform current tasks and stretch objectives, but also are prepared to be ready to take on larger responsibilities for the future. ViaCon has a strong commitment to support our employees' career paths, which also supports our goals of constantly keeping a strong succession plan.

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

To drive our people processes and to create transparency and efficiency we have also implemented an HRIT tool based on

ACHIEVEMENTS 2022

- Trained and implemented the process for employee dialogues for office workers.
- Integrated ViaCon's operations in the Netherlands as well as continued to support the integration of the UK operations, which became part of the Group in December 2021.
- 96% of our employees have goals in MS Dynamics.
- The implementation of two leadership programs where we have seen approximately 45 managers certified.
- Reduction of our staff turnover from 13.7% to 9.7% and an expanded work with organisational reviews and talent management.

FOCUS 2023

- Fully embed our performance management process and salary reviews in MS Dynamics and improve quality of targets and development plans.
- Implement our employer branding strategy.
- Support our turnaround and capability build up in Germany.
- Execute the recruitment plan to support our growth.
- Run two leadership programs including 40+ leaders in total .
- Drive increase in employee engagement to 7.1 and eNPS to +1.
- Reduce voluntary turnover rate to 8%.

Dynamics 365 in 2022. This tool not only holds our people's master data in a GDPR-compliant way, it also facilitates 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 of the ViaCon business. The level of pride and purpose for what we do is one of the key highlights in our Winningtemp engagement survey benchmarks. Clearly this applies because our business strategies are built on sustainability and environmental claims. Fighting climate change, reducing CO2 emissions and protecting groundwater is what we do.

The employees are the pillars that support our strategic directions. With their technical knowledge supported by technical competency frameworks and training combined with leadership development and our external webinars, we will further strengthen our organisation and realise our strategy.

VIACON'S CORE BEHAVIORS

Our values guide our leadership, our behaviour 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 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 at the forefront of positively influencing the development of sustainability in the infrastructure sector. With its stated goal of becoming net zero 2050, ViaCon leads the way in the infrastructure sector in positively influencing more circularity in resource use and contributing to measurable sustainability.

The board of ViaCon Group AB (publ) hereby submits the sustainability report for 2022 on pages 29-47, approved at the board meeting on April 25, 2023.

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.

EU TAXONOMY

As part of the EU's green growth strategy, the EU taxonomy came into effect in 2020. This is a classification tool for environmentally sustainable investments. ViaCon is analysing its operations in order to comply with future disclosure requirements. This will be part of ViaCon's sustainability report for 2022.

Awards 2022

NCSPA Project of the Year

For our work toward building a sustainable future, ViaCon has received an award from The National Corrugated Steel Pipe Association (NCSPA) for the Project of the Year 2022 in the "Going Green" category regarding the Turkish High Speed Rail Ecological Overpass project.

IFAT Go Green Award

IFAT is a world-leading trade fair for water, sewage, waste and raw materials management. The IFAT Go Green Sustainability Award is given to companies that walk the talk in being truly sustainable. In connection with the fair in May 2022, ViaCon won the award by supporting a MyClimate project to bring clean drinking water to schools and households in Uganda.

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 organised 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 helps societies adapt to the 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 downpours and heat waves that put workers' health and safety at risk.

MAIN SUSTAINABILITY AMBITIONS

- ViaCon will be known as the sustainable alternative in the market by 2025.
- ViaCon has publicly committed our intention to reduce emissions and set science-based emissions targets in November 2022. ViaCon will submit the science-based targets for validation by the SBTi in 2023.
- Reduce steel consumption in the stormwater business by 2.5% by 2025 through standardizing of tanks.
- In 2022 ViaCon has reduced the weight average virgin raw material per meter plastic pipe produced by 27% compared to 2020 by optimizing weight and production efficiency.

2,321
MSEK net sales

~ 800
Employees

20%
Gender equality (% female coworker)

515
Lost working days due to accidents

22%
Reduction of greenhouse gas emissions compared to 2021

11%
Increased recycling of plastic raw materials compared to 2021

ViaCon's place in the circular value chain

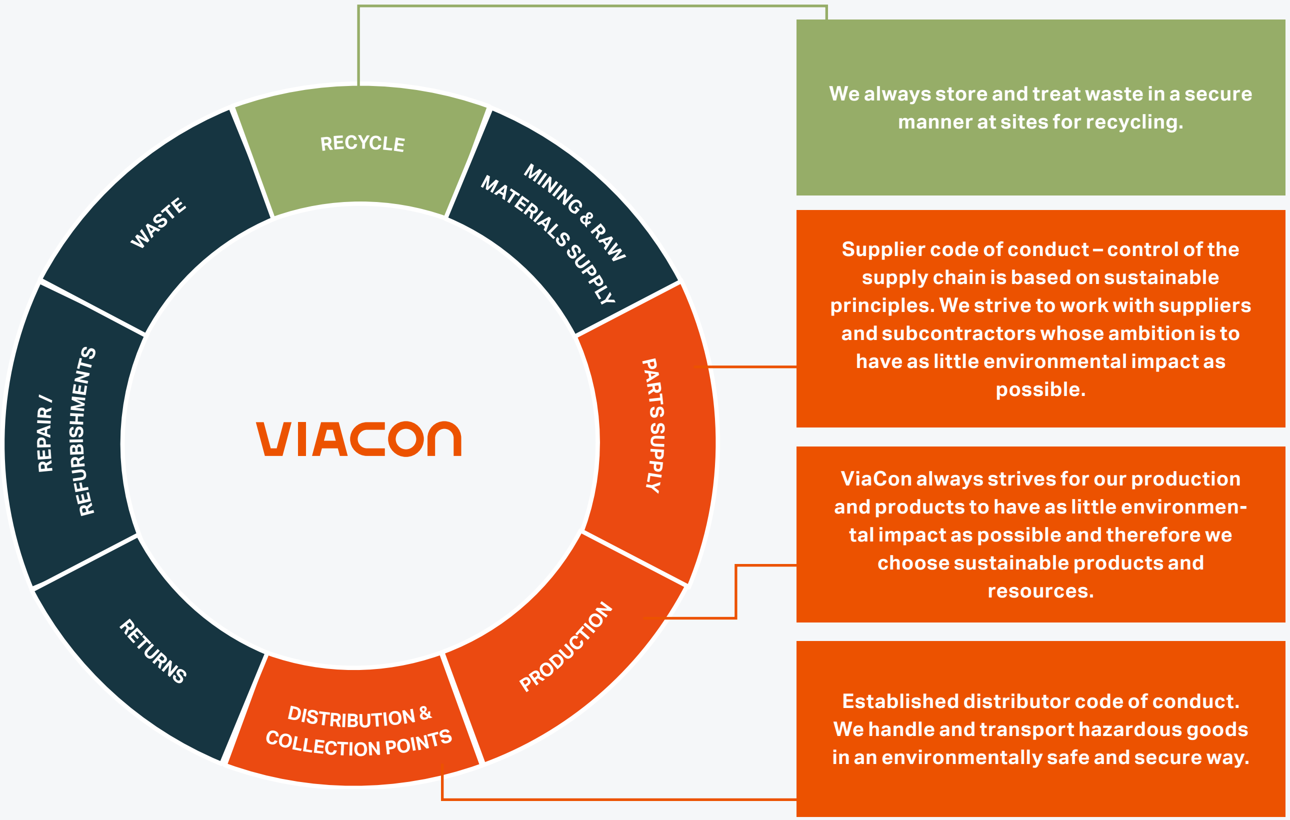
ViaCon has a clear goal of becoming net zero 2050*. By taking a key role in the industry toward promoting and achieving circularity, ViaCon can contribute to making the industry more sustainable.

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 management of assets takes place when purchasing required materials, but also through sustainable production of bridges, culverts, geotechnical solutions and stormwater management.

In addition, we have a responsibility to recycle all materials that are fit for recycling and reduce emissions within all scopes.

*) *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. By submitting science based targets in 2023, ViaCon has committed to reducing emissions by 42% from our baseline year of 2021. This is in line with ViaCon's commitment to become net zero by 2050.*



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 infrastructure industry both have 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 exclusion of people who experience different disadvantages. Infrastructure provides many opportunities to build with greater sustainability. The industry is one of the largest users of global resources and contributors to pollution. We as an industry therefore have a huge responsibility to incorporate sustainability in our work, products and processes.

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

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

In 2022, 97% of all employees have completed business ethics training, 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.**
- **Steel is the only major material group today that can meet tomorrow's challenge of a fully circular economy due to its high recyclability, whereby 85-90% of steel products are recovered at their end of life and recycled to produce new 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.**

**) Source: ArcelorMittal S.A.*

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 humanity has used the planet's non-renewable resources to near exhaustion.

While infrastructure has not so far been on the cutting edge in this area, we are glad to see changes are happening with increasing speed. ViaCon is in the first wave of making these changes. Sustainability has always been part of 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, such as minimising the CO_2 footprint, reducing installation time, optimising 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 manifests in different ways, including the transition to renewable energy and stricter work environment legislation. Health and safety requirements increase the demand for safer access solutions in both mature 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 organisation, is at the forefront of positively influencing development of environmental standards within the infrastructure sector. ViaCon is in a unique position where our solutions are both environmentally superior compared to competing materials, such as e.g., concrete, and we directly contribute to climate adaptation. A comparative life cycle analysis confirms that buried flexible bridges and culverts using corrugated steel structures reduce CO_2 emissions* by more than 50% versus the use of reinforced concrete, but also faster construction time, more flexibility and more potential for technological advances to make steel solutions more carbon friendly. If we compare simple corrugated steel pipe to concrete pipe, this CO_2 reduction could be even more than 70%.

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

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

SOCIAL

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

ViaCon has always had a strong focus on our most important asset, our people. Our investments in our people include executing business ethics training, employee surveys with the Winningtemp Engagement Surveys tool 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, disability, 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'S 2023 ESG FOCUS

- Further expand our sustainability claims for our solutions
- Further map and assess our own environmental footprint
- ViaCon has publicly committed our intention to reduce emissions and set science-based emissions targets in November 2022. ViaCon will submit the science-based targets for validation by the SBTi in 2023.
- Drive employee engagement and eNPS
- Improve health and safety (lost days)
- Reduce scrap and raw material in production by investing in new technologies
- Reduce electricity consumption in production

HEALTH & SAFETY

ViaCon aspires to 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 risks. The overall aim is that all employees shall be involved in continuous improvements of the work environment and share best practices.

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

ACHIEVEMENTS 2022

- **Certification of EPD 86% complete on all Bridges & Culverts Solutions production units**
- **ViaCon Life Cycle Analysis (LCA) calculator further developed in 2022 to become one common tool for all business units.**
- **ViaCon joined the SteelZero initiative and committed to science-based emission targets.**
- **Design of a sustainable bridge pilot was identified and is in progress.**
- **Business ethics training executed for 97% of staff (target 95%).**
- **Supplier code of conduct signed by 78% of ViaCon suppliers (target 2022, 75%).**
- **Distribution code of conduct signed by 75% of distributors (target 2022, 75%).**
- **Winningtemp Engagement Surveys eNPS* at -7 from -14 in 2021 (target 2022, -4).**
- **Employee turnover rate of 9.7% from 13.5% in 2021 (target 2022, <10%).**
- **Lost days for finger-related injuries reduced by 11% from 2021.**
- **Scope 1 & 2 emissions reductions since 2021 of 22% since 2021 (target 2022, -4%). Scope 3 will be added to reductions in 2023.**

FOCUS 2023

- **EPDs to cover 50% of spend in traded goods suppliers.**
- **Continue identifying sustainable bridge pilot designs.**
- **Launch LCA calculator 2023.**
- **Run two Leadership Development Programs.**
- **Improve Engagement Index to 7.2.**
- **Employee Net Promoter Score* (eNPS) +1.**
- **Validate H&S audits and create robust plans per production unit.**
- **Reduce employee turnover rate to < 8%.**
- **95% direct and indirect labour to complete business ethics training.**
- **90% of distributors to sign the distribution code of conduct.**
- **90% of suppliers to sign the supplier code of conduct.**
- **Submit science-based emission targets 2023 to SBTi, committed to as from 2022.**

Sustainability Financing KPIs

ViaCon has 2021 entered into financing agreements with sustainability links. The financing agreements have a defined Applicable Base Margin which is subject to the outcome of the Sustainability targets. Depending on the number of Sustainability Performance Targets the Group has achieved with respect to the Sustainability Key Performance Indicators described below, the margin can be adjusted to a maximum of -/+ 0.09% per annum. The financing is described in Note 24 in the Group Annual Report.

Sustainability KPI 1 relates to the percentage reduction of weighted average virgin plastic raw material per meter pipes produced by the ViaCon Group against the Sustainability KPI 1 Baseline from 2020.	**SUSTAINABILITY PERFORMANCE FINANCING TARGETS KPI 1**		
	Sustainability Key Performance Indicator	Financial Year ending on 31 December 2022	Financial Year ending on 31 December 2023
	Sustainability KPI 1	Minimum reduction of 14%	Minimum reduction of 18%
	KPI 1 Definition 1	"Sustainability KPI 1" means, in respect of any year, the percentage reduction of weighted average virgin plastic raw material per metre pipes produced by the Group against the Sustainability KPI 1 Baseline (based on the Sustainability KPI 1 Baseline Calculation Methodology).	
	KPI 1 Definition 2	"Sustainability KPI 1 Baseline" means 15.06 kg virgin plastic raw material per metre product for the Financial Year ending on 31 December 2020.	
	KPI 1 Definition 3	"Sustainability KPI 1 Baseline Calculation Methodology" means the weighted average of virgin plastic raw material consumption per 1 metre of each plastic pipe diameter category	
Sustainability KPI 2 relates to the establishment by the Group of the procedures for the measurement and reporting of the Group's Greenhouse Gas Protocol Scope 1 Emissions and Greenhouse Gas Protocol Scope 2 Emissions.	**SUSTAINABILITY PERFORMANCE FINANCING TARGETS KPI 2**		
	Sustainability Key Performance Indicator	Financial Year ending on 31 December 2022	Financial Year ending on 31 December 2023
	Sustainability KPI 2	Greenhouse Gas Emissions Measurement and Reporting Procedures in place	Emissions Reduction Target Setting
	KPI 1 Definition 1	"Sustainability KPI 2" means: (a) in respect of the Financial Year ending on 31 December 2022, the establishment by the Group of procedures for the measurement and reporting of the Group's Greenhouse Gas Protocol Scope 1 Emissions and Greenhouse Gas Protocol Scope 2 Emissions (per Financial Year), with such reporting to be made in an online system for reporting greenhouse gas emissions designated by the Company (collectively, "Greenhouse Gas Emissions Measurement and Reporting Procedures");	
	KPI 1 Definition 2	(a) in respect of the Financial Year ending on 31 December 2023, the establishment by the Group, having engaged and consulted external consultants, of a target for the reduction of the Group's Greenhouse Gas Protocol Scope 1 Emissions and Greenhouse Gas Protocol Scope 2 Emissions that is consistent with what climate science deems necessary to limit global warming to 1.5°C (being a linear annual absolute reduction rate of 4.2% per Financial Year), with the Group's baseline constituted by its Greenhouse Gas Protocol Scope 1 Emissions and Greenhouse Gas Protocol Scope 2 Emissions during the Financial Year ending on 31 December 2020, 31 December 2021 or 31 December 2022 (as selected by the Company, in its sole discretion) (collectively, "Emissions Reduction Target Setting").	
Sustainability KPI 3 relates to the proportion as a percentage of ViaCon's material suppliers that have signed ViaCon's supplier code of conduct and/or has a similar code of conduct covering the same principles as confirmed by the company.	**SUSTAINABILITY PERFORMANCE FINANCING TARGETS KPI 3**		
	Sustainability Key Performance Indicator	Financial Year ending on 31 December 2022	Financial Year ending on 31 December 2023
	Sustainability KPI 3	Equal to or in excess of 75%	Equal to or in excess of 90%
	KPI 1 Definition 1	"Sustainability KPI 3" means the proportion (expressed as a percentage) of the ViaCon Material Suppliers (i) that has signed ViaCon's Supplier Code of Conduct and/or (ii) that has a similar code of conduct covering the same principles as confirmed by the Company (in its sole discretion).	
	KPI 1 Definition 2	"ViaCon Material Suppliers" means, collectively, each of the Group's suppliers representing an expenditure for the Group in excess of EUR 20,000 per annum	
	KPI 1 Definition 3	"ViaCon's Supplier Code of Conduct" means the supplier code of conduct of the Group dated 2 February 2021.	

