PROSPECTUS

Saferoad Holding ASA

(A public limited company incorporated under the laws of Norway)

Initial public offering of shares with an indicative price range of NOK 45 to NOK 60 per share

Listing of the Company's shares on the Oslo Stock Exchange

This prospectus (the "**Prospectus**") has been prepared in connection with the initial public offering (the "**Offering**") of shares of Saferoad Holding ASA (the "**Company**", and together with its consolidated subsidiaries, "**Saferoad**" or the "**Group**"), a public limited company incorporated under the laws of Norway, and the related listing (the "**Listing**") of the Company's shares, each with a nominal value of NOK 0.10 (the "**Shares**") on Oslo Børs, a stock exchange operated by Oslo Børs ASA (the "**Oslo Stock Exchange**"). The Offering comprises new shares to be issued by the Company to raise gross proceeds in the amount of approximately NOK 1,400 million (the "**New Shares**"). The New Shares and, unless the context indicates otherwise, the Additional Shares (as defined below), are referred to herein as the "**Offer Shares**".

The Offering consists of: (i) a private placement to (a) investors in Norway, (b) investors outside Norway and the United States of America (the "**U.S.**" or the "**United States**"), subject to applicable exemptions from the prospectus requirements, and (c) "qualified institutional buyers" ("**QIBs**") in the United States as defined in Rule 144A ("**Rule 144A**") under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") (the "**Institutional Offering**") and (ii) a retail offering to the public in Norway (the "**Retail Offering**"). All offers and sales outside the United States will be made in compliance with Regulation S under the U.S. Securities Act ("**Regulation S**"). In addition, the Company's sole shareholder Cidron Triangle S.à r.l. (the "**Existing Shareholder**") is expected to grant Carnegie, on behalf of the Managers (as defined below), an option to purchase additional Shares (the "**Additional Shares**"), equalling up to approximately 15% of the final number of New Shares sold in the Offering, exercisable, in whole or in part, within a 30-day period commencing at the time at which trading in the Shares commences on the Oslo Stock Exchange, expected to be on or about 24 May 2017, to cover any over-allotments made in connection with the Offering on the terms and subject to the conditions described in this Prospectus (the "**Over-Allotment Option**"). Assuming the Over-Allotment Option is exercised in full, the Offering will amount to up to 35,777,778 Offer Shares. The Company will not receive any of the proceeds from the sale of the Additional Shares, if any.

The price (the "**Offer Price**") at which the Offer Shares are expected to be sold is indicatively set to be between NOK 45 and NOK 60 per Offer Share (the "**Indicative Price Range**"). The final Offer Price may be set within, below or above the Indicative Price Range. The Offer Price will be determined through a bookbuilding process and will be set by the Company and the Existing Shareholder in consultation with the Managers (as defined below). See Section 19 "The Terms of the Offering" for further information on how the Offer Price is set. The Offer Price, and the number of Offer Shares sold in the Offering, is expected to be announced through a stock exchange notice on or about 22 May 2017 at around 21:00 hours (Central European Time, "**CET**"). The offer period for the Institutional Offering (the "**Bookbuilding Period**") will commence at 09:00 hours (CET) on 11 May 2017 and close at 14:00 hours (CET) on 22 May 2017. The application period for the Retail Offering (the "**Application Period**") will commence at 09:00 hours (CET) on 11 May 2017 and close at 12:00 hours (CET) on 22 May 2017. The Bookbuilding Period and the Application Period may be shortened or extended beyond the set times by the Company and the Existing Shareholder, in consultation with the Managers, but will in no event be shortened to expire prior to 16:30 hours (CET) on 19 May 2017 or extended beyond 14:00 hours (CET) on 2 June 2017.

Two cornerstone investors, Nordea Investment Management and Handelsbanken Fonder (collectively, the "**Cornerstone Investors**") have, subject to certain conditions, committed to acquire shares in the Offering for a total of NOK 250 million. Following the Offering, based on the Offer Price being set within the Indicative Price Range, Nordea Investment Management will hold between 5.8% and 6.5% of the outstanding Shares in the Company, while Handelsbanken Fonder will hold between 3.8% and 4.3% of the outstanding Shares in the Company.

The Shares are, and the New Shares will be, registered in the Norwegian Central Securities Depository (the "**VPS**") in book-entry form. All Shares will rank in parity with one another and carry one vote per Share. Except where the context otherwise requires, references in this Prospectus to the Shares will be deemed to include the Offer Shares.

Investing in the Offer Shares involves a high degree of risk. Prospective investors should read the entire document and, in particular, consider Section 2 "Risk factors" beginning on page 12 when considering an investment in the Company.

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold: (i) in the United States only to persons who are QIBs in reliance on an exemption from the registration requirements under the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S. The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. See Section 20 "Selling and transfer restrictions".

Prior to the Offering, the Shares have not been publicly traded. The Company will on or about 10 May 2017 apply for the Shares to be admitted for trading and listing on the Oslo Stock Exchange, and completion of the Offering is subject to the approval of the listing application by the board of directors of the Oslo Stock Exchange.