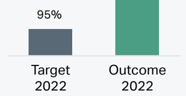
Sustainability Targets

TRAINING IN BUSINESS ETHICS AND THE CODE OF CONDUCT

The target set is for 95% of all employees to carry out ViaCon's business ethics and code of conduct training.

Target
95%

Outcome
97%



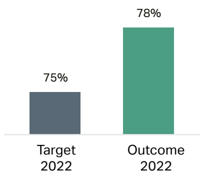
Comments: During 2022 ViaCon had a target of 95% completion for business ethics and code of conduct training utilising the GOMO e-learning platform. ViaCon had a completion rate of 97% in 2022.

SUPPLIER CODE OF CONDUCT

The long-term target is 90%, 75% for 2022, of all suppliers to sign ViaCon's supplier code of conduct or supply a code of conduct in line with ViaCon's code of conduct.

Target
75%

Outcome
78%



Comments: During 2022 ViaCon had set a target of 75% of suppliers to sign ViaCon's supplier code of conduct or supply their own code of conduct in line with ViaCon's. The year finished with a 78% acceptance rate of the supplier code of conduct.*

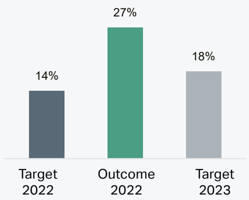
**) Suppliers representing an expenditure for the Group in excess of EUR 20,000 per annum. The supplier code of conduct of the Group is dated 2 February 2021.*

VIRGIN RAW MATERIAL USED PER METER PLASTIC PIPE

The long-term target is for ViaCon to reduce the weighted average virgin raw material used per meter of plastic pipe produced by 18% by 2023. The target for 2022 was a reduction by 14%.

Target
14%

Outcome
27%



Comments: In 2022 ViaCon has reduced the virgin raw material per meter plastic pipe produced by 27% compared to 2020 by optimizing weight and production efficiency. Baseline was 15.06 kg virgin plastic raw material per metre product for the financial year ending on 31 December 2020.

WINNINGTEMP EMPLOYEE ENGAGEMENT SURVEY SCORE

The target for 2022 was to achieve -4 eNPS.

Target
-4

Outcome
-7

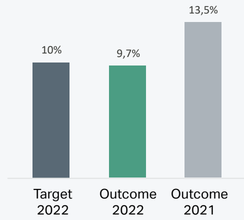
Comments: 2021 ViaCon had an eNPS score of -14. During 2022 ViaCon improved the eNPS score to -7.

EMPLOYEE TURNOVER

The target for employee turnover in 2022 was set at <10% for 2022.

Target
<10%

Outcome
9.7%



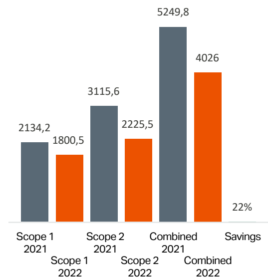
Comments: During 2021 ViaCon had an employee turnover of 13.5%. During 2022 ViaCon has reduced the employee turnover to 9.7%.

SCOPE 1 & 2 EMISSIONS 2022

The long-term target is to reduce emissions by 42% by 2030 in line with ViaCon's commitment to reach net zero by 2050. For 2022, the target was a reduction by 4%.

Target
-4%

Outcome
-22%



Comments: ViaCon has publicly committed our intention to reduce emissions and set science-based emissions targets in November 2022. ViaCon will then submit the science-based targets for validation by the SBTi in 2023. During 2022 ViaCon committed to reduce emissions by 42% by 2030. This is in line with our commitment to reach net zero by 2050. During 2022 ViaCon have reduced scope 1 & 2 emissions by 1223.8 tCO2e which is a reduction of 22% from emission levels in 2021. The emission data is based on market based emissions.

https://viacongroup.com/wp-content/uploads/2023/04/ViaCon-Emissions-Full-Report-2022.pdf

UN Sustainable Development Goals (SDGs)

ViaCon has embedded sustainable development into our business goals and design, which are aligned with 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 leadership training, where 45 leaders from across the group participated • H&S Audits and action plans for all factories • Improved usage of the 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.	• Update of LCA Comparison Calculator of the SSB solution and RCB solution by adding next LCA modules • Promoted solutions; ViaCon Academy with workshops and webinars, and exhibitions (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 utilisation.	12.2 – Achieve sustainable management and efficient use of natural resources. 12.5 – Substantially reduce waste generation through prevention, reduction, recycling, and reuse.	• In 2022 ViaCon has reduced the weight average virgin raw material per meter plastic pipe produced by 27% compared to 2020 baseline of 15.06 kg per meter by optimizing weight and production efficiency. • Addressed climate impact by growing volumes of stormwater solutions (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.	• Continued use of CEMAsys to report all 3 scopes to realise a baseline year of 2021 for SBT. • Changed to LED lights in factories at 81%* • Reduced GHG emissions by 35% in relative figures due to new plastic production line in Lithuania

**) Excluding operation in the UK, acquired December 2021.*

Selected projects

At ViaCon, multiple projects are underway that directly relate 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	• Reduce steel consumption by 2025 in stormwater solutions	• Established measurements of all scope reporting
Description	• Provide new H&S policies • Implement said policies in all sites	• Reduce steel consumption by standardising stormwater solutions gauges	• Scientific-based measurement in scope 1, 2 & 3 (page 40)
Ambition	• Lost days per 1000 employees reduced by 10% • Near miss reporting increased by 30%	• Reduce steel consumption by 2.5% in 2025 in stormwater solutions by standardising stormwater tanks	• Reduce GHG emission and become net zero by 2050 • Commitment to reduce emissions by 42% 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 emphasise respect for the individual, equality and diversity.

RESPECT FOR THE INDIVIDUAL

Respecting people and organisations is fundamental. Respect generates openness, honesty and security in the working environment. Integrity and credibility can only be earned through the behaviour, 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 integral part of our company core behaviours.

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 fulfil 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 characterise the way we deal with colleagues and partners

Key figures - People

EMPLOYEES PER GEOGRAPHICAL REGION

Region	2022	2021
Nordics Sweden, Norway, Denmark & Finland	15.3%	15.5%
Baltics Estonia, Lithuania & Latvia	14,1 %	17.9%
Central Europe Poland, Czech Republic & Slovakia	33.6%	35.0%
Southeast Europe Bulgaria, Hungary, Romania & Turkey/UAE	19.0%	18.0%
Western Europe Germany, France, Benelux & UK	18.0%	13.6%
Total headcount	**100.0%**	**100.0%**

EMPLOYEE STATISTICS

	2022	2021
Sick leave, %	5.0%	7.1%
Employee turnover rate, %	9.7%	13.5%
Number of employees as of Dec 31	768	804
Average FTEs	784	766

AGE AND GENDER DISTRIBUTION

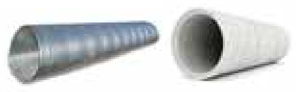
Age Group	% Total Employees	Total Employees	% of whom women	Women Employees
< 24	3%	21	5%	1
25 – 34	24%	183	24%	44
35 – 44	35%	268	24%	62
45 – 54	24%	188	17%	32
> 55	14%	108	17%	18
Total	**100%**	**768**	**20%**	**157**

EMPLOYEE SATISFACTION

	2022	2021
eNPS	-7	-14
Engagement Index (1-10)	7.1	6.9

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 CO2 emissions are 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 CO2 emission in their entire life cycle compared to reinforced concrete pipes.

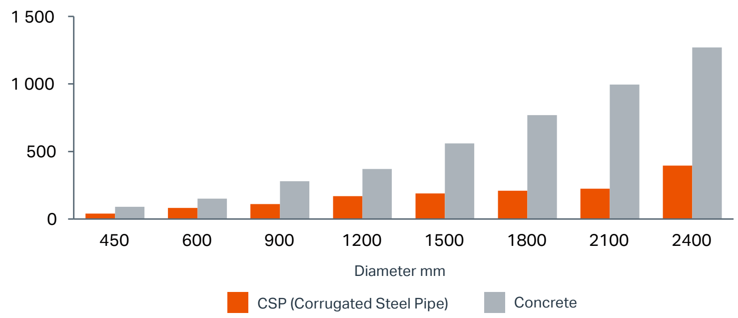
77%
LOWER CO2

ENVIRONMENTAL CALCULATOR

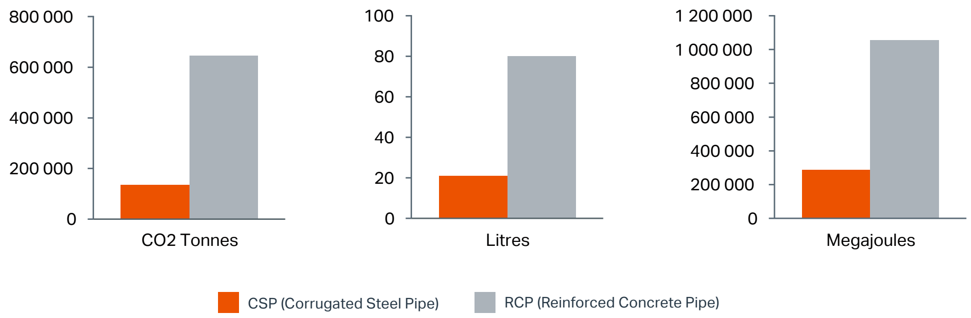
Diameter in Millimeters	**3000**		
Length in Meters	**50**		
	CSP (Corrugated Steel Pipe)	**RCP** (Reinforced Concrete Pipe)	**% Difference**
Global Warming CO2 (Tonnes)	**20.87**	**80.03**	**-74%**
Equivalent – KM's Driven	83 389	319 786	
Fresh Water (Liters)	**135 369**	**646 730**	**-79%**
Equivalent – 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



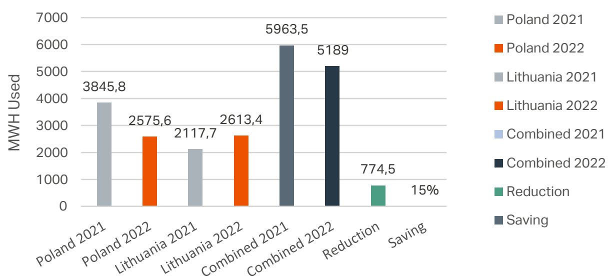
CASE STUDY

Energy usage and emissions reductions after moving a production line from Poland to Lithuania

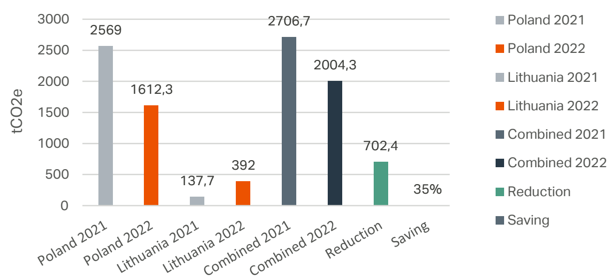
The investment in new technology, a new plastic production line in Lithuania, led to a combined 15% electricity consumption reduction between plastic pipe production sites in Poland and Lithuania between 2021 and 2022. The increased energy consumption for Lithuania is attributed to increased output volumes in 2022.

Additionally, investing strategically in our operations within high green energy market areas has drastically reduced ViaCon emissions from plastic pipe production between Poland and Lithuania. The strategic decision taken by ViaCon to relocate our plastic pipe production from Poland to Lithuania utilising the significant green energy market in Lithuania has led to a market based emissions savings of 35% between the two production facilities.

CONSUMPTION MWH - RELATED TO PRODUCTION RELOCATION (SCOPE 2)



EMISSION'S TCO2E - RELATED TO PRODUCTION RELOCATION (SCOPE 2)



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

- **Short-term possibility:** First major reductions can be achieved in electricity emissions – solar panels and/or green energy certificates. ViaCon has publicly committed our intention to reduce emissions and set science-based emissions targets in November 2022. ViaCon will then submit the science-based targets for validation by the SBTi in 2023.
- **Medium-term possibility:** Emissions stemming from transportation will require development of infrastructure and new transport technologies in order to be reduced.
- **Long-term possibility:** Our supply chain will require our suppliers to become carbon neutral in their own activities for us to be carbon neutral. The Steel-Zero initiative which ViaCon joined in 2022 will help drive the steel market to adopt reductions in line with net zero and provide green steel supplies within the industry.

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, which is described more in our Employee section on page 26. 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 intercollegial 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.

As an international company, ViaCon complies with all applicable laws wherever we operate and with whoever we conduct business, seeking to act with the highest level of integrity.

Our Code of Conduct summarizes the fundamental ethical values, guidelines and principles shared across the group, regardless of business activity, culture, or location.

All employees, both permanent, temporary and directors are each accountable for making a personal commitment to abide by the Code of Conduct.

All leaders and managers are not only expected to function as role models, but to also educate and support others in behaving in an ethical and compliant manner.

VIACON'S CODE OF CONDUCT IS BUILT AROUND A SET OF MAIN PRINCIPLES:

- Human rights and equality.
- We respect and support our employees' rights, and we perform our business in line with basic human rights.
- Our workplaces are characterized by mutual respect, support, and equal opportunities for all.
- No form of harassment, discrimination, differential treatment, or any other conduct which may be interpreted as threatening or degrading, shall ever be permitted.
- ViaCon and its supply chain is totally against child labour and forced labour or any other circumstances of compulsory labour situation.
- We support our employees' freedom of association with any labour (trade) unions, to elect and be elected in such an organization, and we will always take an open stance on any collective bargaining initiatives you may have.
- Employees' compensation or benefits will be given equally and fairly, according to the individual employment contract, position, qualification, and performance, without subjective or personal differences.
- No other benefit will be granted, denied, or interrupted to our employees based on discriminatory grounds.
- Excluding a person or business partner not based on merit, qualification, quality, or price it is not acceptable.
- It is not allowed to make offensive comments or improper behavior such as harassment.

ANTI-CORRUPTION

ViaCon strongly oppose all forms of bribery and corruption. We perform business in an open and transparent manner, regardless of location, always. All employees are prohibited from planning, performing, or facilitating any corrupt activity, in the public or private sector, even in cases where we do not benefit directly.

CONFLICT OF INTERESTS

All acts of corruption contain an inherent conflict of interest. ViaCon employees therefore take care to identify and avoid situations that give rise to conflict between your private interests and ViaCon's business interest.

Potential or actual conflict of interest situations must be discussed with a manager, without delay and unprompted. ViaCon will attempt to resolve potential conflicts in good faith.

RESPECT FOR HUMAN RIGHTS/COUNTERING CORRUPTION

ViaCon have identified no material risks related to "Respect for human rights" or "Countering corruption". ViaCon are proactive in the value chain and require suppliers and distributors to sign our code of conducts.

The ViaCon code of conducts are based around 11 areas.

1. Legal requirements
2. Ethics
3. Advantages
4. Confidential information
5. Child Labour Is Not Accepted
6. Health And Safety

7. Workers' Rights
8. Housing Conditions
9. Environment
10. Systems Approach
11. Monitoring And Enforcement

ViaCon also do a risk evaluation of all suppliers based on a number of indicators.

KNOWLEDGE

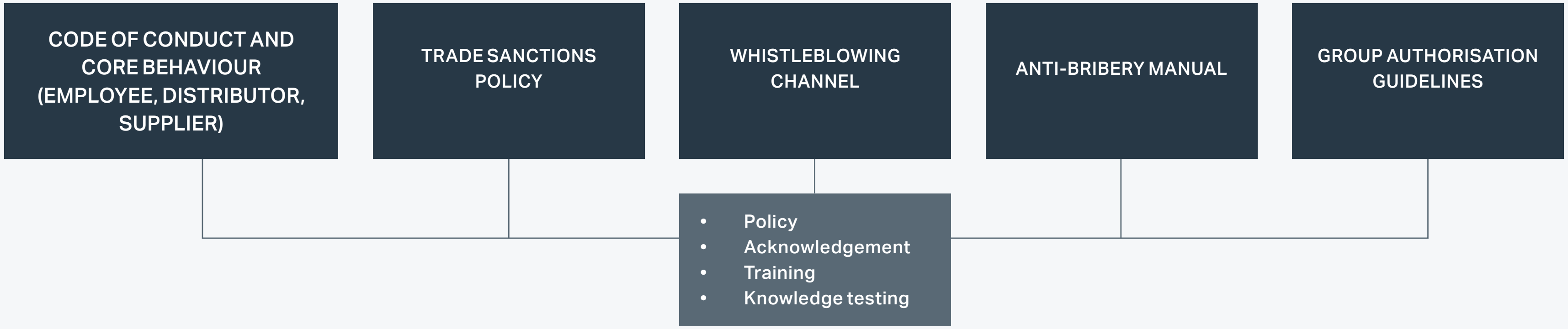
At ViaCon, learning is an important tool to teach all our employees the ways of ethical business, and to ensure that they stay up to date on both compliance and quality. Continuous learning is at the top of our agenda and will continue to be so for the foreseeable future.

All employees, distributors and suppliers should acknowledge our code of conducts. In 2022, 97% of all employees have completed business ethics training, and our goals is for this to continue into 2023. We also redesigned and updated trainings for 2023 to include Winningtemp and SteelZero initiatives. In 2022, 75% of distributors signed our distribution code of conduct and 78% of suppliers signed our supplier code of conduct. 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 the goal of having 95% direct and indirect labour complete business ethics training, we have set out an ambitious goal of having 90% of both distributors and suppliers sign their respective codes of conduct. We also have a long-term goal that all suppliers will be audited according to risk level. In 2022, we completed formalised procedures or a tracker for documentation and control. Risk assessments were completed on ViaCon's top 35 suppliers.

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 "dos 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



EU Taxonomy

Background

The EU Taxonomy Regulation is a part of the European Commission's work to meet the EU's climate and energy target for 2030. The EU Taxonomy is a classification system that identifies environmental sustainable economic activities in order to help companies to make sustainable choices. An activity is classified as sustainable if it contribute to sustainability for at least one of the objectives and meet certain minimum safeguards. At the same time the activity must not harm any other objectives. The purpose of the EU Taxonomy is to disclose whether an economic activity is aligned with the requirements.

Economic activities

We have examined all economic activities carried out by the group to see which of these are eligible and also initiated a review in regards of aligned in accordance with Annexes I and II to the Climate Delegated Act. As the assessment of alignment is complex and includes the full ecosystem in which ViaCon operates including designers, customers and suppliers, our task force continues to detail out all technical specifications and verify in relation to the Taxonomy.

The complete ViaCon solution portfolio supports sustainability aims. ViaCon constructs world-class Bridges & Culverts Solutions and products that are strong, durable, cost-efficient, and sustainable. Our state-of-the-art GeoTechnical Solutions and products help solve all issues in the field of geotechnical engineering. With our proven technical and engineering expertise, ViaCon's StormWater Solutions and products are designed to meet the challenges of stormwater management.

ViaCon has identified two eligible activities to report on from the EU Taxonomy. ViaCon has done the assessment for eligibility and initiated alignment based on the knowledge of experts within the ViaCon Group for each of the business units (Bridges & Culverts Solutions, GeoTechnical Solutions and StormWater Solutions). During 2022 ViaCon has formed a group working with the Taxonomy including these experts, group functions and support from external advisors.

All products within Bridges & Culverts, expect Acrow bridges, are deemed to be eligible under activity 3.6 Manufacturing of other low carbon technologies in Annex I. Some of the product solutions under GeoTechnical Solutions are deemed to be eligible under activity 9.1 Engineering activities and related technical consultancy dedicated to adaptation to climate change in Annex II. and all products within StormWater Solutions are deemed to be eligible under 9.1. as well.

3.6. Manufacture of other low carbon technologies.

ViaCon's products HelCor, MultiPlate, SuperCor and UltraCor are made of steel, and the CO2 emissions from bridges and culverts made from steel are significantly lower compared to similar structures of concrete. All these products are deemed to be eligible under activity 3.6. Manufacture of other low carbon technologies. The Conspan product is also seen as eligible under 3.6. due to efficiency in production compared to alternatives.

With more than 35 years of civil engineering experience, we provide specialised, world-class Bridges & Culverts Solutions and products that are strong and durable, cost-efficient, and can be considered to be sustainable.

Our offering covers the construction, reconstruction, and relining of culverts, bridges, viaducts, grade separations, wildlife crossings, tunnels, etc. that are used for establishing infrastructural connections and crossings. Most often the design of the solutions not only support lower CO2 emission, but biodiversity is also considered. ViaCon considers its solutions for bridges and culverts as Taxonomy-eligible under activity 3.6. because ViaCon's products stand for lower CO2-emissions compared to alternative solutions in the market*.

ViaCon is at the forefront of positively influencing the development of sustainability in the infrastructure sector. ViaCon is in a unique position where our solutions have environmentally advantages compared to competing materials, such as concrete and plastics, and we directly contribute to Climate Change Mitigation. Steel structures have an advantage over concrete by having approximately 50% less CO2 footprint, faster construction time, more flexibility and more potential for technological advances to make steel solutions more carbon friendly*.

9.1. Engineering activities and related technical consultancy dedicated to adaptation to climate change

ViaCon's solutions within GeoTechnical Solutions offer a diverse range of solutions and products with advanced engineering knowledge in order to deliver high quality solutions to ViaCon's clients. The products Retaining walls and Geosynthetic erosion control mats are deemed to be to be eligible under 9.1.

ViaCon's StormWater Solutions including firewater tanks, retentions tanks, infiltration tanks and sand and oil separators are deemed to be eligible under 9.1. Engineering activities and related technical consultancy dedicated to adaptation to climate change.

Our state-of-the-art GeoTechnical Solutions and products help solve geotechnical engineering issues. ViaCon's StormWater Solutions and products are designed to meet the challenges of stormwater management.

Our offerings cover solutions ranging from stormwater retention and infiltration, firewater retention of oil and sand separation.

ViaCon considers stormwater solutions and parts of our Geotechnical assortment as Taxonomy-eligible under activity 9.1. because these products are created to manage the effects of climate change, for example flash floodings for StormWater solutions and soil erosion in Geotechnical solutions. The entire StormWater Solutions business unit is aligned with EU Taxonomy under activity 9.1.

Taxonomy-alignment

Substantial contribution

ViaCon produces and delivers Bridges and Culverts made of steel. The main alternative is similar products made of concrete, where ViaCon's steel products have a significantly lower greenhouse gas emissions during manufacturing.

ViaCon's StormWater Solutions, as well as some engineering solutions within GeoTechnical Solutions, are vital to managing the changing climate, i.e., meeting climate change adaptation objectives.

To determine if an economic activity is aligned with the EU Taxonomy it must comply with the first requirement as it is described in the Taxonomy Regulation. By contributing to at least one of the environmental objectives it can be aligned according to the Taxonomy. The criteria for alignment also includes stakeholders in our supply chain both upstream and downstream. As a sub supplier in larger infrastructure projects where typically construction firms are the principals engaging design consultancy firms for various climate and environmental risk assessments, we are dependent on our ecosystem to fulfil the alignment criteria. Although ViaCon's own operations may be aligned, this does not

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

necessarily qualify for alignment as we do not yet control the full process with partners downstream. This assessment is ongoing and continues during 2023 and we expect a clear picture of our alignment to be reported in spring 2024. However, for our Bridges & Culverts Solutions the majority of products are aligned with the EU taxonomy under the activity 3.6. and for our StormWa-ter Solutions we can state already now that the entire business is aligned with EU Taxonomy under the activity 9.1. StormWater Solution is a great benefit in order to adapt to environmental changes.

Do no significant harm (DNSH)

For the activities that are seen as a substantial contribution according to the “Substantial contribution” section above, the Do no significant harm criteria is being evaluated.

For ViaCon we started with the sites where we perform the economic activities identified.

For both activities 3.6. and 9.1. the core group with experts are reviewing the DNSH criteria for each of the activities.

Minimum safeguards

The last step to determine whether an activity is Taxonomy-aligned is to evaluate the minimum safeguards. ViaCon has assessed this by reviewing relevant processes for the four subject areas, Human rights, Anti-bribery, Taxation and Fair competition, as well as compliance with ViaCon’s anti-bribery manual, ViaCon code of conduct, competition compliance policy, whistleblowing policy and trade sanctions compliance procedure, and no court convictions has been identified in relation these areas. This procedure was done on ViaCon group level for both activity 3.6. and 9.1.

ACCOUNTING PRINCIPLES

The EU Taxonomy has three key performance indicators (KPIs): turnover, capital expenditures and operational expenditures. The key performance indicators are disclosed in relation to our Taxonomy-eligible and Taxonomy-non-eligible economic activities. Allocation keys have been used to identify shares of the Taxonomy-aligned economic activities. The tables presents turnover, capital expenditures and operational expenditures according to the EU Taxonomy’s definition of key performance indicators. The figures reported in our EU Taxonomy reporting are based on figures reported in the accounts of our financial reporting and hence double counting can be avoided.

Total turnover is based on IFRS 15 and is equal with the net sales in the consolidated income statement in the Annual Report 2022, with the exception of capital gain according to the EU Taxonomy’s definition of turnover.

Capital expenditures are equal to the additional investments during the financial year in tangible fixed assets (IAS 16), intangible fixed assets (IAS 38) and right-of-use assets (IFRS 16) which is presented in the Annual Report 2022. Goodwill is not a part of capital expenditures. Capital expenditures are considered before depreciation, amortisation and re-measurements. Investments acquired through business combinations during the financial year are included as part of capital expenditure.

Operational expenditures are short-term leases and maintenance and repair expenses of property, plant and equipment and all other direct expenses related to daily maintenance of tangible fixed assets performed by ViaCon Group or a third party hired for this purpose. Operational expenditures according to the EU Taxonomy are not equivalent to operating expenses.

PROPORTION OF TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities				Substantial contribution criteria					DNSH criteria (Do No Significant Harm)										
Economic activities	Code(s)	Absolute turnover	Proportion of turnover	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover, year N	Taxonomy-aligned proportion of turnover, year N-1	Category (enabling activity)	Category (transitional activity)
		kSEK	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of other low carbon technologies	3.6	418,558	18%	100%	0%				-	Y	Y	Y	Y	Y	Y	18%		E	-
Engineering activities and related technical consultancy dedicated to adaptation to climate change	9.1	343,816	15%	0%	100%				Y	-	Y	-	-	-	-	15%		E	-
Turnover of eligible Taxonomy-aligned activities (A.1)		762,374	33%	100%	100%											33%			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low carbon technologies	3.6	467,696	20%																
Engineering activities and related technical consultancy dedicated to adaptation to climate change	9.1	33,784	1%																
Turnover of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		501,480	21%																
Total (A.1 + A.2)		1,263,854	54%													33%			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of non-eligible activities (B)		1,067,844	46%																
Total (A + B)		**2,331,698**	**100%**																

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities				Substantial contribution criteria						DNSH criteria (Do No Significant Harm)										
Economic activities	Code(s)	Absolute CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of CapEx, year N	Taxonomy-aligned proportion of CapEx, year N-1	Category (enabling activity)	Category (transitional activity)
		kSEK	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of other low carbon technologies	3.6	15,748	22%	100%	0%					-	Y	Y	Y	Y	Y	Y	22%		E	-
Engineering activities and related technical consultancy dedicated to adaptation to climate change	9.1	14,410	20%	0%	100%					Y	-	Y	-	-	-	-	20%		E	-
CapEx of eligible Taxonomy-aligned activities (A.1)		30,159	42%	100%	100%												42%			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of other low carbon technologies	3.6	10,318	14%																	
Engineering activities and related technical consultancy dedicated to adaptation to climate change	9.1	288	0%																	
CapEx of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		10,607	14%																	
Total (A.1 + A.2)		40,785	56%														42%			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
CapEx of non-eligible activities (B)		31,299	44%																	
Total (A + B)		**72,064**	**100%**																	

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities				Substantial contribution criteria						DNSH criteria (Do No Significant Harm)										
Economic activities	Code(s)	Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of OpEx, year N	Taxonomy-aligned proportion of OpEx, year N-1	Category (enabling activity)	Category (transitional activity)
		kSEK	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of other low carbon technologies	3.6	3,874	20%	100%	0%					-	Y	Y	Y	Y	Y	Y	20%		E	-
Engineering activities and related technical consultancy dedicated to adaptation to climate change	9.1	4,682	24%	0%	100%					Y	-	Y	-	-	-	-	24%		E	-
OpEx of eligible Taxonomy-aligned activities (A.1)		8,556	44%	100%	100%												44%			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of other low carbon technologies	3.6	4,263	22%																	
Engineering activities and related technical consultancy dedicated to adaptation to climate change	9.1	130	1%																	
OpEx of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		4,393	23%																	
Total (A.1 + A.2)		12,949	67%														44%			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
OpEx of non-eligible activities (B)		6,341	33%																	
Total (A + B)		**19,290**	**100%**																	

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.

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

Steel is a sustainable alternative to concrete and plastic, and we will continue to use this as an advantage for the environment. The Circular Economy Action Plan for a cleaner and more sustainable world 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 introduced 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 economic 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 2022 on pages 29-47 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 27, 2023
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 2022 financial year.

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

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 May 2, 2022 ViaCon Netherlands B.V. (renamed to ViaCon Bergschenhoek Civiele Techniek B.V.) completed the acquisition of the business from Bergschenhoek Civiele Techniek B.V. related to the product range of MultiPlate, SuperCor, HelCor/Spirosol, and plastic pipes.

The divestment of ViaCon Technologies LLC in Belarus to MIAKOM-SPb. LLC. was completed in September.

Philip Delborn was appointed new Chief Financial Officer (CFO) and started in October.

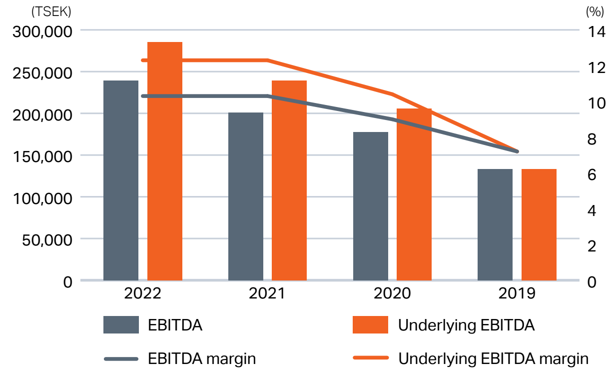
ViaCon has joined the SteelZero initiative, which entails a commitment to 100% net zero steel by 2050.

SALES, EARNINGS AND PROFITABILITY

Net sales for the Group amounted to SEK 2,321,454 thousand (1,946,336), an increase of 19.3 % compared to the corresponding period last year. The acquired operations in Germany in April 2021, the UK in December 2021 and the Netherlands in 2022 have contributed SEK 130.1 thousand to the annual net sales. ViaCon has chosen to leave and divest non-core business with sales of around SEK 91,262 thousand in last year. Adjusted for currency effects, divestments and acquisitions, organic growth was 18.8%.

The Group's operating earnings amounted to SEK 178,094 thousand (143,697), equating to an EBIT margin of 7.7% (7.4). The operating earnings for the year has been positively affected by the strong increase in sales, but also negatively by rising inflation, higher cost structure as well as one-off costs. Non-recurring items that burdened the profit for the period amounted to SEK -46,187 (-38,149) thousand. They are mainly relating to restructuring work and a capital loss of SEK -10,187 thousand from disposal of operations in Belarus.

Above all, the business unit Bridges & Culverts Solutions has contri- buted to the improved operating profit through a strong increase in net sales. There are numerous infrastructure investments around Europe as there is a great need to renew and expand an aging infrastructure in many countries. The business unit GeoTechnical Solution's sales and results was affected by the macroeconomic disturbances, which among other things led to a less favorable sales mix within the business unit. The restructuring of



Multi-year overview

TSEK	2022	2021	2020	2019
Net sales	**2,321,454**	**1,946,336**	**1,970,163**	**1,844,449**
Earnings before depreciation (EBITDA)*	**239,291**	**200,943**	**177,894**	**133,085**
EBITDA margin*	**10.3%**	**10.3%**	**9.0%**	**7.2%**
Items excluded from underlying EBITDA	46,187	38,149	27,629	-
Underlying earnings before depreciation (underlying EBITDA)*	**285,477**	**239,092**	**205,523**	**133,085**
Underlying EBITDA margin*	**12.3%**	**12.3%**	**10.4%**	**7.2%**
Operating earnings EBIT	**178,094**	**143,697**	**125,000**	79,127
EBIT margin	**7.7%**	**7.4%**	**6.3%**	**4.3%**
Items excluded from underlying EBIT	46,187	38,149	27,629	-
Underlying operating earnings (underlying EBIT)*	**224,281**	**181,846**	**152,629**	**79,127**
Underlying EBIT margin*	**9.7%**	**9.3%**	**7.7%**	**4.3%**

**) These alternative performance measures are described in alternative performance measures on page 95 and in definitions on page 96.*

plastic pipe produc tion was completed during the autumn and some run-in problems were experienced with slightly lower volumes and profitability as a result.