The Company currently expects commencement of trading in the Shares on the Oslo Stock Exchange on or around 24 May 2017. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

The due date for the payment of the Offer Shares is expected to be on or about 24 May 2017. Delivery of the Offer Shares is expected to take place on or about 24 May 2017 in the Institutional Offering and on or about 26 May 2017 in the Retail Offering, through the facilities of the VPS. Trading in the Shares on the Oslo Stock Exchange is expected to commence on or about 24 May 2017, under the ticker code "SAFE". If closing of the Offering does not take place on such dates, or at all, the Offering may be withdrawn, resulting in all applications for Offer Shares being disregarded, any allocations made being deemed not to have been made and any payments made being returned without any interest or other compensation. All dealings in the Shares prior to settlement and delivery are at the sole risk of the parties concerned.

Joint Global Coordinators
and Joint Bookrunners

Carnegie | Nordea

Joint Bookrunner

Danske Bank

The date of this Prospectus is 10 May 2017

IMPORTANT INFORMATION

This Prospectus has been prepared in connection with the Offering of the Offer Shares and the Listing of the Shares on the Oslo Stock Exchange.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including the Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses, as amended, and as implemented in Norway (the "**EU Prospectus Directive**"). This Prospectus has been prepared solely in the English language. The Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "**Norwegian FSA**") has reviewed and approved this Prospectus in accordance with Sections 7-7 and 7-8 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information included in this Prospectus. The approval by the Norwegian FSA is dated 10 May 2017 and only relates to the information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or referred to in this Prospectus.

For definitions of certain other terms used throughout this Prospectus, see Section 22 "Definitions and glossary".

The Company has engaged Carnegie AS ("**Carnegie**") and Nordea Bank AB (publ), filial i Norge ("**Nordea**") as "**Joint Global Coordinators**" and "**Joint Bookrunners**" and Danske Bank A/S, Norwegian branch ("**Danske Bank**") as "**Joint Bookrunner**". The Joint Global Coordinators and the Joint Bookrunners are together referred to herein as the "**Managers**".

The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. In accordance with Section 7-15 of the Norwegian Securities Trading Act, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment by investors of the Offer Shares between the time of approval of this Prospectus by the Norwegian FSA and the listing of the Shares on the Oslo Stock Exchange, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus, nor the sale of any Offer Share, shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group or the Existing Shareholder or in connection with the Offering or the sale of the Offer Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company, the Existing Shareholder or the Managers or by any of the affiliates, representatives, advisors or selling agents of any of the foregoing.

The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. Neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 20 "Selling and transfer restrictions".

This Prospectus and the terms and conditions of the Offering as set out herein and any sale and purchase of Offer Shares hereunder shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering or this Prospectus.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group and the terms of the Offering, including the merits and risks involved. None of the Company, the Existing Shareholder or the Managers, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

All Sections of the Prospectus should be read in context with the information included in Section 4 "General information".

NOTICE ABOUT NORDEA

Nordea is not a SEC registered broker/dealer and will only participate in the Offering outside the United States. No action taken by the Company, the Existing Shareholder or any of the other Managers in the United States shall be attributed to Nordea.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS IN THE UNITED STATES

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares. The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from, on in transactions not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in reliance on Regulation S. **Prospective purchasers are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. See Section 20.2.1 "United States".**

Any Offer Shares offered or sold in the United States will be subject to certain transfer restrictions and each purchaser will be deemed to have made acknowledgements, representations and agreements, as set forth under Section 20.3.1 "United States".

The Offer Shares have not been recommended by any United States federal or state securities commission or regulatory authority. Further, the foregoing authorities have not passed upon the merits of the Offering or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense under the laws of the United States.

In the United States, this Prospectus is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the Offer Shares. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised and any disclosure of its contents, without prior written consent of the Company, is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or subscribe for or otherwise acquire the Offer Shares.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "**UK**") or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

Each of the Managers has represented, warranted and agreed (i) that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company and (ii) that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the UK.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

In any member state of the European Economic Area (the "**EEA**") that has implemented the EU Prospectus Directive, other than Norway (each, a "**Relevant Member State**"), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the EU Prospectus Directive. The Prospectus has been prepared on the basis that all offers of Offer Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Directive from the requirement to produce a prospectus for offer of shares. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which is the subject of the Offering contemplated in this Prospectus within any EEA member state (other than Norway) should only do so in circumstances in which no obligation arises for the Company or any of the Managers to publish a prospectus or a supplement to a prospectus under the EU Prospectus Directive for such offer. Neither the Company nor the Managers have authorised, nor do they authorise, the making of any offer of Shares through any financial intermediary, other than offers made by Managers which constitute the final placement of Offer Shares contemplated in this Prospectus.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway, who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

a) it is a qualified investor as defined in the EU Prospectus Directive or covered by another exemption under the EU Prospectus Directive from the requirement to produce a prospectus for offer of shares; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) such Offer Shares acquired by it in the Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any of the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State, and the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

See Section 20 "Selling and transfer restrictions" for certain other notices to investors.

STABILISATION

In connection with the Offering, Carnegie (the "**Stabilisation Manager**"), or its agents, on behalf of the Managers, may, upon exercise of the Lending Option (as defined below), engage in transactions that stabilise, maintain or otherwise affect the price of the Shares for up to 30 days from the first day of the Listing. Specifically, the Stabilisation Manager may effect transactions with a view to supporting the market price of the Shares at a level higher than might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilisation Manager and its agents to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilising activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the first day of the Listing. Save as required by law or regulation, the Stabilisation Manager does not intend to disclose the extent of any stabilisation transactions under the Offering.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited company incorporated under the laws of Norway. As a result, the rights of holders of the Company's Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. The members of the Company's board of directors (the "**Board Members"** and the "**Board of Directors**", respectively) and the members of the Group's senior management (the "**Management**") are not residents of the United States, and a substantial portion of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company or its Board Members and members of Management in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgments based on the civil liability provisions of the securities laws of the United States or any State or territory within the United States. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters with Norway.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act.

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APPENDICES

1 SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A– E (A.1 – E.7) below. This summary contains all the Elements required to be included in a summary for this type of securities and the Company. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and Warnings

A.1	**Warning**	This summary should be read as introduction to the Prospectus; any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor; where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	**Warning**	Not applicable. No consent is granted by the Company for the use of the Prospectus for subsequent resale or final placement of the Shares.

Section B - Issuer

B.1	**Legal and commercial name**	Saferoad Holding ASA.
B.2	**Domicile and legal form, legislation and country of incorporation**	The Company is a public limited company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated on 14 September 2016, and changed its name to Saferoad Holding ASA on 2 May 2017. The Company's registration number in the Norwegian Register of Business Enterprises is 917 763 909.
B.3	**Current operations, principal activities and markets**	Saferoad is a leading road safety and road infrastructure solutions provider in Northern, Central and Eastern Europe. [1] The Group's core business comprises designing, manufacturing and selling of products and solutions that improves the standard of road safety and road infrastructure. Saferoad plays an important role in various stages throughout new road construction projects, including maintenance and upgrades of existing roads. Saferoad's products and solutions protect and support people on the move, whether by foot, bike or car. Saferoad serves the most product and solution intensive parts of the road construction value chain through its two business areas, Road Safety and Road Infrastructure. The Group seeks to gain competitive advantages within each product group, and by positioning the Group as a total supplier across product groups when appropriate. Saferoad works directly with national road authorities (e.g. Statens Vegvesen in Norway, Trafikverket in Sweden), main contractors (e.g. Skanska, Veidekke, PEAB etc. in the Nordics, and Strabag, Astaldi and Hochtief in Europe), as well as subcontractors that install road safety and road infrastructure solutions. Saferoad's activities are characterised by small average order sizes, low customer concentration and highly local business dynamics. Important

[1] Source : Company Market Study and Management's view.

		customer satisfaction criteria include delivery capabilities (short lead time and delivery accuracy) and ability to provide customised solutions that satisfy project specifications tailored to local regulations, topography, and technical and aesthetic requirements. The Group has an extensive portfolio of products, tested and approved according to EU and National standards. Value added services such as installation and technical support also drive customer satisfaction. One of the key prerequisites to deliver on these criteria is local presence, both in terms of sales offices, warehouses and expertise. Saferoad has proven capabilities and a strong track record meeting these criteria, and the Group complies with strict requirements of both the regulatory authorities and its customers with regards to product quality, durability, design and functionality. Saferoad's expansion is the result of strong organic growth in addition to a series of mergers and acquisitions within both business areas. Today's Saferoad consists of around 60 operating entities with approximately 80% of Group revenue derived from the 20 largest entities. The Group is to a large degree decentralised due to the industry characteristics where local presence is important. The operating entities are run by local managers with strong entrepreneurial spirit, deep competence and incentives to succeed. Operations are coordinated with regional managers and supported by central Group functions to allow for sharing of common resources. The two business areas, Road Safety and Road Infrastructure, are further divided in two geographical business regions, Nordic and Europe. Saferoad is headquartered in Oslo, Norway. As per 31 December 2016, the Group employed approximately 2,700 full-time and part-time employees. As of 31 March 2017, Saferoad operated sales offices in 20 countries and production plants in 12 countries. The Group's top-line has grown consistently from 2012 to 2016 with a CAGR of ~5% supported by secular growth trends. For the year ended 31 December 2016, Saferoad generated revenues of NOK 5,764 million, and the Underlying EBITDA was NOK 478 million with an Underlying EBITDA margin of 8.3%. For the year 2016, the Group derived 69% of its revenue from the Road Safety business and the remaining 31% from the Road Infrastructure business.
B.4a	**Significant recent trends**	Since 31 December 2016, the Group has made the following acquisitions/divestments: • In January 2017, the Saferoad subsidiary OY ViaCon AB acquired Solcon Oy in Finland. • In January 2017, the Group acquired the remaining shares in Saferoad Europe GmbH (the Road Safety Europe Segment) from the minority shareholder (5.6%). • In January 2017, the Saferoad subsidiary Limes Mobil GmbH, a part of the Road Safety Europe, was divested. • In March 2017, the Group's shares (60%) in ViaCon Georgia in Road Infrastructure Europe, was divested. • In April 2017, the Group acquired the remaining shares (40%) of ViaCon Latvija. • In May 2017, the Group entered into an agreement to acquire the remaining shares (40%) of ViaCon Baltic. In May 2017, the Group decided to utilize call options to acquire the minority interests in its subsidiaries Oy Viacon AB, ViaCon Sp. z.o.o and ViaCon Technologies z.o.o., given the contemplated Listing of the Shares on the Oslo Stock Exchange. The acquisitions will be completed at or shortly after the date of the Listing and the purchase price will be paid in cash. Two of the minority shareholders will re-invest a portion of their proceeds in the form of a loan to ViaCon International AB.