The business unit StormWater Solution's operating earnings has been affected by inflation and a higher cost structure linked to the strategic initiatives to build up the business within the business unit.

After adjustment of non-recurring items the underlying earnings before depreciation and amortisation amounted to SEK 285,477 thousand (239,092), which resulted in an underlying EBITDA margin of 12.3% (12.3). Operating earnings amounted to SEK 178,094 thousand (143,697), which equates to an operating margin of 7.7% (7.4). Underlying operating earnings totalled SEK 224,281 thousand (181,846), with an operating margin of 9.7% (9.3).

The Group's net financial items amounted to SEK -183,668 thousand (-194,506). The net effect of exchange differences amounted to SEK -81,125 thousand (-88,437) and the interest net amounted to SEK -97,456 thousand (-102,543), of which interest expenses for lease liabilities were SEK -7,897 thousand (-5,594).

The Group's earnings before tax amounted to SEK -5,574 thousand (-50,809) and tax on earnings for the year was SEK -51,330 thousand (-27,853). The Group's effective tax is high due to the fact that no deferred tax assets are taken into account for the Swedish loss carry forwards. Earnings for the year amounted to SEK -51,330 thousand (-78,662).

CASH FLOW AND INVESTMENTS

Cash flow from operating activities for the year was SEK 104.570 thousand (33.633), of which the cash flow effect of the change in working capital amounted to SEK -16.074 thousand (35.474). The improved cash flow compared to the previous year is partly due to a positive earnings trend, but also to an improved net flow of interest received and paid.

Cash flow from investing activities totalled SEK -80,436 thousand (-186.736), of which investments in intangible and tangible assets amounted to SEK -46.409 thousand (-52.581). The cash flow effects of acquired operations equalled SEK -38.939 thousand (-137.035), net after deductions for acquired cash and cash equivalents. The disposal of the business in Belarus had a negative cash flow effect of SEK -3.691 thousand.

FINANCIAL POSITION

The Group's net debt amounted to SEK 1,017,119 thousand (1,015,038). Adjusted net debt excluding lease liabilities amounted to SEK 905.255 thousand (896.503).

Cash and cash equivalents amounted to SEK 311.890 thousand (199.631). In addition, the Group has undrawn revolving credit facilities of SEK 55.611 thousand (153.753), which meant that cash and cash equivalents available to the Group totalled SEK 367.501 thousand (353.384).

The parent company received a shareholder's contribution of SEK 83.455 thousand in June.

From 30 June 2022, Turkey is deemed to be a hyperinflationary economy and as a consequence reported after remeasurement of hyperinflation. The reporting has not had a material effect on the Group's profitability, liquidity and overall financial position. The net accounting impact is included in Consolidated comprehensive income in line - Remeasurement of hyperinflation.

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.

During late 2021 and in 2022, ViaCon has been affected by disruptions in supply chains, long delivery times and some raw material shortages,as well as all-time-high prices among suppliers, but the situation has now stabilized. We do, however, anticipate continued market volatility and geopolitical uncertainty, which are expected to entail high levels of cost inflation and interest rates. Recent inflation and interest rate rises have caused delays in customers' financing solutions for infrastructure projects, which we deem to be more short-term in nature, although this could have more of an impact on business in the StormWater Solutions business unit, which is privately funded.

Thousands of sustainability projects are underway to strengthen Europe, to rebuild the economy of an entire continent damaged by the Covid-19 crisis. Innovative and sustainable projects in the strategic infrastructure sectors.

We aim to strengthen profitability over time 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. ViaCon can thus become a stronger partner for all stakeholders in society and the company will further advance its position in terms of future solutions in each business unit. The market is continuing to grow in infrastructure throughout Europe and, in addition, ViaCon is taking market share from competing solutions.

OPERATIONAL STRUCTURE

Previously, the management of ViaCon has been employed by ViaCon Holding AB. As from January 2022, all employees of ViaCon Holding AB have had their employment transferred to ViaCon Group AB (publ), which means that in 2022 both the Board and the management of the Group perform its activities from ViaCon Group AB (publ).

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, 2022 was 784 (766). At year-end, the number of employees was 768 (804), 3 of whom have been added by means of the acquisitions in the Netherlands. 14 have left in connection to the disposal of Belarus.

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 further 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. Risk management activity has included additional interventions and mitigating initiatives.

In 2022 we continued to increase 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 continued to measure employee satisfaction through the standard eNPS survey and by using the tool, Winningtemp. By using Winningtemp we facilitate the process of engaging the organisation and identifying improvement actions based on the local survey results.

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, especially concerning the situation in Ukraine. 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. Taxation on non-renewable raw materials and on energy-intensive production processes like steel and plastic carries the risk of increased raw material supplies and production costs which may affect the profitability. 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. There may also be a general supplier risk with poor or limited business continuity plan. However ViaCon performs routine maintenance on production equipment and has strong internal and external support networks in the industry. Further ViaCon also has full insurance cover for down time caused by damage to property. During 2022 ViaCon has established Business Continuity Plan (BCP), including backup plan in progress and new routines keeping critical long lead time spare parts in stock has been implemented to reduce the risk of suspension of operations and property damage.

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. Construction work has also been found to be at risk of disruption by unforeseen weather events like heavy downpours and heat waves that put workers' health and safety at risk. This carries a risk of increased demand for infrastructure that helps societies adapt to the new climate reality of more frequent extreme weather and shifts in seasons can also carry a degree of uncertainty in historical business trends. 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. From January 1, 2023, ViaCon Group AB (publ) will change its accounting currency to euro, which will reduce the currency exposure of primarily financial liabilities.

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 24 – 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 28 – 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 6, section 11, ViaCon has chosen to prepare the sustainability report as a separate report from the annual report. The sustainability report is available on pages 29-47 of this report.

CORPORATE GOVERNANCE

In accordance with the Annual Accounts Act, Chapter 6, section 8, ViaCon has chosen to prepare the corporate governance report as a separate report from the annual report. The corporate governance report is available on pages 97-103 of this report.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

ViaCon Group AB (publ) has decided at an extraordinary general meeting on October 6 to change the accounting currency to euros. The change from Swedish kronor to euros in the parent company takes effect on January 1, 2023. In connection to this, the Group will also change the presentation currency to euro.

Elke Eckstein has been elected as additional new board member of ViaCon Group AB (publ) as of January 1, 2023.

Salomeh Tafazoli will join on May 2, 2023 as Vice President of Bridges & Culverts Solutions. The acting Vice President of Bridges & Culverts Solutions Onur Başar will return to his previous role within the business unit.

Andrzej Rokosz will join on June 5, 2023 as Vice President of GeoTechnical Solutions. Harri Sara will continue in a new role within the business unit.

There were no other significant events to report after the end of the financial year.

PARENT COMPANY

ViaCon Group AB (publ) is the Parent Company of the ViaCon Group with its registered office in Gothenburg, Sweden. The operations comprise of the ViaCon Group's head office with some corporate functions.

Operating earnings in the Parent Company amounted to SEK -53,335 thousand (-3,576) and profit/loss before tax to SEK -139,790 thousand (-93,532). The Parent Company's net debt amounted to SEK 1,167,998 thousand (989,710). Equity amounted to SEK 162,549 thousand (218,884). The parent company received a shareholder's contribution of SEK 83.455 thousand in June. The Parent Company's cash flow amounted to SEK 710 thousand (-50). Cash and cash equivalents amounted to 768 thousand (-) 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 funds advised by FSN Capital. 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 2022, the share capital amounted to SEK 501,000, divided into 50,100 shares.

THE BOARD'S OPINION ON DIVIDENDS

The Board of Directors intend to propose a dividend to the Annual General Meeting amounting to SEK 4,208 thousand . The remaining financial resources will be reinvested in the business of financing the company's long-term strategy.

It is the Board's assessment that the long-term earnings capability of the Parent Company and the Group is secure and that from this perspective the dividend is appropriate. It is further judged that the liquidity of the Parent Company and Group can be maintained at secure levels. The Board's statement in accordance with chapter 18, section 4, of the Swedish Companies Act has been published in a separate document.

APPROPRIATION OF EARNINGS

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

Earnings brought forward	301,838,418
Earnings for the year	-139,790,068
Total	**162,048,350**

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

Board's proposed dividend (SEK 84 per share)	4,208,400
Carried forward	157,839,950
Total	**162,048,350**

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	2022	2021
Net sales	*5, 29*	**2,321,454**	**1,946,336**
Other operating income		17,614	19,533
Total operating income		**2,339,068**	**1,965,869**
Raw materials and consumables used	*6*	-1,352,828	-1,176,419
Personnel costs	*7*	-402,196	-336,005
Depreciation, amortisation and impairment	*8*	-61,197	-57,246
Other external expenses	*9, 10*	-344,753	-252,502
Total operating costs		**-2,160,973**	**-1,822,172**
Operating earnings		**178,094**	**143,697**
Financial income	*11*	46,508	25,900
Financial expenses	*11*	-230,176	-220,406
Net financial items		**-183,668**	**-194,506**
Earnings before tax		**-5,574**	**-50,809**
Tax on earnings for the year	*12*	-45,757	-27,853
Earnings for the year		**-51,330**	**-78,662**
Earnings for the year attributable to			
Equity holders of the parent company		-51,330	-79,683
Non-controlling interests		-	1,021
		-51,330	**-78,662**

Consolidated comprehensive income

TSEK	2022	2021
Earnings for the year	-51,330	-78,662
Items that will not be reclassified to income statement in subsequent periods:		
Remeasurements of defined benefit pension plans, net of tax	1,707	-
Items to be reclassified to income statement in subsequent periods:		
Remeasurement of hyperinflation, net of tax	5,145	-
Exchange differences on translation of foreign operations	86,159	23,941
Exchange differences on loans treated as net investments	-	-585
Exchange differences on hedge instruments of net investments in foreign operations	-40,794	-13,708
Other comprehensive income for the year, net of tax	**52,216**	**9,648**
Total comprehensive income for the year	**886**	**-69,014**
Total comprehensive income attributable to:		
Equity holders of the parent company	886	-72,597
Non-controlling interests	-	3,583
	886	**-69,014**

Consolidated balance sheet

TSEK	Note	31 DEC 2022	31 DEC 2021
ASSETS			
Non-current assets			
Intangible assets			
Capitalised development cost	13	4,444	4,746
Goodwill	13	457,685	409,792
Other intangible assets	13	15,947	5,566
Total intangible assets		**478,075**	**420,104**
Property, plant and equipment			
Land and buildings	14	154,298	153,776
Machinery and plant	14	103,811	77,153
Construction in progress	14	380	351
Equipment and vehicles	14	31,624	23,480
Right-of-use assets	15	107,452	121,315
Total property, plant and equipment		**397,566**	**376,075**
Financial assets			
Deferred tax assets	12	23,101	26,603
Non-current receivables	16	10,962	7,305
Total financial assets		**34,063**	**33,908**
Total non-current assets		**909,704**	**830,087**
Current assets			
Inventories	6	200,635	227,994
Current receivables			
Accounts receivable	17, 24	345,634	276,930
Other current receivables	18	55,709	51,935
Total current receivables		**401,342**	**328,865**
Cash and cash equivalents	20	311,890	199,631
Total current assets		**913,868**	**756,490**
TOTAL ASSETS		**1,823,572**	**1,586,577**

TSEK	Note	31 DEC 2022	31 DEC 2021
EQUITY AND LIABILITIES			
Equity			
Share capital	21	501	501
Other contributed capital	21	435,694	352,239
Other reserves	21	9,283	-36,081
Retained earnings including earnings for the year	21	-409,614	-365,135
Total equity		**35,865**	**-48,476**
Non-current liabilities			
Deferred tax liabilities	12	8,744	10,456
Pension obligations	22	6,990	8,326
Other provisions	23	9,120	7,882
Bond	24	1,083,537	985,465
Liabilities to credit institutions	24	1,674	2,034
Other non-current interest-bearing liabilities	25	89,317	174,253
Total non-current liabilities		**1,199,381**	**1,188,416**
Current liabilities			
Liabilities to credit institutions	24	135,905	28,214
Accounts payables	24	226,429	202,743
Current tax liabilities	12	15,433	5,108
Other current interest-bearing liabilities	25	22,548	23,682
Other current liabilities and accrued expenses	26	188,012	186,889
Total current liabilities		**588,326**	**446,636**
TOTAL EQUITY AND LIABILITIES		**1,823,572**	**1,586,577**

Consolidated statement of changes in equity

		Attributable to parent company shareholders						
TSEK	Note	Share capital	Other contributed capital	Other reserves	Retained earnings incl. earnings for the year	Total	Non-controlling interests	Total equity
Opening balance as of January 1, 2021	*21*	**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**
Comprehensive income								
Earnings for the year					-51,330	-51,330		-51,330
Other comprehensive income net of tax								
Remeasurements of defined benefit pension plans, net of tax					1,707	1,707		1,707
Remeasurement of hyperinflation, net of tax					5,145	5,145		5,145
Exchange differences on translation of foreign operations				86,159		86,159		86,159
Exchange differences on hedge instruments of net investments in foreign operations				-40,794		-40,794		-40,794
Total comprehensive income		**-**	**-**	**45,364**	**-44,479**	**886**	**-**	**886**
Transactions with shareholders								
Shareholders' contribution			83,455			83,455		83,455
Total transactions with shareholders		**-**	**83,455**	**-**	**-**	**83,455**	**-**	**83,455**
Closing balance as of December 31, 2022	*21*	**501**	**435,694**	**9,283**	**-409,614**	**35,865**	**-**	**35,865**

Consolidated cash flow statement

TSEK	Note	2022	2021
Operating activities			
Earnings after financial items		-5,574	-50,809
Adjustments for items not included in cash flow	*19*	167,126	93,149
Taxes paid		-40,908	-44,181
Cash flow from operating activities before changes in working capital		**120,644**	**-1,841**
Cash flow from changes in working capital			
Increase (-)/ Decrease (+) in inventories		50,476	-27,766
Increase (-)/ Decrease (+) in accounts receivable		-47,243	61,000
Increase (+)/ Decrease (-) in accounts payables		-1,659	-11,716
Change in other current receivables and liabilities		-17,648	13,956
Cash flow from operating activities		**104,570**	**33,633**
Investing activities			
Acquisition of property, plant and equipment and intangible assets		-46,409	-52,581
Acquisition of subsidiaries	*2*	-38,939	-137,035
Disposal of subsidiaries	*2*	-3,691	-
Divestment of property, plant and equipment		8,603	2,880
Cash flow from investing activities		**-80,436**	**-186,736**
Financing activities			
Proceeds from borrowings		194,899	1,010,262
Repayment of borrowings		-90,322	-848,397
Transactions with non-controlling interests	*2*	-	-1,496
Dividend to non-controlling interests		-	-1,750
Paid group contributions		-438	-426
Repayment of lease liabilitites		-35,457	-34,465
Cash flow from financing activities		**68,682**	**123,728**
Net increase/decrease in cash		**92,816**	**-29,375**
Reconciliation of cash and cash equivalents			
Cash and cash equivalents as of beginning of the financial year		199,631	244,760
Cash flow for the year		92,816	-29,375
Exchange-rate difference in cash and cash equivalents		19,444	-15,754
Cash and cash equivalents at year-end	*20*	**311,890**	**199,631**

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.

This annual report and these consolidated financial statements were approved for publication by the Board on April 25, 2023 and will be presented to the Annual General Meeting of shareholders on May 16, 2023.