		On 17 February 2017, the Company entered into a new Senior Facilities Agreement. The new Senior Facilities under the Senior Facilities Agreement comprise three distinct multicurrency facilities; the Term Facility, the RCF and the Guarantee Facility. The Senior Facilities Agreement is contingent on and will only enter into force upon completion of the Offering, upon which a full refinancing of the Existing Facilities and equity is undertaken simultaneously. With respect to the financial performance since 31 December 2016 the first quarter of the year is as usual characterized by winter conditions in most of Northern and Eastern Europe. The overall performance in the quarter was in line with management expectations. In the first quarter of 2016 the Company had a large export project in Road Infrastructure Europe that was not repeated this year. Larger export projects are lumpy and non-seasonal by nature, and the absence of a similar project in the first quarter of 2017 will return somewhat lower underlying EBITDA compared to last year. Aside from this, the performance of the Road Safety business area improved from the first quarter in 2016 on the back of lower cost and efficiencies in Europe. Other than as described above there have been no significant changes in the financial or trading position of the Group since 31 December 2016.
B.5	**Description of the Group**	The Company, the parent company of the Group, is a holding company and the operations of the Group are carried out through the operating subsidiaries of the Company.
B.6	**Interests in the Company and voting rights**	Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. As of the date of this Prospectus, the Company has one shareholder, the Existing Shareholder, holding all the issued and outstanding Shares in the Company. There are no differences in voting rights between the Shares. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.
B.7	**Selected historical key financial information**	The Company was established on 14 September 2016 by Advokatfirmaet Thommessen AS as a shelf company and acquired by the Existing Shareholder in connection with the Reorganisation. Prior to the Reorganisation, Saferoad Holding AB was the ultimate holding parent company of the Group. Hence, the Saferoad Holding AB Group's audited consolidated financial statements for the years ended 31 December 2015 and 2014 (the SEK Financial Statements) have been prepared with Saferoad Holding AB as the ultimate parent company of the Group in accordance with IFRS and with SEK as the presentation currency (the SEK Financial Statements). The Group's audited consolidated financial statements for the year ended 31 December 2016 (and with unaudited comparative financial information for the year ended 31 December 2015) (the NOK Financial Statements), have been prepared with the Company as the ultimate parent company of the Group in accordance with IFRS. The Company has also, for prospectus purposes, prepared unaudited financial information for the Saferoad Holding AB Group for the year ended 31 December 2014, converted from SEK to NOK (using an exchange rate at 31 December 2014 of 0.9597 for the balance sheet and the average exchange rate for the year of 0.9186 for the profit and loss and cash flow) (the NOK 2014 Financial Information). The SEK Financial Statements, the NOK Financial Statements and the NOK 2014 Financial Information are together referred to as the "**Financial Information**" and are included in Appendix B to this Prospectus. The following selected consolidated financial information has been extracted from the Financial Information. The selected consolidated

		financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Financial Information included in Appendix B of this Prospectus and should be read together with Section 11 "Operating and financial review".

In thousands			**Year ended 31 December**		
	2016	**2015**	**2014**	**2015**	**2014**
	NOK	**NOK**	**NOK**	**SEK**	**SEK**
	(audited)	*(unaudited)*	*(unaudited)*	*(audited)*	*(audited)*
Selected statement of income					
Total operating revenue	5,763,878	5,523,303	4,977,492	5,778,317	5,418,463
Total operating costs	5,874,141	5,537,917	4,953,341	5,793,606	5,392,172
Operating profit/(loss)	-110,263	-14,614	24,151	-15,288	26,291
Net financial income/expenses	-329,926	-203,909	-171,482	-213,324	-186,674
Profit/(loss) before tax	-440,189	-218,523	-147,330	-228,612	-160,383
Profit/(loss) for the period	-439,249	-263,681	-205,757	-275,855	-223,986
Other comprehensive income for the year, net of tax	30,338	-14,558	18,758	-105,624	20,419
Total comprehensive income for the period	-408,911	-278,239	-186,999	-381,480	-203,566

In thousands			**As at 31 December**		
	2016	**2015**	**2014**	**2015**	**2014**
	NOK	**NOK**	**NOK**	**SEK**	**SEK**
	(audited)	*(unaudited)*	*(unaudited)*	*(audited)*	*(audited)*
Selected statement of financial position					
Total intangible assets	1,524,000	1,968,237	1,872,627	1,878,985	1,951,262
Tangible assets					
Total fixed assets	934,258	987,754	1,002,875	942,963	1,044,988
Total financial assets	48,016	42,290	36,751	40,372	38,294
Total non-current assets	2,515,258	3,013,262	2,932,254	2,876,623	3,055,387
Current assets					
Inventories	909,895	853,983	820,744	815,259	855,209
Total receivables	1,063,380	1,140,072	947,107	1,088,374	986,878
Cash and cash equivalents	328,977	507,655	433,068	484,635	451,254
Total current assets	2,302,253	2,501,711	2,200,919	2,388,268	2,293,341
Total assets	4,817,511	5,514,973	5,133,174	5,264,891	5,348,727
Total shareholders' equity attributable to shareholders of the parent company	970,192	776,148	1,164,322	740,953	1,213,217
Total equity	1,221,918	1,035,753	1,383,717	988,784	1,441,823
Total non-current liabilities	2,006,436	3,006,023	2,059,925	2,869,711	2,146,426
Total current liabilities	1,589,156	1,473,197	1,689,531	1,406,395	1,760,478
Total liabilities	3,595,592	4,479,220	3,749,456	4,276,107	3,906,904
Total shareholders' equity and liabilities	4,817,511	5,514,973	5,133,174	5,264,891	5,348,727

In thousands			**Year ended 31 December**		
	2016	**2015**	**2014**	**2015**	**2014**
	NOK	**NOK**	**NOK**	**SEK**	**SEK**
	(audited)	*(unaudited)*	*(unaudited)*	*(audited)*	*(audited)*
Selected statement of cash flows					
Net cash flow from operations	243,369	216,979	256,957	226,997	282,646
Net cash flow from investment activities	-161,759	-215,551	-162,240	-225,503	-176,613
Net cash flow from financing activities	-289,120	19,602	-157,624	20,507	-171,588
Cash and cash equivalents at the end of the year	265,717	507,655	433,068	484,635	451,254
Cash and cash equivalents at the end of the year in statement of cash flow	265,717	507,655	433,068	484,635	451,254

B.8	**Selected key pro forma financial information**	Not applicable. There is no pro forma financial information.
B.9	**Profit forecast or estimate**	Not applicable. No profit forecasts or estimates are made.
B.10	**Audit report qualifications**	Not applicable. There are no qualifications in the audit reports.
B.11	**Insufficient working capital**	Not applicable. The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

Section C - Securities

C.1	**Type and class of securities admitted to trading and identification number**	The Company has one class of Shares in issue and all Shares in that class provide equal rights in the Company, including the right to any dividends. Each of the Shares carries one vote. The Shares have been created under the Norwegian Public Limited Companies Act and are registered in book-entry form with the VPS under ISIN NO 001 0781743.
C.2	**Currency of issue**	The Shares are issued in NOK.
C.3	**Number of shares in issue and par value**	As at the date of this Prospectus, the Company's share capital is NOK 2,000,000 divided into 20,000,000 Shares, with each Share having a nominal value of NOK 0.10. All the Shares have been created under the Norwegian Public Limited Companies Act, and are validly issued and fully paid.
C.4	**Rights attaching to the securities**	The Company has one class of Shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide equal rights in the Company, including the right to any dividends. Each of the Shares carries one vote. The rights attaching to the Shares are described in Section 16.10 "The Articles of Association and certain aspects of Norwegian law".
C.5	**Restrictions on transfer**	The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Company. Share transfers are not subject to approval by the Board of Directors. See also Section 20 "Selling and transfer restrictions".
C.6	**Admission to trading**	The Company will on or about 10 May 2017 apply for admission to trading of its Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange will approve the listing application of the Company on 15 May 2017, subject to certain condition being met. The Company currently expects commencement of trading in the Shares on the Oslo Stock Exchange on or around 24 May 2017. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.
C.7	**Dividend policy**	Saferoad targets dividend payments corresponding to ~50% of underlying net income, with a potential to increase this ratio over time. Saferoad envisages, from 2018, to pay out dividends in the third quarter in light of seasonal swings of the business. The dividends should be carefully considered in relation to liquidity position, future cash flow, investment needs as well as strategic opportunities.

Section D - Risks

D.1	**Key risks specific to the Company or its industry**	The following is a summary of key risks that relate to the industry in which the Group operates, the Group and its operations and financing and market risk. Investors should read, understand and consider all risk factors in this Prospectus, which should be read in their entirety, before making a decision to invest in the Offer Shares:

		Risks related to the industry in which the Group operates, including: • Construction and maintenance of the road infrastructure in Europe, and non-European countries in which the Group sells its products to and in, is primarily funded by governmental authorities and downturns in the general economic environment may reduce the allocation of funds to the road infrastructure sector • Governmental authorities are prioritising their spending between the road infrastructure sector and other important public sectors and changes in policy may reduce the allocation of funds to the road infrastructure sector • The demand for the Group's solutions and products is dependent on changing governmental standards for road quality and road safety and industry standards for products and solutions • The Group may not be able to keep pace with a significant step change in technological development • The Group operates in a highly competitive industry and there is no guarantee that it can renew and win contracts • The Group operates in various jurisdictions, thereby exposing the Group to risks inherent in international operations and subjecting the Group to comply with the laws and regulations of the jurisdictions in which it operates **Risks related to the Group and its operations, including:** • The Group may not be successful in implementing its strategies in the future • A failure by the Group to adequately perform on projects or under contracts may result in a loss on the project or under the contract and adversely affects the Group's revenue, profit and financial condition • The Group may be liable for breaches in product quality or failures to meet product standards and specifications • The Group depends on the performance of business partners and third party subcontractors • The profit of the Group on its large projects depends on accurate calculations of costs and control of the project • The Group's profitability may suffer if the Group's counterparties fail to perform their obligations • The Group's profitability may be negatively affected if customers were to fail or refuse to pay, or if a customer becomes insolvent or goes bankrupt • The Group has a highly decentralised governance structure and the Group's risk management and internal control systems may not adequately identify all risks and the Group may not properly assess the impact such risks may have • The Group's general liability, professional indemnity and project risk insurance may not provide sufficient coverage which may materially adversely affect the Group's business, revenue, profit and financial condition • Employee, agent or partner misconduct or failure to comply with anti-bribery, sanctions and other governmental laws and regulations could materially harm the Group's reputation, reduce its revenue and profit, and subject it to administrative, criminal and civil enforcement actions • The Group's operations are subject to environmental laws,