The Group consists of the following entities:

			Ownership %	
Entity	Corporate ID	Country	2022	2021
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 International AB	556619-6159	Sweden	100	100
ViaCon AB	556620-7519	Sweden	100	100
ViaCon Production AB	556457-4472	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 0000093391	Poland	100	100
Geotex Sp. z o.o.	KRS 0000098901	Poland	100	100
Elikopol BK Sp. z o.o.	KRS 0000143544	Poland	100	100
ViaCon ČR s.r.o.	25910434	Czech Republic	100	100
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 LLC	190778183	Belarus	-	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	100
ViaCon Bergschenhoek Civiele Techniek B.V.	85471453	Netherlands	100	-
ViaCon (United Kingdom) Limited	02173337	United Kingdom	100	100
Tubosider CSP Limited	02073382	United Kingdom	100	100

NOTE 2
BUSINESS COMBINATIONS

Changes in the composition of the Group 2022

On May 2, 2022 the Group acquired, via its wholly-owned company ViaCon Netherlands B.V. (renamed to ViaCon Bergschenhoek Civiele Techniek B.V.) the business from Bergschenhoek Civiele Techniek B.V. related to the product range of MultiPlate, SuperCor, HelCor/Spirosol, and plastic pipes. The acquisition further strengthens ViaCon's market leading position in Europe for corrugated steel-based infrastructure solutions.

The purchase price totalled EUR 3,700 thousand (SEK 38,939 thousand). The purchase price for the acquisition was higher than the book values for the net assets, which means that the acquisition gave rise to goodwill, which can mainly be attributed to future new markets, synergies and profitability.

Acquisition-related costs totalled SEK 1,915 thousand and have been recognised as other external expenses and included under non-recurring items.

The Dutch acquired operations contributed net sales of SEK 28,258 thousand and earnings after tax of SEK -0.376 thousand for the period May 2 to December 31, 2022. The Dutch net sales for the period January to December, 2022 amounted to SEK 39,147 thousand.

	2022
Purchase price	
Purchase consideration	38,939
Total cost of the acquisition	**38,939**
Acquired assets and liabilities at fair value	
Non-current assets	12,965
Deferred tax assets	-
Current assets	6,307
Total fair value of acquired net assets	**19,272**
Goodwill	19,667
Cash flow effect from acquisitions	
Purchase consideration	-38,939
Acquired cash and cash equivalents	-
Change in cash and cash equivalents due to aqcuisitions	**-38,939**

Divestments

On December 16, 2021, ViaCon entered into an agreement to divest its operations in Belarus to MIAKOM-SPb, LLC.. The transaction was planned to be completed by the end of April 2022, but due to delayed approval from the Belarusian Ministry of Trade and Antimonopoly Regulation, the divestiture was postponed and completed in September 2022.

The disposal of the company resulted in a capital loss reported as other external expenses of SEK -10,187 thousand of which the translation reserve amounted to SEK -341 thousand. The cost is also included under non-recurring items.

The purchase price totalled EUR 135 thousand, corresponding to SEK 1,468 thousand. According to the agreement, the purchase price is not paid in cash but is set off against supplier debts to the buyer. The business in Belarus contributed net sales of SEK 4,425 thousand and earnings after tax of SEK -195 thousand for the period January to August 2022.

	2022
Divested assets and liabilities	
Non-current assets	1,891
Inventories	932
Accounts receivable and other current receivables	6,493
Cash and cash equivalents	3,691
Accounts payable and other current liabilities	-1,731
Total fair value of divested net assets	**11,276**
Cash flow effect from disposals	
Purchase price received	1,468
Purchase price offset against liabilities to the buyer	-1,468
Cash and cash equivalents in the disposed business	-3,691
Change in cash and cash equivalents due to disposals	**-3,691**

The divestment of the company will not have any significant long-term impact on the group's turnover, as the company's annual turnover corresponds to approximately 0.8% of the group's.

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

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

	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 1,376 thousand, corresponding to SEK 14,377 thousand, of the remaining German purchase price was paid in May, 2022. Acquisition-related costs totalled SEK 11,123 thousand and have been recognised as other costs and included under non-recurring items.

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. was 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 was paid in May 2022.

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.

No new or revised accounting standards or interpretations effective from January 1, 2022 have materially affected the Group's financial statements.

For the first time, the Group applies IAS 29 - Financial reporting in hyperinflationary economies.

New accounting standards and interpretations that have been published and are effective from 2023 and later are not considered to have a material impact on the Group's financial statements.

The Parent Company's functional currency is Swedish kronor, which is also the Group's reporting currency. All amounts, unless otherwise stated, are rounded to the nearest thousands. The data in parenthesis refer to the previous year. Some figures are rounded, and amounts might not always appear to match when added up.

Accounting policy	Note		IFRS Standard
Company acquisitions	*2*	Business Combinations	IFRS 3, IFRS 5
Operating Segments	*4*	Segment reporting	IFRS 8
Other Comprehensive Income	*21*	Equity	IAS 29, 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 29, IAS 36, IAS 38
Tangible assets	*14*	Property, plant and equipment	IAS 16, IAS 29, IAS 36
Right-of-use assets	*15*	Right-of-use assets	IFRS 16
Inventories	*6*	Raw material and consumables used	IAS 2
Accounts receivable	*17,24*	Accounts receivable, Financial instruments and financial risks	IAS 32, IFRS 7, IFRS 9, IFRS 16
Accounts payable	*24*	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*	Financial instruments and financial risks	IAS 32, IAS 37, IFRS 7, IFRS 9, IFRS 13
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
Assessment 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*	Raw material and consumables used
Valuation of accounts receivable	*17*	Accounts receivable
Legal risks, compensation demands	*23, 28*	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	
	2022	2021	2022	2021
BYN	3.66	3.38	4.13	3.54
CZK	0.43	0.40	0.46	0.41
DKK	1.43	1.41	1.50	1.38
EUR	10.63	10.14	11.12	10.25
GBP	12.46	11.80	12.54	12.20
HUF	0.03	0.03	0.03	0.03
LTL	3.08	2.94	3.22	2.97
NOK	1.05	1.00	1.06	1.03
PLN	2.27	2.22	2.38	2.23
RON	2.15	2.06	2.25	2.07
RUB	-	0.12	-	0.12
TRY *	0.56	0.99	0.56	0.67
USD	10.11	8.57	10.43	9.05

** Closing rate is stated as average rate.*

Remeasurement for hyperinflation

Subsidiaries in countries that are classified as hyperinflationary economies according to IAS 29 - Financial reporting in hyperinflationary economies, are accounted for in the Group's financial statements after remeasurement for hyperinflation. From 30 June 2022, Turkey is deemed to be a hyperinflationary economy and as a consequence IAS 29 has been applied to ViaCon Group's Turkish business since 1 January 2022.

To reflect changes in purchasing power at the balance sheet date the carrying amounts of non-monetary assets and liabilities, shareholders' equity and comprehensive income at subsidiaries in hyperinflationary economies are restated in terms of the measuring unit current at the balance sheet date. These are indexed using a general price index in accordance with IAS 29. The Turkish subsidiary's financial statements are based on a historical cost approach and have been restated retrospectively in order to reflect the current purchasing power of their functional currency, the Turkish lira. The comparative amounts of the previous reporting period were not restated.

The restatements have been made based on the Consumer Price Index (CPI) with base period 2005. The index at the end of the year was 9,86 and has increased by 156% and 64% on a 3-year and 12-month cumulative rate respectively.
The application of the standard does not have a material effect on the Group's profitability, liquidity and overall financial position. The net accounting impact is included in Consolidated comprehensive income in line – Remeasurement of hyperinflation.

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.

NOTE 4
SEGMENT REPORTING

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.

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 segments' operative working capital include directly attributable items together with such items that can be reliably allocated to the respective segment.

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

	Bridges & Culverts Solutions		GeoTechnical Solutions		StormWater Solutions		Not allocated items IFRS16		ViaCon Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net sales	**878,586**	**675,021**	**1,073,805**	**992,504**	**369,063**	**278,811**	**-**	**-**	**2,321,454**	**1,946,336**
Earnings before depreciation (EBITDA)	**128,508**	**68,491**	**57,990**	**78,109**	**25,301**	**27,943**	**27,491**	**26,400**	**239,291**	**200,943**
EBITDA margin	**14.6%**	**10.1%**	**5.4%**	**7.9%**	**6.9%**	**10.0%**			**10.3%**	**10.3%**
Non-recurring items excluded from underlying EBITDA	28,398	16,211	10,820	16,062	6,968	5,876	-	-	46,187	38,149
Underlying earnings before depreciation (underlying EBITDA)	**156,906**	**84,702**	**68,811**	**94,171**	**32,269**	**33,819**	**27,491**	**26,400**	**285,478**	**239,092**
Underlying EBITDA margin	**17.9%**	**12.5%**	**6.4%**	**9.5%**	**8.7%**	**12.1%**			**12.3%**	**12.3%**
Depreciation, amortisation and impairment	-17,162	-17,051	-8,620	-9,607	-11,845	-9,164	-23,569	-21,424	-61,197	-57,246
Operating earnings (EBIT)	**111,346**	**51,440**	**49,370**	**68,502**	**13,456**	**18,779**	**3,922**	**4,976**	**178,094**	**143,697**
EBIT margin	**12.7%**	**7.6%**	**4.6%**	**6.9%**	**3.6%**	**6.7%**			**7.7%**	**7.4%**
Non-recurring items excluded from underlying EBIT	28,398	16,211	10,820	16,062	6,968	5,876	-	-	46,187	38,149
Underlying operating earnings (EBIT)	**139,744**	**67,651**	**60,191**	**84,564**	**20,424**	**24,655**	**3,922**	**4,976**	**224,281**	**181,846**
Underlying EBIT margin	**15.9%**	**10.0%**	**5.6%**	**8.5%**	**5.5%**	**8.8%**			**9.7%**	**9.3%**
Non-recurring items										
Implemention new strategy and restructuring	9,462	7,715	5,361	8,877	3,508	1,317	-	-	18,331	17,909
Capital efficiency	3,665	1,727	1,867	3,741	1,551	730	-	-	7,083	6,198
Acquisition	1,465	6,752	405	1,000	494	3,371	-	-	2,364	11,123
Divestment	10,187	-	-	-	-	-	-	-	10,187	-
Other	3,620	17	3,187	2,444	1,415	458	-	-	8,222	2,919
Total non-recurring items	**28,399**	**16,211**	**10,820**	**16,062**	**6,968**	**5,876**	**-**	**-**	**46,187**	**38,149**
Other disclosures										
Operating working capital assets	224,069	172,964	213,359	226,969	134,469	128,260	-	-	571,897	528,193
Operating working capital liabilities	-100,453	-45,035	-109,675	-124,452	-39,156	-50,375	-	-	-249,284	-219,862
Operating working capital (OPWC)	**123,616**	**127,930**	**103,685**	**102,517**	**95,313**	**77,884**	**-**	**-**	**322,613**	**308,331**

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, acquisition and disposal costs.

Reporting of non-current assets by geographical region

	2022	2021
Sweden	29,557	28,942
Nordic (excl. Sweden)	26,369	24,267
Baltic	99,527	94,693
Eastern Europe	131,303	119,858
Western Europe	131,201	118,628
Total	**417,956**	**386,387**

Non-current assets include intangible and tangible assets excluding goodwill.

NOTE 5
REVENUE

The Group offers a broad assortment of products and solutions to infrastructure industry. Most customers are public 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.

Transaction price is determined on performance obligations. An agreement can include different performance obligations, the transaction price is then separated to each performance obligation. If the selling price is not identifiable an estimated price is based on expected cost and profit margin. Estimations of revenue, costs and degree of completion is revised if circum-stances are changed.

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 geographical 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 21.3% (23.5). 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.

	2022	2021
Sweden	271,434	206,954
Nordic (excl. Sweden)	299,020	249,422
Baltic	382,426	388,794
Eastern Europe	912,491	824,036
Western Europe	430,183	267,295
Other	25,899	9,835
Total	**2,321,454**	**1,946,336**

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 2022	31 DEC 2021
Account receivables	345,634	276,930
Contract assets, current	17,275	14,438
Contract assets, non-current	7,341	5,259
Contract liabilities	22,855	17,119

Revenue reported during 2022 includes contract liabilities from 2021 amounted to 17 119 TSEK (20 846). Reported contract liabilities per closing day 2022 amounted to 22 855 TSEK and is expected to be reported as revenue during 2023.

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 24 - Financial insturments and financial risks 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
RAW MATERIAL AND CONSUMABLES USED

Raw material and consumables used

	2022	2021
Purchase of goods and changes in inventories	-1,351,042	-1,176,993
Write-down of inventories	-1,787	573
Total	**-1,352,828**	**-1,176,419**

Inventories

	31 DEC 2022	31 DEC 2021
Raw materials and consumables	57,813	74,345
Work in progress	17,304	22,263
Own produced finished goods	22,785	22,602
Goods purchased for resale	102,733	108,784
Total	**200,635**	**227,994**
Of which value adjustment reserve:	-16,563	-17,575

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	
	2022	2021	2022	2021
ViaCon Group AB (publ)/ViaCon Holding AB	**10**	**7**	**40%**	**44%**
Subsidiaries				
Sweden other than parent company	48	53	22%	15%
Nordic countries other than Sweden	44	44	24%	28%
Baltic countries	121	126	19%	18%
Poland	259	272	18%	16%
Eastern Europe other than Poland	174	187	23%	23%
Western Europe	127	75	18%	18%
Other	2	2	50%	50%
Total	**784**	**766**	**20%**	**20%**

Gender distribution of Board members and Senior executives

	Number of people		Of whom women	
	2022	2021	2022	2021
Board of Directors	6	6	17%	17%
Senior executives	8	7	0%	14%

Salaries, other remunerations and social security expenses

	Salaries and remuneration		Social security expense	
	2022	2021	2022	2021
ViaCon Group AB (publ)/ViaCon Holding AB	-27,570	-26,222	-15,890	-13,616
of which pension costs			-5,406	-4,133
Subsidiaries	-292,073	-239,957	-57,425	-48,998
of which pension costs			-12,399	-9,933
Total salaries, other remunerations and social security expenses	**-319,644**	**-266,179**	**-73,315**	**-62,614**
of which pension costs			-17,805	-14,066

Previously, the management of ViaCon has been employed by ViaCon Holding AB. As from January 2022, all employees of ViaCon Holding AB have had their employment transferred to the Parent Company ViaCon Group AB (publ), which means that in 2022 both the Board and the executive management of the Group perform its activities from 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). Remuneration to the Board is recognised in ViaCon Holding AB for the whole of 2021.

Remuneration to the Board of Directors, for the period during which they have been elected, were a total of SEK 1,200 thousand (908). The Chairman 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 2022, this group has expanded to a total of eight people from October 2022. 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 Group 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 5,907 thousand (5,479) for the year. Other senior executives received a base salary totalling SEK 12,929 thousand (10,896) for the year. For 2022, the President and CEO earned variable remuneration of SEK 3,060 thousand (4,326). Other senior executives earned variable remuneration totalling SEK 3,943 thousand (6,459).

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

	2022					2021				
	Remuneration/ basic salary	Variable remuneration	Other benefits	Pension	Total	Remuneration/ basic salary	Variable remuneration	Other benefits	Pension	Total
ViaCon Group AB (publ)/ViaCon Holding AB										
The Board										
Patrik Nolåker	-500	-	-	-	-500	-500	-	-	-	-500
Krzysztof Andrulewicz	-350	-	-	-	-350	-350	-	-	-	-350
Niclas Thiel	-	-	-	-	-	-	-	-	-	-
Ulrik Smith	-	-	-	-	-	-	-	-	-	-
Moritz Madlener	-	-	-	-	-	-	-	-	-	-
Gunilla Spongh*	-350	-	-	-	-350	-58	-	-	-	-58
Total to the Board	**-1200**	**-**	**-**	**-**	**-1200**	**-908**	**-**	**-**	**-**	**-908**
Senior executives										
Stefan Nordström, President and CEO	-5,907	-3,060	-3	-2,120	-11,091	-5,479	-4,326	-3	-1,924	-11,732
Other senior executives	-12,929	-3,943	-614	-2,202	-19,688	-10,896	-6,459	-540	-2,240	-20,135
Total to Senior executives	**-18,836**	**-7,003**	**-617**	**-4,322**	**-30,779**	**-16,375**	**-10,785**	**-543**	**-4,164**	**-31,867**
Total remuneration	**-20,036**	**-7,003**	**-617**	**-4,322**	**-31,979**	**-17,283**	**-10,785**	**-543**	**-4,164**	**-32,775**

** Previous year's amount 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:

	2022	2021
Amortisation and impairment intangible assets	-4,132	-2,492
Depreciation and impairment property, plant and equipment	-29,798	-27,679
Depreciation and impairment right-of-use assets	-27,267	-27,075
Total depreciation, amortisation and impairment	**-61,197**	**-57,246**

NOTE 9
OTHER EXTERNAL EXPENSES

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

	2022	2021
Rentals, short term	-7,544	-5,409
Other costs related to premises	-41,020	-25,267
Maintenance of equipment, tools and fittings etc	-57,128	-40,146
Selling and distribution costs	-99,338	-72,717
Administrative costs	-101,890	-89,337
Membership, insurance, license and guarantee costs	-17,733	-7,456
Capital losses upon sales of fixed assets	-1,125	-483
Bad debts	-3,470	-408
Loss from sales of shares in subsidiaries	-10,143	-
Other	-5,362	-11,279
Total other external expenses	**-344,753**	**-252,502**

NOTE 10
AUDIT FEES

The audit fees are included in Other external expenses.