		regulations and permits and the Group is subject to the risk of costs and liabilities relation to investigation and remediation of environmental contamination • The Group may be subject to litigation or otherwise be involved in disputes that could have a material adverse effect on the Group's business, revenue, profit and financial condition • Minority shareholders in the Group's subsidiaries may have interests that differ from the Group and may take actions that adversely affect the Group • Damage to the Group's reputation and business relationships may have a material adverse effect beyond any monetary liability • The Company may make acquisitions that prove unsuccessful or strain or divert the Company's resources **Risks related to financing and market risk, including:** • Changes in rules related to accounting for income taxes, changes in tax laws and regulations in any of the jurisdictions in which Saferoad operates or adverse outcomes from audits by taxation authorities could result in an unfavourable change in its effective tax rate • Saferoad is exposed to liquidity risk and any inability to maintain sufficient cash flows could materially disrupt its business operations, harm its reputation and its ability to raise further capital and financing • Saferoad may need additional equity or debt funding in the future in order to execute its strategy or for other purposes, which may not be available on favourable terms, or at all • The Group is subject to exchange rate risk • The Group's transfer pricing documentation and policies may be challenged
D.3	**Key risks specific to the securities**	The following is a summary of key risks that relate to the Listing and the Shares. Investors should read, understand and consider all risk factors in this Prospectus, which should be read in their entirety, before making a decision to invest in the Offer Shares: **Risks related to the Listing and the Shares, including:** • The price of the Shares may fluctuate significantly • There is no existing market for the Shares, and an active trading market may not develop • Future sales, or the possibility for future sales, including by the Existing Shareholder, of substantial numbers of Shares may affect the Shares' market price • Future issuances of Shares or other securities may dilute the holdings of shareholders and could materially affect the price of the Shares • Pre-emptive rights to secure and pay for Shares in additional issuance could be unavailable to U.S. or other shareholders • Investors could be unable to exercise their voting rights for Shares registered in a nominee account • The Company's ability to pay dividends is dependent on the availability of distributable reserves and the Company may be unable or unwilling to pay any dividends in the future • Market interest rates could influence the price of the Shares • The limited free float of the Shares may have a negative impact on the liquidity of and market price for the Shares

Section E - Offer

E.1	**Net proceeds and estimated expenses**	The Company will receive the proceeds from the sale of the New Shares in the Offering and the Existing Shareholder will receive the proceeds from the sale of the Additional Shares, if any. The total costs and expenses of, and incidental to, the Listing and the Offering payable by the Company are estimated to amount to approximately NOK 70 million (including VAT) if all New Shares are issued by the Company and the discretionary fee is paid in full.
E.2a	**Reasons for the Offering and use of proceeds**	The Company believes that the Offering and the Listing will: (i) enhance Saferoad's profile with investors, business partners and customers; (ii) further enhance the ability of Saferoad to attract and retain key management and employees; (iii) enable access to capital markets if necessary for future growth; (iv) diversify the shareholder base; and (v) while at the same time enabling the Existing Shareholder to partially realise its holding and as a result allow for a liquid market for its Shares going forward. The gross proceeds from the sale of the New Shares in the Offering are expected to be approximately NOK 1,400 million. After deduction of estimated expenses of NOK 70 million attributable to the Company, the Company expects to receive net proceeds of NOK 1,330 million. The Company intends to use the proceeds from issuance of the New Shares in the Offering to pay for transaction costs (NOK 70 million), to buy-out minority shareholders in selected, local entities (in aggregate NOK 221 million) and to partly repay existing debt (NOK 1,109 million).
E.3	**Terms and conditions of the Offering**	The Offering consists of an offer of up to 31,111,112 New Shares, each with a nominal value of NOK 0.10, to raise gross proceeds of approximately NOK 1,400 million. In addition, the Managers may elect to over-allot up to approximately 15% of the final number of New Shares sold in the Offering. The Existing Shareholder is expected to grant Carnegie, on behalf of the Managers, an Over-Allotment Option to purchase a corresponding number of Additional Shares to cover any such over-allotments. Assuming the Offer Price is set at the mid-point of the Indicative Price Range and the Over-Allotment Option is exercised in full, the Offering will amount to up to 30,666,667 Offer Shares, representing up to 65.7% of the Shares in issue following the Offering. The Offering consists of: • an Institutional Offering, in which Offer Shares are being offered to (a) investors in Norway, (b) investors outside Norway and the United States, subject to applicable exemptions from the prospectus requirements, and (c) investors in the United States who are QIBs. The Institutional Offering is subject to a lower limit per application of NOK 2,000,000. • a Retail Offering, in which Offer Shares are being offered to the public in Norway subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit. The Retail Offering will also comprise an offer of Offer Shares to the participants in the LTIP 2017. Further, the Company and the Existing Shareholder, in consultation with the Managers, reserve the right to, at