Audit fees from EY

	2022	2021
Audit fees	-4,274	-3,879
Audit-related fees	-1,079	-1,770
Fees for tax services	-50	-35
Fees for other services	-41	-4
Total fees from EY	**-5,444**	**-5,688**

Audit fees from other audit firms

	2022	2021
Audit fees	-647	-63
Audit-related fees	-73	-130
Fees for tax services	-101	-98
Fees for other services	-39	-6
Total fees from other audit firms	**-859**	**-297**

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

	2022	2021
Exchange rate gains	15,788	9,894
Interest income	30,607	15,590
Other financial income	113	416
Total financial income	**46,508**	**25,900**

Financial expenses

	2022	2021
Exchange rate losses	-96,913	-98,331
Interest expenses to related parties	-3,484	-81,034
Interest expenses	-116,682	-31,505
Interest expenses related to lease liabilities	-7,897	-5,594
Other financial expenses	-5,200	-3,942
Total financial expenses	**-230,176**	**-220,406**

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

	2022	2021
Profit/(loss) before tax	**-5,574**	**-50,809**
Expected income taxes according to income tax rate in Sweden, 20,6%	1,148	10,467
Adjustment of current income tax from previous years	571	2,689
Deferred tax assets not recognised current year [1]	-36,121	-27,752
Effect of reduced valuation allowance [1]	955	676
Non-deductible expenses [2]	-26,868	-24,634
Non-taxable income	12,532	2,486
Effect of other tax rates outside Sweden	5,168	4,917
Effect due to change in tax rates	116	-42
Other	-3,258	3,340
Tax income/expense recognised in the consolidated statement of comprehensive income	**-45,757**	**-27,853**

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

[2] *The non-deductible expenses includes non-deductible interest expenses, and loss on sale of subsidiaries.*

Tax reported in the Group income statement and balance sheet

	2022	2021
Current tax	-48,968	-34,556
Deferred tax	3,211	6,703
Total tax on earnings for the year	**-45,757**	**-27,853**
Prepaid tax (included in other receivables)	6,286	3,528
Current tax liabilities (-)	-15,433	-5,108
Total (net) tax payable December 31	**-9,147**	**-1,580**

Tax reported in other comprehensive income

	2022	2021
Pensions	-952	-33
Hyperinflation	-800	-
Exchange differences on loans treated as net investments	-	121
Exchange differences on hedge instruments of net investments in foreign operations	-3,459	3,459
Income tax on other comprehensive income	**-5,211**	**3,547**
Tax income/(expense) reported directly in equity		
Transaction costs	-	-
Income tax reported directly in equity	**-**	**-**

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

Deferred tax receivables include SEK 7,228 thousand, which refers to loss carry-forwards for the German tax group with parent company ViaCon Germany GmbH. The loss has arisen during the last two financial years and mainly relates to costs for integrating the busioness after the acquisition in 2021.

For the companies UAB Viacon Baltic and UAB Baltic Pipe in Lithuania, deferred tax receivables relating to loss carry-forwards totaling SEK 3,034 thousand are included and have arisen in connection with restructuring of plastic pipe production.

The tax losses carried-forwards in both countries have no maturity date and the group has assessed that they will be able to be utilized from future taxable surpluses.

Deferred tax liabilities/ deferred tax assets

	31 DEC 2022	31 DEC 2021
Non-current assets and liabilities		
Intangible assets	-703	245
Tangible fixed assets	-8,465	-9,663
Pensions	11	1,897
Other non-current items	755	4,758
Total non-current assets and liabilities	**-8,402**	**-2,763**
Current assets and liabilities		
Inventory	2,165	2,746
Liabilities	6,164	5,029
Trade receivables	1,993	2,338
Other current items	1,835	1,850
Total current assets and liabilities	**12,157**	**11,963**
Tax losses carried forward	86,356	47,640
Of which assets not recognised (valuation allowance)	-75,754	-40,693
Net recognised deferred tax assets	**14,357**	**16,147**
Of which deferred tax assets	23,101	26,603
Of which deferred tax liabilities (-)	-8,744	-10,456
Net recognised deferred tax assets	**14,357**	**16,147**

Tax losses carried forward

	Sweden	Lithuania	Other	2022	2021
Current year + 1 year	-	-	1,307	1,307	11,842
Current year + 2 years	-	-	804	804	1,365
Current year + 3 years	-	-	795	795	746
Current year + 4 years	-	-	3	3	3
Current year + 5 years or later	-	-	543	543	452
No due date	362,245	20,231	23,245	405,721	210,288
Total tax loss carried forward	**362,245**	**20,231**	**26,697**	**409,173**	**224,696**
On which deferred tax assets have not been recognised	-362,245	-	-4,429	-366,674	-194,932
Total tax loss on which deferred tax assets have been recognised	**0**	**20,231**	**22,268**	**42,499**	**29,764**

Changes in net deferred taxes

	2022	2021
Opening balance	16,147	7,157
Recognised in profit and loss	3,211	6,703
Recognised as other comprehensive income	-5,211	3,547
Acquistions and disposals	-	427
Translation differences	210	-1,687
As of December 31	**14,357**	**16,147**
Of which deferred tax assets	23,101	26,603
Of which deferred tax liabilities (-)	-8,744	-10,456

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, 2021	**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	-	-	-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**
Reclassifications	-	-	2,316	2,316
Additions, acquisition of subsidiaries	-	19,667	10,627	30,294
Additions, other	520	-	2,049	2,569
Derecognition	-	-	-303	-303
Translation differences and remeasurement of hyperinflation	370	28,226	1,924	30,521
Balance at December 31, 2022	**9,214**	**457,685**	**32,333**	**499,231**
Accumulated deprecation and impairment				
Balance at January 1, 2021	**-3,162**	**-**	**-11,646**	**-14,808**
Amortisations	-379	-	-2,113	-2,492
Derecognition	-	-	3,822	3,822
Translation differences	-36	-	-216	-252
Balance at December 31, 2021	**-3,577**	**-**	**-10,153**	**-13,730**
Reclassifications	-	-	-2,316	-2,316
Amortisations	-1,016	-	-3,116	-4,132
Derecognition	-	-	294	294
Translation differences and remeasurement of hyperinflation	-177	-	-1,096	-1,272
Balance at December 31, 2022	**-4,770**	**-**	**-16,386**	**-21,156**
Carrying value December 31, 2021	**4,746**	**409,792**	**5,566**	**420,104**
Carrying value December 31, 2022	**4,444**	**457,685**	**15,947**	**478,075**

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 457,685 thousand (409,792). The goodwill is distributed to the Group's business areas as follows: Bridges & Culverts Solutions SEK 240,601 thousand (210,527), GeoTechnical Solutions SEK 126,935 thousand (115,098) and StormWater Solutions SEK 90,149 thousand (84,167).

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 2.5% (2.0). The forecasted cash flow has been calculated at present value using the following discount rates per business areas: Bridges & Culverts Solutions 8.8% (12.0) GeoTechnical Solutions 9.7% (8.8) and StormWater Solutions 8.8% (7.2).

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, Sweden and Finland. For GeoTechnical Solutions, it is the operations in Lithuania, Poland and Sweden that make up the majority. StormWater Solutions consists mostly of operations in France and United Kingdom. In both 2022 and 2021, 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 when indicators exists.

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 SEK 457,685 thousand (409,792) as of the end of 2022 and 2021, 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, 2021	**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**
Reclassifications	2,428	10,187	-	1,858	14,474
Additions, acquisition of subsidiaries	-	2,338	-	-	2,338
Additions, other	1,345	29,674	-	12,820	43,840
Disposals	-2,875	-2,895	-	-5,671	-11,441
Translation differences and remeasurement of hyperinflation	14,126	27,179	29	3,574	44,908
Balance at December 31, 2022	**233,209**	**247,875**	**380**	**63,518**	**544,982**
Accumulated deprecation and impairment					
Balance at January 1 2021	**-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**
Reclassifications	-	-9,596	-	1,353	-8,243
Disposals	1,272	-62	-	3,511	4,721
Depreciations	-10,632	-12,223	-	-6,943	-29,798
Translation differences and remeasurement of hyperinflation	-5,142	-17,944	-	-2,359	-25,446
Balance at December 31, 2022	**-78,911**	**-144,063**	**-**	**-31,893**	**-254,868**
Carrying value December 31, 2021	**153,776**	**77,153**	**351**	**23,480**	**254,760**
Carrying value December 31, 2022	**154,298**	**103,811**	**380**	**31,624**	**290,114**

ACCOUNTING POLICIES

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

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

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

The carrying amount for a tangible fixed asset is derecognised from the balance sheet upon its disposal or divestment, or when no future economic benefits are expected from its use. Profit from the divestment or disposal consists of the selling price and carrying amount of the asset less direct selling expenses. This is recognised as other operating income/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 2022 or per 31 December 2021.

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, 2021	**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**
Reclassifications	-	-12,516	-1,959	-	-14,474
Additions, other	5,752	1,315	5,489	234	12,789
Disposals	-8,143	-766	-4,021	-77	-13,007
Translation differences	7,140	578	1,412	46	9,177
Balance at December 31, 2022	**125,948**	**6,532**	**25,410**	**725**	**158,615**
Accumulated deprecation and impairment					
Balance at January 1 2021	**-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
Translation differences	259	-145	37	-1	150
Balance at December 31, 2021	**-24,788**	**-7,766**	**-10,173**	**-88**	**-42,815**
Reclassifications	-	6,153	2,090	-	8,243
Disposals	8,013	766	3,916	77	12,772
Depreciations	-18,477	-2,093	-6,511	-186	-27,267
Translation differences	-1,165	-303	-616	-12	-2,097
Balance at December 31, 2022	**-36,417**	**-3,242**	**-11,295**	**-209**	**-51,163**
Carrying value December 31, 2021	**96,411**	**10,155**	**14,315**	**434**	**121,315**
Carrying value December 31, 2022	**89,531**	**3,290**	**14,115**	**516**	**107,452**

Lease liabilities

	31 DEC 2022	31 DEC 2021
Long-term interest-bearing lease liabilities	90,452	94,853
Current interest-bearing lease liabilities	21,412	23,682
Total interest-bearing lease liabilitites	**111,864**	**118,535**

Amounts related to leases recognised in the income statement

	2022	2021
Depreciation expense of right-of-use assets	-27,267	-27,075
Interest expense on lease liablitities	-7,897	-5,594
Expenses related to short-term leases, variable lease payments not included in lease liabilities and low value asset leases	-12,731	-10,400
Total lease expenses	**-47,894**	**-43,069**

The total cash flow for leases in 2022 amounts to SEK 51,167 thousand (50,515).

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 2022	31 DEC 2021
Deposits	3,621	2,055
Contract assets	12,177	9,716
Provision for impairment of contract assets	-4,836	-4,466
Total non-current receivables	**10,962**	**7,305**

Total amount of provision for impairment of contract assets refers to a specific long-term contract asset.

NOTE 17
ACCOUNTS RECEIVABLE

	31 DEC 2022	31 DEC 2021
Accounts receivable gross	362,667	300,429
Provision for bad debt	-17,033	-23,499
Accounts receivable, net	**345,634**	**276,930**

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. For more information about accounts receivables, see Note 24-Financial instruments and financial risks.

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 2022	31 DEC 2021
Contract assets	17,275	14,438
Prepayments to suppliers	8,352	8,831
VAT receivables	10,197	9,122
Prepaid expenses and accrued income	7,967	6,682
Other receivables	11,916	12,862
Total other current receivables	**55,709**	**51,935**

NOTE 19
CASH FLOW

Adjustments for items not included in cash flow

	2022	2021
Depreciation of non-current assets	61,197	57,246
Net exchange rate gains/ losses	77,287	92,104
Net financial items	26,116	-50,820
Gains and losses on sale of tangible assets	-3,219	-3,565
Gains and losses on sale of subsidiaries	10,149	-
Impairment of inventory	-2,158	-2,232
Other	-2,246	416
Total	**167,126**	**93,149**

Interest paid and received

	2022	2021
Interest paid	-105,965	-169,538
Interest received	31,857	11,915

NOTE 20
CASH AND CASH EQUIVALENTS

	31 DEC 2022	31 DEC 2021
Cash and bank deposits	311,890	198,193
Restricted cash	-	1,438
Total cash and cash equivalents	**311,890**	**199,631**

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, 2022, consists of 50,100 common A-shares, with quotient value per share of SEK 10. All shares are fully paid for. No change in the number of shares took place during the year.

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 2022, the Group's total equity amounted to SEK 35,865 thousand (-48,476).

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.

Retained earnings
Retained earnings comprises earnings for the year and preceding years as well as remeasurements of defined benefit pension plans. Retained earnings also include remeasurements of hyperinflation.

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 3.8% (0.96) and a pay increase of 3.0% (1.35).

For the German defined-benefit pension plan, the following assumptions are used as a basis for the valuation of the obligation at year-end: a discount rate of 3.7% (1.15) and a pay increase of 2.5% (1.0).

Pension expense for the year

	2022	2021
Defined benefit expense	-374	-293
Defined contribution expense	-14,301	-13,773
Total pension expense	**-14,675**	**-14,066**

Defined benefit assets and liabilities

	31 DEC 2022	31 DEC 2021
Present value of defined benefit obligations	7,660	8,901
Fair value of the plan assets	-670	-575
Net benefit obligations	**6,990**	**8,326**

Pension obligations

	31 DEC 2022	31 DEC 2021
France	1,278	1,217
Germany	4,391	6,306
Other	1,321	803
Total net defined pension obligations	**6,990**	**8,326**

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 2022

	Warranty provisions	Other provisions	Total non-current provisions
Opening balance January 1, 2022	7,506	376	7,882
Additions	2,373	207	2,580
Used (amount charged against provision)	-1,521	-310	-1,830
Unused amounts reversed	-54	-74	-128
Translation differences	586	30	616
Total provisions December 31, 2022	**8,891**	**229**	**9,120**

Changes in provisions in 2021

	Warranty provisions	Other provisions	Total non-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**

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. For more information about contingent liabilities, see Note 28 - Contingent liabilities.

NOTE 24
FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

Net debt

	31 DEC 2022	31 DEC 2021
Non-current interest-bearing liabilities	-1,174,527	-1,161,752
Provision for pensions	-6,990	-8,326
Current interest-bearing liabilities	-158,453	-51,896
Financial interest-bearing receivables	10,962	7,305
Cash and cash equivalents	311,890	199,631
Net debt (-)	**-1,017,118**	**-1,015,038**

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 2021, ViaCon established its own cash pool and in November 2021 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 facility 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 2021. In addition, the Group has a new financing agreement with a total credit line of EUR 24 million, of which EUR 15 million can be used as loans and the remainder for bank guarantees. The credit is associated with certain terms, known as covenants. All covenants were fulfilled at the end of the year.

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, 2022	Total	Within 1 year	1-2 years	2-3 years	3-4 years	More than 4 years
Bond	1,405,864	96,758	97,764	1,211,342	-	-
Liabilities to credit institutions	137,623	137,041	582	-	-	-
Lease liability	142,385	28,801	22,719	17,436	14,814	58,616
Accounts payable	226,429	226,429	-	-	-	-
Total	**1,912,302**	**489,028**	**121,065**	**1,228,778**	**14,814**	**58,616**

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 -3,470 thousand (-408) in 2022.

Changes in provision for doubtful accounts receivable

	2022	2021
Balance at January 1	-23,499	-26,547
Additions	-5,372	-2,169
Reversals	14,403	4,035
Write-offs	-216	4,012
Changes due to business combinations	-	-2,742
Translation difference	-2,349	-88
Balance at December 31	**-17,033**	**-23,499**

For information about the age distribution of accounts receivable, see below. Accounts receivable amounted to SEK 345,634 thousand (276,930) and included provisions for doubtful accounts receivable of SEK 17,033 thousand (23,499).

Aging analysis accounts receivable, December 31, 2022

	Total	Not due	< 30d	30-60d	60-90d	>90d
Accounts receivables	362,667	241,906	64,414	13,104	8,370	34,872
Provision for bad debt	-17,033	-363	-769	-	-451	-15,449
Total accounts receivable, net	**345,634**	**241,543**	**63,645**	**13,104**	**7,918**	**19,423**

Aging analysis accounts receivable, December 31, 2021

	Total	Not due	< 30d	30-60d	60-90d	>90d
Accounts receivable	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**

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, the greatest currency risk is in the parent company, which holds both the bond loan denominated in euros and liabilities to credit institutions in euros. This foreign exchange risk ceases in the coming years when the parent company changes functional currency to euro.

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 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 43 million (50) 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 -37,335 thousand (-17,264) and was recognised in equity via other comprehensive income. The accumulated effect reported in equity via other comprehensive income amounted to SEK -54,502 thousand (-13,708). The effectiveness of the hedge is evaluated when concluding the hedging relationship. The hedged item and the hedging instrument are evaluated on an ongoing basis to ensure that the ratio meets the requirements for hedge accounting. No ineffectiveness has affected the income statement for 2022 or 2021.

Bond and liabilities to credit institutions per currency

	Currency	Nominal amount in respective currency (thousands)	31 DEC 2022
Bond	EUR	100,000	1,083,537
Non-current bank loans	EUR	150	1,674
Current bank loans	EUR	10,000	111,222
Current bank loans	TRY	41,545	23,144
Bank overdrafts	GBP	122.775	1,540
Total			**1,221,116**

Interest rate risk

The exposure to market rates is continuously monitored by the Group's Treasury function. The direct interest rate risk is primarily linked to EURIBOR for the ViaCon Group. If interest rates on borrowing had been 1% higher or lower in 2022 with all other variables remaining constant, profit before tax for the financial year would have been SEK 11,865 thousand (10,455) lower or higher. The impact from cash and cash equivalents is immaterial.

Financial derivatives

At year-end 2022 and 2021, the Group had no outstanding forward currency contracts or interest swaps.

Financial assets

	31 DEC 2022	31 DEC 2021
Non-current receivables	10,962	7,305
Accounts receivable	345,634	276,930
Contract assets, current	17,275	14,438
Cash and cash equivalents	311,890	199,631
Total financial assets*	**685,761**	**498,304**

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

Financial liabilities

	31 DEC 2022	31 DEC 2021
Non-current interest-bearing liabilities	1,174,527	1,161,752
Current interest-bearing liabilities	158,453	51,896
Accounts payable	226,429	202,743
Contract liabilities, current	22,855	17,119
Total financial liabilities*	**1,582,264**	**1,433,510**

**All financial liabilities 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. The carrying amount of other financial liabilities is estimated to correspond to fair value.

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.

Non-current interest-bearing liabilities include corporate bonds of EUR 100,000 thousand (100,000). In June 2022, the loan from RI Holding AS, Norway, to ViaCon Group AB (publ) of NOK 79,400 thousand was settled against a received shareholder contribution. In November 2021, ViaCon issued senior secured bonds of EUR 100 million. The bonds mature in 2025 and the interest on the bond loan was set at EURIBOR +6.25%. The carrying amount of the bonds on December 31, 2022 amounted to SEK 1,083,537 thousand (985,465) and the fair value was SEK 928,035 thousand (1,014,768).

In the short-term interest-bearing liabilities, EUR 10,000 thousand (0) corresponding to SEK 111,222 thousand (0) was utilized at year-end within the existing financing agreement. The interest rate in 2022 was set at EURIBOR +3.25% given the current leverage ratio for the period.

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.

Changes in liabilities arising from financing activities

	31 DEC 2021	Cash flows	Non-cash changes: Change capitalised transaction costs	Non-cash changes: Translation differences	Non-cash changes: Other changes[1]	31 DEC 2022
Bonds	985,465	-	10,123	87,949	-	1,083,537
Liabilities to credit institutions	30,248	104,577	-	2,754	-	137,579
Lease liabilities	118,535	-21,841	-	7,274	7,896	111,864
Other interest-bearing liabilities	79,400	-	-	-352	-79,048	-
Total	**1,213,648**	**82,735**	**10,123**	**97,625**	**-71,152**	**1,332,979**

	31 DEC 2020	Cash flows	Non-cash changes: Change capitalised transaction costs	Non-cash changes: Translation differences	Non-cash changes: Other changes[1]	31 DEC 2021
Bonds	-	968,201	-	17,264	-	985,465
Liabilities to credit institutions	27,606	5,541	-	-6,570	3,671	30,248
Lease liabilities	73,311	39,295	-	335	5,594	118,535
Other interest-bearing liabilities	1,092,379	-813,874	-	49,395	-248,500	79,400
Total	**1,193,296**	**199,163**	**-**	**60,425**	**-239,236**	**1,213,648**

1) The column Other changes includes the effect of accrued but not yet paid interes on interest-bearing liabilities. Other changes also include the effect of liability to the parent company that has been converted into shareholder contribution. Other changes of liabilities to credit institutions in 2021 relate to acquisition of subsidiaries.

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. Interest-bearing liabilities are 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.

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 2022 and 2021 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 2022 and 2021, there were no financial assets and liabilities recognised at fair value.

NOTE 25
OTHER INTEREST-BEARING LIABILITIES

	31 DEC 2022	31 DEC 2021
Lease liability	111,864	118,535
Non-current interest-bearing liabilities to related parties	-	79,400
Total other interest-bearing liabilites	**111,864**	**197,935**
whereof:		
Current liabilites	**22,548**	**23,682**
Non-current liabilites	**89,317**	**174,253**

NOTE 26
OTHER CURRENT LIABILITIES

	31 DEC 2022	31 DEC 2021
Accrued expenses and prepaid income	17,814	12,136
Accrued salary, bonus and holiday pay	75,222	64,672
Contract liability	22,855	17,119
Personnel related liabilities	14,495	14,555
VAT liabilities	29,896	21,554
Liabilities to related party	582	1,627
Other current liabilities	27,149	55,226
Total other current liabilities	**188,012**	**186,889**

NOTE 27
PLEDGED ASSETS

As collateral for the bond and the new credit agreement the Group pledged its shares in all material subsidiaries, which are also jointly and severally liable for payment (guarantors). The guarantor's aggregated EBITDA shall not represent less than 80% of consolidated EBITDA of the Group.

The calculation of the value of pledged shares as per December 31, 2022 amounted to SEK 1,307,392 thousand (1,194,615).

The following companies are guarantors:

ViaCon Holding 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 PLN 50,000 thousand (30,000), corresponding to SEK 118,809 thousand (66,893) as collateral for bank guarantees.

NOTE 28
CONTINGENT LIABILITIES

	31 DEC 2022	31 DEC 2021
Guarantees	78,954	23,237
Total	**78,954**	**23,237**

The guarantees refers to issued credit guarantees to customer and other stakeholders.

In 2022, guarantees amounting to SEK 34 414 thousand have been moved from previous credit agreement within the Saferoad group where ViaCon was an underlying party.

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 29

TRANSACTIONS WITH RELATED PARTIES

Related companies refer to companies owned by ViaCon's ultimate parent company SRH BridgeCo AS. It primarily concerns companies within the Saferoad group, a sister group to ViaCon.

Sales of goods, services and other

	2022	2021
Related companies	2,876	4,960

Purchase of goods, services and other

	2022	2021
Related companies	-136	-4,046

Financial income

	2022	2021
Related companies	-	-

Financial expense

	2022	2021
Related companies	-3,484	-81,034

Balance sheet

	Receivables		Liabilities	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Related companies	62	167	3,373	88,815

For more information about Related companies, see Note 1 - General Information.
For more information about compensation to the Board and Senior executives, see Note 7 - Employees, employee benefit expenses and remuneration to the Board of Directors.

NOTE 30

EVENTS AFTER BALANCE SHEET DATE

ViaCon Group AB (publ) has decided at an extraordinary general meeting on October 6 to change the accounting currency to euros. The change from Swedish kronor to euros in the parent company takes effect on January 1, 2023. In connection to this, the Group will also change the presentation currency to euro.

Elke Eckstein has been elected as additional new board member of ViaCon Group AB (publ) as of January 1, 2023.

Salomeh Tafazoli will join on May 2, 2023 as Vice President of Bridges & Culverts Solutions. The acting Vice President of Bridges & Culverts Solutions Onur Başar will return to his previous role within the business unit.

Andrzej Rokosz will join on June 5, 2023 as Vice President of GeoTechnical Solutions. Harri Sara will continue in a new role within the business unit.

There were no other significant events to report after the end of the financial year.

Parent company's income statement

TSEK	Note	2022	2021
Net sales		-	-
Other operating income	15	86,214	-
Total operating income		**86,214**	**-**
Personnel costs	2	-44,249	-
Depreciation, amortisation and impairment	7	-165	-
Other external expenses	3, 4,15	-95,135	-3,576
Operating earnings		**-53,335**	**-3,576**
Dividend	5	100,000	-
Financial income	5	523	-
Financial expenses	5	-197,981	-89,956
Net financial items		**-97,458**	**-89,956**
Group contribution		11,003	-
Earnings before tax		**-139,790**	**-93,532**
Tax on earnings for the year	6	-	-
Earnings for the year		**-139,790**	**-93,532**

Parent company's comprehensive income

TSEK	2022	2021
Earnings for the year	-139,790	-93,532
Other comprehensive income	-	-
Total compehensive income for the year	**-139,790**	**-93,532**

Parent company's balance sheet

TSEK	Note	31 DEC 2022	31 DEC 2021
ASSETS			
Non-current assets			
Property, plant and equipment	7	508	-
Participations in group companies	8	1,220,749	1,220,749
Other non-current receivables		2,136	-
Total non-current assets		**1,223,392**	**1,220,749**
Current assets			
Current receivables from group companies		163,493	57,909
Other current receivables		7,291	979
Prepaid expenses and accrued income		3,847	4,462
Cash and cash equivalents		768	-
Total current assets		**175,399**	**63,350**
TOTAL ASSETS		**1,398,791**	**1,284,099**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	9	501	501
Total restricted equity		**501**	**501**
Non-restricted equity			
Share premium reserve		103,739	103,739
Retained earnings		198,099	208,176
Earnings for the year		-139,790	-93,532
Total non-restricted equity		**162,048**	**218,383**
Total equity		**162,549**	**218,884**
Non-current liabilities			
Pension obligations		2,654	-
Bond	10	1,083,537	968,201
Non-current liabilities to parent company		-	79,400
Total non-current liabilities		**1,086,191**	**1,047,601**
Current liabilities			
Liabilities to credit institution		111,222	-
Accounts payables		2,720	1,315
Current liabilities to group companies		1,634	1,032
Tax liabilities		0	332
Other current liabilities		1,597	18
Accrued expenses and prepaid income	11	32,877	14,917
Total current liabilities		**150,050**	**17,614**
TOTAL EQUITY AND LIABILITIES		**1,398,791**	**1,284,099**

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, 2021		**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	*9*	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**
Comprehensive income					
Earnings for the year				-139,790	-139,790
Total comprehensive income		**-**	**-**	**-139,790**	**-139,790**
Transactions with shareholders					
Shareholders' contribution				83,455	83,455
Total transactions with shareholders		**-**	**-**	**83,455**	**83,455**
Closing balance as of December 31, 2022		**501**	**103,739**	**58,309**	**162,549**

Parent company's cash flow statement

TSEK	Note	2022	2021
Operating activities			
Earnings after financial items		-150,793	-93,532
Adjustments for items not included in cash flow	*14*	40,206	51,510
Taxes paid		-	-
Cash flow from operating activities before changes in working capital		**-110,587**	**-42,022**
Cash flow from changes in working capital			
Change in other current receivables		-32,309	-5,441
Change in other current liabilities		7,828	-35,135
Cash flow from operating activities		**-135,068**	**-82,598**
Investing activities			
Acquisition of property, plant and equipment		-672	-
Cash flow from investing activities		**-672**	**-**
Financing activities			
Proceeds from borrowings		159,704	951,409
Repayment of borrowings		-54,670	-822,561
Change in cash pool		31,416	-
Paid group contribution		-	-46,300
Cash flow from financing activities		**136,450**	**82,548**
Net increase/decrease in cash		**710**	**-50**
Reconciliation of cash and cash equivalents			
Cash and cash equivalents as of beginning of the financial year		-	50
Cash flow for the year		710	-50
Exchange-rate difference in cash and cash equivalents		58	-
Cash and cash equivalents at year-end		**768**	**-**

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 IFRS/IAS in their consolidated financial statements shall, as a rule, also apply the same IFRS/IAS. 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.

According to RFR 2, the provisions in IAS 19 that concern defined benefit pension plans do not need to be applied in legal entities. However, information shall be provided regarding applicable parts of IAS 19. RFR 2 refers to the Swedish Pension Obligations Vesting Act for regulations regarding recognition of provisions for retirement benefits and similar obligations and the recognition of plan assets in pension funds.

IFRS 16 "Leases" is not applied in the Parent Company, which means that all payments relating to leases are expensed in the income statement on a straight-line basis over the lease period.

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 has previously applied hedging of net investments in euros and thus the total bond loan has not been revalued at current exchange rates. Due to the company changing its accounting currency from Swedish kronor to euros as of January 1, 2023, the company has chosen to no longer apply hedge accounting of net investment at the end of 2022 and has thus taken into account the entire revaluation of the corporate bond in the parent company.

NOTE 2
EMPLOYEES, EMPLOYEE BENEFIT EXPENSES AND REMUNERATION

Salaries, other remunerations and social security expenses

	Salaries and remuneration		Social security expense	
	2022	2021	2022	2021
ViaCon Group AB (publ)	-27,570	-	-15,890	-
of which pension costs			-5,406	-

See the Group's Note 7 - Employees, employee benefit expenses and remuneration to the Board of Directors, for information on remuneration to the Board and President as well as gender distribution of Board members and senior executives.

Average number of employees

	Number of people		Of whom women	
	2022	2021	2022	2021
ViaCon Group AB (publ)	10	-	40%	-

NOTE 3
AUDIT FEES

The audit fees are included in Other external expenses.

Audit fees from EY

	2022	2021
Audit fees	-1,025	-839
Audit-related fees	-200	-
Fees for tax services	-15	-
Fees for other services	-	-
Total fees	**-1,240**	**-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 4
LEASING COMMITMENTS

Investment commitments

The Parent Company leases premises, vehicles and office equipment as operating leases. Future lease payments fall due as follow:

	2022	2021
Within 1 year	-1,808	-
Between 1 and 5 years	-1,979	-
Later than 5 years	-	-
Total	**-3,787**	**-**
Lease fees charged to expenses for the year	-1,981	-

NOTE 5
FINANCIAL INCOME AND EXPENSES

Financial income

	2022	2021
Dividend	100,000	-
Interest income to related parties	521	-
Interest income	2	-
Total financial income	**100,523**	**-**

Financial expenses

	2022	2021
Exchange rate losses	-107,393	-40,331
Interest expenses to related parties	-4,844	-37,520
Interest expenses	-85,194	-12,105
Other financial expenses	-550	-
Total financial expenses	**-197,981**	**-89,956**

NOTE 6
INCOME TAX

Reconciliation effective rate of tax

	2022	2021
Earnings before tax	**-139,790**	**-93,532**
Expected income taxe rate for the parent company, 20,6%	28,797	19,268
Deferred tax assets not recognised current year	-30,777	-9,045
Non-taxable income, dividend	20,600	-
Non-deductible expenses [1]	-18,620	-10,223
Tax for the year	**0**	**0**

1) The non-deductible expenses includes non-deductible interest expenses.