		their sole discretion, offer Offer Shares to individual employees of the Group outside Norway in the Retail Offering, provided that such offer will not be unlawful or require registration, publication of a prospectus or other measures to be taken in the relevant jurisdiction. All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in compliance with Regulation S. The Company and the Existing Shareholder have, together with the Managers, set an Indicative Price Range for the Offering from NOK 45 to NOK 60 per Offer Share. The Bookbuilding Period for the Institutional Offering is expected to take place from 11 May 2017 at 09:00 hours (CET) to 22 May 2017 at 14:00 hours (CET). The Application Period for the Retail Offering is expected to take place from 11 May 2017 at 09:00 hours (CET) to 22 May 2017 at 12:00 hours (CET). The Company and the Existing Shareholder, in consultation with the Managers, reserve the right to shorten or extend the Bookbuilding Period and/or the Application Period at any time at their sole discretion. The Managers expect to issue notifications of allocation of Offer Shares in the Institutional Offering on or about 23 May 2017, by issuing contract notes to the applicants by mail or otherwise. Payment by applicants in the Institutional Offering will take place against delivery of Offer Shares. Delivery and payment for Offer Shares is expected to take place on or about 24 May 2017. Nordea, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 23 May 2017, by issuing allocation notes to the applicants by mail or otherwise. The due date for payment in the Retail Offering is on or about 24 May 2017. Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or about 26 May 2017.
E.4	**Material and conflicting interests**	The Managers or their affiliates have provided from time to time, and may provide in the future, financial advisory, investment and commercial banking services, as well as providing financing, to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Managers will receive a fee in connection with the Offering and, as such, have an interest in the Offering. In addition, the Existing Shareholder may, at its sole and absolute discretion, pay to the Managers an additional discretionary fee in connection with the Offering. The Existing Shareholder will receive the proceeds from the sale of any Additional Shares. In total 13 members of the Company's management, and certain other employees, are entitled to bonuses in connection with the Offering. Total estimated cost for the bonuses (including employer's contribution tax and social costs) is approximately NOK 40 million. The transaction bonus is payable by the Company upon completion of the Offering. The members of Management have an obligation to reinvest a portion of their bonus in Offer Shares. Beyond the above-mentioned, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Offering.

E.5	**Selling shareholder and lock-up agreements**	There are no selling shareholders in the Offering. The Existing Shareholder is expected to grant the Stabilisation Manager (Carnegie), on behalf of the Managers, the Over-Allotment Option to purchase up to approximately 15% of the final number of New Shares at the Offer Price, exercisable, in whole or in part, within a 30-day period commencing at the time at which trading in the Shares commences on the Oslo Stock Exchange, expected to be on 24 May 2017. Assuming that the maximum number of New Shares are issued in the Offering, and that no Additional Shares are sold, the Existing Shareholder will retain a shareholding in the Company of approximately 42.9% (based on a price of NOK 52.50 – which is the mid-point of the Indicative Price Range). If the Over-Allotment Option is exercised in full, and the maximum number of Additional Shares which may be purchased pursuant to the Over-Allotment Option is sold, the Existing Shareholder's shareholding in the Company following such sale will amount to approximately 34.3% (based on a price of NOK 52.50 – which is the mid-point of the Indicative Price Range). In connection with the Offering, the Company will provide an undertaking that will restrict its ability to issue, sell or dispose of Shares, as applicable, during the period up to and including the day falling 12 months after the first day of Listing of the Shares on the Oslo Stock Exchange, while the Existing Shareholder will provide an undertaking that will restrict its ability to issue, sell or dispose of Shares, as applicable, during the period up to and including the date on which the Company releases the second quarterly report after the first day of Listing of the Shares on the Oslo Stock Exchange.
E.6	**Dilution resulting from the Offering**	Following completion of the Offering (excluding any over-allotments), the immediate dilution for the Existing Shareholder is estimated to be between approximately 53.8% and 60.9% assuming issuance of all the New Shares.
E.7	**Estimated expenses charged to investor**	No expenses or taxes will be charged by the Company or the Managers to the applicants in the Offering.

2 RISK FACTORS

An investment in the Offer Shares involves inherent risk. Before making an investment decision with respect to the Offer Shares, investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes. The risks and uncertainties described in this Section 2 are the principal known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Offer Shares. An investment in the Offer Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision in respect of the Offer Shares. If any of the following risks were to materialise, individually or together with other circumstances, they could have a material and adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Offer Shares, resulting in the loss of all or part of an investment in the same.

The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Group's business, results of operations, cash flows, financial condition and/or prospects. The risks mentioned herein could materialise individually or cumulatively. The information in this Section 2 is as of the date of this Prospectus.

2.1 Risks related to the industry in which the Group operates

Construction and maintenance of the road infrastructure in Europe, and non-European countries in which the Group sells its products to and in, is primarily funded by governmental authorities and downturns in the general economic environment may reduce the allocation of funds to the road infrastructure sector

Construction and maintenance of the road infrastructure in Europe is primarily funded by governmental authorities, including states, local municipalities and the European Union (the "**EU**"). Downturns in the general economic environment such as the recent financial crises in Europe may decrease the funding available to governments and reduce the allocation of funds to the road infrastructure sector. Continuing deficits in national budgets across Europe may over time force the authorities to implement austerity measures and reduce their general level of spending. The EU has historically provided substantial funds to infrastructure projects across Europe and in particular to the Central and Eastern Europe ("**CEE**") region. The future development of the EU may reduce its possibility to continue the funding of road infrastructure projects. A decrease in available governmental funding may have a material adverse effect on the Group's business, revenue, profit and financial condition.