NOTE 7
PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Equipment and vehicles	Total
Acquisition cost			
Balance at December 31, 2021	-	-	-
Additions, other	250	423	673
Balance at December 31, 2022	**250**	**423**	**673**
Accumulated deprecation and impairment			
Balance at December 31, 2021	-	-	-
Depreciations	-65	-100	-165
Balance at December 31, 2022	**-65**	**-100**	**-165**
Carrying value December 31, 2021	**-**	**-**	**-**
Carrying value December 31, 2022	**185**	**323**	**508**

NOTE 8
ACCUMULATED ACQUISITION VALUES

	2022	2021
Balance at January 1	1,220,749	585,862
Acquisition	-	-
Shareholders' contribution	-	634,887
Balance at December 31	**1,220,749**	**1,220,749**

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

NOTE 9
NUMBER OF SHARES AND QUOTIANT VALUE

	31 DEC 2022	31 DEC 2021
Number of A-shares	50,100	50,100
Quotient value (SEK)	10	10

NOTE 10
FINANCIAL LIABILITIES

The parent company issued senior secured bonds of EUR 100 million in November 2021, and due in November 2025. The bond is recognized at amortised cost and the carrying amount on December 31, 2022 amounted to SEK 1,083,537 thousand and the fair value was SEK 928,035 thousand.

The parent company has previously applied hedging of net investments in euros and thus the total bond loan has not been revalued at current exchange rates. Due to the company changing its accounting currency from Swedish kronor to euros as of January 1, 2023, the company has chosen to no longer apply hedge accounting of net investment at the end of 2022 and has thus taken into account the entire revaluation of the corporate bond in the parent company. The revaluation effect in the parent company amounted to SEK 61,029 thousand.

NOTE 11
ACCRUED EXPENSES AND PREPAID INCOME

	31 DEC 2022	31 DEC 2021
Accrued interest	14,465	10,144
Accrued salary, bonus and holiday pay	14,092	-
Other accrued expenses	4,320	4,773
Total accrued expenses and prepaid income	**32,877**	**14,917**

NOTE 12
PROPOSED APPROPRIATION OF EARNINGS

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

	31 DEC 2022
Earnings brought forward	301,838,418
Earnings for the year	-139,790,068
Total	**162,048,350**

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

Board's proposed dividend (SEK 84 per share)	4,208,400
Carried forward	157,839,950
Total	**162,048,350**

NOTE 13
PLEDGED ASSETS AND CONTINGENT LIABILITIES

	31 DEC 2022	31 DEC 2021
Pledged assets	-	-
Contingent liabilities	50	-

For further information on pledged assets for the bond and credit agreement, see the Group's Note 27 - Pledged assets.

NOTE 14
CASH FLOW

Adjustments for items not included in cash flow

	2022	2021
Depreciation of non-current assets	165	-
Net exchange rate gains/ losses	110,758	40,335
Dividend	-100,000	-
Borrowing costs	11,830	1,743
Interest	4,321	9,432
Other	13,132	-
Total	**40,206**	**51,510**

NOTE 15
TRANSACTIONS WITH RELATED PARTIES

The Parent Company's sales to Group companies amounted to SEK 83,857 thousand (-) and purchases amounted to SEK 48,276 thousand (-). For transactions with related parties regarding interest expenses, see Parent Company's Note 5 - Financial income and expenses.

Remuneration to senior executives is shown in the Parent Company's Note 2 - Employees, employee benefit expenses and remuneration and for remuneration to the Board of Directors refer to the Group's Note 7 - Employees, employee benefit expenses and remuneration to the Board of Directors.

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 certify that the annual report for the Group and the Parent company has been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted for use in the European Union, and generally accepted accounting principles respectively, and gives a true and fair view of the financial positions and results of the Group and the Parent company, and that the Board of Directors' report gives a fair review of the development of the operations, financial positions and results of the Group and the Parent company and describes substantial risks and uncertainties that the Group companies face.

Gothenburg April 25, 2023

PATRIK NOLÅKER
Chair of the Board

KRZYSZTOF ANDRULEWICZ
Board member

ELKE ECKSTEIN
Board member

MORITZ MADLENER
Board member

ULRIK SMITH
Board member

GUNILLA SPONGH
Board member

NICLAS THIEL
Board member

STEFAN NORDSTRÖM
President and CEO

Our auditor's report was signed
on April 27, 2023
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 year 2022. The annual accounts and consolidated accounts of the company are included on pages 48-91 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 2022 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 2022 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.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

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. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters
Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of goodwill
Description
As of 31 December 2022, book value of goodwill amounts to 457 685 TSEK, which corresponds to 25% of the Group's total assets. Impairment test of goodwill is performed annually, as well as whenever impairment indicators have been identified. The recoverable amount is determined for each cash-generating unit through means of a calculation of net present value of future cash flows. Future cash flows are based on management's business plans and forecasts and includes various assumptions such as development in earnings, growth, investment needs and discount rates.

Changes to the assumptions could have a major impact on the calculation of the recoverable amount and the assumptions applied by the company are thus important to the assessment as to whether an impairment is present. We have thus determined valuation of goodwill to represent a key audit matter for the group.

A description of goodwill and the impairment tests is included in note 13.

How our audit addressed this key audit matter
Our audit procedures for evaluating the Group's impairment testing have included:

- evaluation of the Group's model and assumptions. The evaluation has included whether the model has been prepared according to generally accepted valuation techniques, as well as the appropriateness of applied discount rates and assumptions compared to comparable companies;
- testing of the executive management's sensitivity analysis, as well as conducting an independent sensitivity test of key assumptions in order to identify whether a reasonable future change in these might lead to an impairment requirement;
- assessment of the reasonableness of future cash flows against the adopted budget, forecast and business plan, as well as other information received following discussion with the executive management and a review of the minutes of board meetings and other management meetings;
- evaluation of the executive management's accuracy in estimating future cashflows by comparing historical forecasts against outcomes; and
- evaluation of whether the executive management has provided the necessary information in the Annual Report as at 31 December 2022.

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 2-47. 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 intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

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.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

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 year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) 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.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed auditor of ViaCon Group AB (publ) by the general meeting of the shareholders on the 12 May 2022 and has been the company's auditor since the 3 March 2020.

Gothenburg April 27, 2023
Ernst & Young AB

Staffan Landén
Authorized Public Accountant

ALTERNATIVE PERFORMANCE MEASURES (APM)

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.

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, acquisition and disposal costs.

Earnings before depreciation (EBITDA)

TSEK	2022	2021
Net sales	**2,321,454**	**1,946,336**
Operating earnings (EBIT)	**178,094**	**143,697**
Depreciation, amortisation and impairment	61,197	57,246
Earnings before depreciation (EBITDA)	**239,291**	**200,943**
EBITDA margin	**10.3%**	**10.3%**

Consolidated adjusted income statement

TSEK	2022	2021
Net sales	**2,321,454**	**1,946,336**
Earnings before depreciation (EBITDA)	**239,291**	**200,943**
Items excluded from underlying EBITDA	46,187	38,149
Underlying earnings before depreciation (underlying EBITDA)	**285,477**	**239,092**
Underlying EBITDA margin	**12.3%**	**12.3%**
Operating earnings (EBIT)	**178,094**	**143,697**
Items excluded from underlying EBIT	46,187	38,149
Underlying operating earnings (underlying EBIT)	**224,281**	**181,846**
Underlying EBIT margin	**9.7%**	**9.3%**
Non-recurring items		
Implemention new strategy and restructuring	18,331	17,909
Capital efficiency	7,083	6,198
Acquisition	2,364	11,123
Divestment	10,187	-
Other	8,222	2,919
Total non-recurring items	**46,187**	**38,149**

Operating working capital

TSEK	31 DEC 2022	31 DEC 2021
Inventories	200,635	227,994
Accounts receivable	345,634	276,930
Contract assets (note 18)	17,275	14,438
Prepayment to suppliers (note 18)	8,352	8,831
Accounts payable	-226,429	-202,743
Contract liabilities (note 26)	-22,855	-17,119
Operating working capital (OPWC)	**322,613**	**308,331**

Consolidated liquidity

TSEK	31 DEC 2022	31 DEC 2021
Cash and cash equivalents	311,890	199,631
Undrawn credit facilities*	55,611	153,753
Total liquidity	**367,501**	**353,384**

** Undrawn revolving credit facility of MEUR 5 (MEUR 15)*

Consolidated adjusted net debt composition

TSEK	31 DEC 2022	31 DEC 2021
Net debt (-)	-1,017,119	-1,015,038
Less interest-bearing liabilities attributable to lease liabilities	111,864	118,535
Adjusted net debt (-), excluding lease liabilities	**-905,255**	**-896,503**

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.

Operating working capital (OPWC)
Inventories, accounts receivable, and contract assets less prepayment to suppliers, accounts payable, and contract 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 measures are adjusted IFRS measures defined, calculated and used in a consistent and transparent manner over time and across the Group where relevant.

Earnings before depreciation and amortisation (EBITDA)
EBITDA is operating result before depreciation and amortisation of tangible and intangible assets.

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.

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

Operating working capital
Operating working capital include directly attributable items together with such items that can be reliably allocated to the respective segment. The items consist of inventories, accounts receivable, and contract assets less prepayment to suppliers, accounts payable, and contract liabilities.

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, Norway. 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.
During 2022, ViaCon Group has been operationally managed from ViaCon Group AB (publ), where the Board and management have conducted their activities during the year. The company complies with Nasdaq Stockholm's regulations for issuers of 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 discharge from liability to 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 2023

The Annual General Meeting of ViaCon AB (publ) will be held on Thursday May 16 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.

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 100 - Board of Directors.

COMPOSITION OF THE BOARD OF DIRECTORS IN 2022

The table below shows an overview of the composition of the Board of Directors for the full year 2022. The Board of Directors conducted its activities from ViaCon Group AB (publ). Elke Eckstein has been elected as additional new board member of ViaCon Group AB (publ) as of January 1, 2023. The Board of Directors is presented in more detail on page 100 of this corporate governance report.

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	Oct 2022
Philip Delborn	Deputy	Oct 2022	

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

BOARD MEETINGS IN 2022

Attendance at Board meetings in 2022.

Name of Board member	Present/Total number of meetings ViaCon Group AB (publ)
Patrik Nolåker	11/11
Ulrik Smith	10/11
Niclas Thiel	11/11
Moritz Madlener	11/11
Krzysztof Andrulewicz	10/11
Gunilla Spongh	11/11

EVALUATION OF THE BOARD'S WORK IN 2022

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 2022, 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 2022

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 reviews 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:

- This year's board meetings had a strong focus on the war in Ukraine and its impact on ViaCon and its markets. The emphasis was on securing ViaCon's resilience and flexibility in these challenging times.
- Development of ViaCon's strategic plan was also high on the agenda with future growth and increased profitability as priority areas.
- During the year, an acquisition and a divestment were made that support ViaCon's strategic priorities.
- The Board of Directors continuously monitored the integration of acquisitions made during the year.

AUDIT COMMITTEE

For the financial year 2022, the Board of Directors of ViaCon has not established a separate Audit Committee, but the Board of Directors as a whole performs the duties of the Audit Committee. 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 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 101 – Executive management.

REMUNERATION TO BOARD MEMBERS AND SENIOR EXECUTIVES

Remuneration to Board members

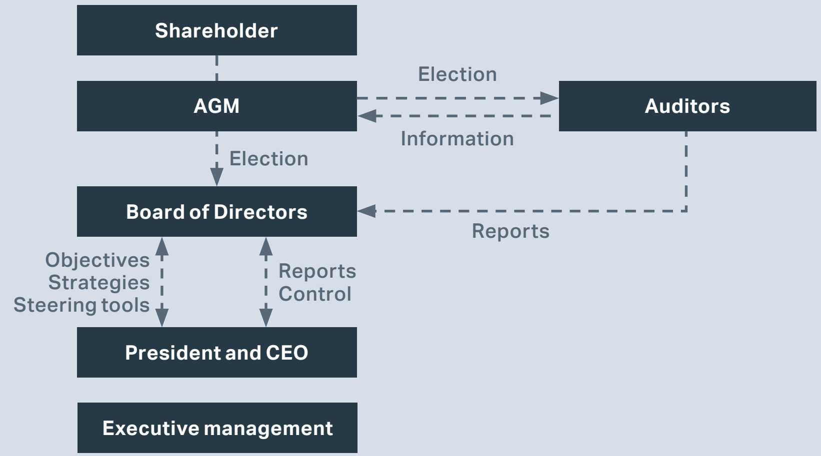
Fees and other remuneration to Board members elected by the Annual General Meeting are approved by the Annual General Meeting. It has been resolved that a fixed annual fee shall be paid to the Board of Directors of SEK 1,200,000 from the annual general meeting to the next annual general meeting, of which 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 1,200,000 (908,333). The company's Board members are not entitled to any benefits after they resign as members of the 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	ELKE ECKSTEIN	MORITZ MADLENER	ULRIK SMITH	GUNILLA SPONGH	NICLAS THIEL
							
	Chairman of the Board	Board member	Board member	Board member	Board member	Board member	Board member
Elected *)	September 2021	September 2021	January 2023	September 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	Degree in electrical engineering	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, CEO PM Group Poland	Executive management positions (CEO/COO) in Enics Group, Siemens, Altis Sc., AMD, Osram and Weidmüller	Goldman Sachs, USA	McKinsey & Company, Citigroup, Venturepark, Goldman Sachs	CFO Preem AB, International Business Director and CFO Mekonomen Group	Bain Capital Private Equity, Investor AB and Carnegie Investment Bank
Born	1963	1968	1964	1993	1976	1966	1982
Nationality	Swedish	Polish	German	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, iMPREG Group (CIPP Holding ApS) and OptiGroup	Consultancy services for Aldesa, Poland	Board member of Jenoptik, KK Wind, Saferoad, BE Semiconductor and U-Blox	Associate at FSN Capital Partners and Board member of Saferoad Holding AS	Co-Managing Partner at FSN Capital. Board member of Saferoad Holding AS and Mørenot Group (Holding Cage AS)	Chairman of the Board of Bluefish Pharmaceuticals, and Board member of AQ Group, Byggmax Group, Consivo Group, Lernia, Meds Apotek, Momentum Group, Pierce Group, Optigroup and Systemair	Principal at FSN Capital Partners. Board member of OptiGroup Holding AB, Saferoad Holding AS, Holmbers Second Holding AB

*) *Date of joining refers to the board of ViaCon Group AB (publ). Parts of the board have previously been active on the board of ViaCon Holding AB.*

Executive management

	STEFAN NORDSTRÖM	PHILIP DELBORN	LARS JONSSON	MATTIAS HAKERÖD	JOHAN HENRIKSSON	ONUR BAŞAR	HARRI SARA	HANS GSCHIRR
								
Current position	Chief Executive Officer	Chief Financial Officer	Chief Operating Officer	Chief Human Resources and Sustainability Officer	Senior Director Business Develop-ment	Acting Vice President, Bridges & Culverts Solutions Business Unit	Vice President, GeoTechnical Solutions Business Unit	Vice President, StormWater Solutions Business Unit
Employed since	2019	2022	2020	2020	2022	2022	2020	2021
Education	M.Sc. in Mechanical Engineering, MBA	B.Sc. in Business and Economics	Basic Law and Personnel Manage-ment	B.Sc. in Human Resources and B.Sc. in International Workinglife	Civil engineering, M.Sc. in Industrial Engineering and Management, M.Sc. in Management and Economics of Innovation	B.Sc. in Civil Engineering	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	Business Area Manager at Unilabs, CFO at GHP Specialty Care AB	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.	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.	Manager Capacent/ Management consultancy company, various experience from M&A, Strategy, PMO, NOWC, Production and Supply Chain	9 years in ViaCon Group as Regional Director ViaCon South East Europe and MENA. Region GM for ViaCon Turkey, Technical Manager for Astaldi S.p.A. and Project Manager for Siemens Health-ineers	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	1975	1965	1974	1986	1980	1977	1966
Nationality	Swedish	Swedish	Swedish	Swedish	Swedish	Turkish	Finnish	German

EXECUTIVE MANAGEMENT

During the first nine months of 2022, group 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. In October, the management team was expanded with one person, Senior Director Business Development, to a total of eight members. 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. In 2022, 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 controls. 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 have performed the obligations of the Audit Committee 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 targets or established norms, such as valuations of inventories and other significant assets. 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 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.

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 autumn, 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. The auditor attends at least one Board meeting a year in accordance with the formal work plan of the audit committee. In the autumn an early warning review of the 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 during January-March. Aside from the audit engagement, in 2022 ViaCon primarily consulted EY on issues relating to tax and accounting. The remuneration paid to EY in 2022 is shown in Note 10 on page 68. 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 25, 2023

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 2022 on pages 97-103 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 27, 2023

Ernst & Young AB

Staffan Landén
Authorized Public Accountant

Contact

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This report is a translation of the Swedish original and in the event of inconsistency or discrepancy between the English and Swedish version of this publication, the Swedish version shall prevail.