Governmental authorities are prioritising their spending between the road infrastructure sector and other important public sectors and changes in policy may reduce the allocation of funds to the road infrastructure sector

The governmental authorities are forced to prioritise their spending between the infrastructure sector and other important public sectors such as an increasing welfare sector. The level of public spending in the infrastructure sector may decline in general as a consequence of austerity measures or as a change in policies and priority. Within the infrastructure sector, priority may be given to other infrastructure sectors such as railways and in densely populated areas also infrastructure for subways, trams and similar means of transportation. Changes in the political environment may change the priority given to different public sectors. As an example, the current Norwegian government has expressed positive signals towards road investments through the state budget and through the National Transport Plan. There is, however, no guarantee that this expressed priority to road infrastructure will be upheld following a potential change of government after future elections. Both existing and new road infrastructure projects may be delayed, reduced or terminated. Road toll rates, which are used as a complementary source of funding are also determined by governmental authorities and may be affected by changes in governments. Changes in the political environment may accordingly have a material adverse effect on the Group's business, revenue, profit and financial condition.

The demand for the Group's solutions and products is dependent on changing governmental standards for road quality and road safety and industry standards for products and solutions

The Group's end customers are within the public sector and typically consist of road authorities and local municipalities. The demand for the Group's solutions and products is dependent on policies and standards for road quality and road safety. Although the general trend to increase road quality and road safety is expected to continue, there is no guarantee that new requirements will be in areas in which the Group would expect to be able to compete for work and be awarded contracts. The current Norwegian government is further currently considering a reduction of the road standards on certain future motorways to be able to fund more roads, which may have a negative impact on the Group's Road Safety business. The industry standards for the Group's products and solutions are further subject to change and the future success and profitability of the Group will depend upon its ability to adapt to changes in industry standards on a timely and cost effective basis. A failure by the Group to respond to changes in standards and specifications may have a material adverse effect on the Group's business, results of operation, cash flows, financial condition and/or prospects.

The Group may not be able to keep pace with a significant step change in technological development

Significant developments in technologies, such as driverless cars and intelligent roads, may affect the way roads and highways are constructed and change the customer's needs in terms of road infrastructure. Thus, the demand for Saferoad's products and services may decline if Saferoad is not able to adapt to technological development.

The Group's future success and profitability will among other factors be dependent upon its ability to (i) address the increasingly sophisticated needs of its customers and (ii) anticipate major changes in technology and respond to technological developments on a timely basis. A failure by the Group to respond to technological developments on a timely and cost effective basis may have a material adverse effect on the Group's business, results of operation, cash flows, financial condition and/or prospects.

The Group operates in a highly competitive industry and there is no guarantee that it can renew and win contracts

The road infrastructure market is highly competitive. The product and solution providers segment in the Road Safety and Road Infrastructure market is fragmented with a wide range of competitors in the different product categories. The Group's current and future competitors may have greater financial and other resources and may be better positioned to withstand and adjust to changing market conditions, and the Group may not be able to maintain or increase its competitive position in the market. The end contractor segment is highly consolidated and dominated by large contractors selected by the road authorities through public tender process in which aggressive prices are offered among bidders to attempt to win the tender that might result in a price pressure for the Group.

The industry also includes numerous regional and local companies, of varying sizes and financial resources. Additionally, the Group may face increased competition in Norway and other countries in which it operates, from foreign companies with significantly lower cost bases than the Group. Such competitors may be able to better withstand economic and/or industry downturns and compete on the basis of price. If the Group is unable to successfully compete against its competitors, the Group's ability to retain existing customers and obtain future business could be adversely affected. The Group's failure to renew and win contracts, or the Group renewing and winning contracts at levels below what it expects or has been able to do historically, would adversely impact the Group's business, results of operations, financial position and prospects. Importantly, the Group may have to substantially lower prices in order to be the successful bidder, thereby negatively affecting its profitability.

The Group operates in various jurisdictions, thereby exposing the Group to risks inherent in international operations and subjecting the Group to comply with the laws and regulations of the jurisdictions in which it operates

The Group is subject to laws and regulations in several jurisdictions relating to several areas such as, but not limited to, environment, health and safety, construction, procurement, administrative, accounting, corporate governance, market disclosure, tax, employment and data protection. Such laws and regulations may be subject to change and interpretation. It may not be possible for the Group to detect or prevent every violation in every jurisdiction where the Group carries out its business operations, or in which its employees, hired-in personnel, sub-contractors or joint venture partners are located. Any failure to comply with applicable laws and regulations now or in the future may lead to disciplinary, administrative, civil and/or criminal enforcement actions, fines, penalties and civil and or criminal liability and negative publicity harming the Group's business and reputation.

In addition, changes in laws and regulations may impose more onerous obligations on the Group and limit its profitability, including increasing the costs associated with the Group's compliance with such laws and regulations.

Failure to comply with laws and regulations and changes in laws and regulations may have a material adverse effect on the Group's business, revenue, profit and financial condition.

Risks related to traffic volumes and rate of tear

The need for future investments in and maintenance of road infrastructure will depend on future traffic volumes.

Traffic volumes are directly and indirectly affected by a number of factors, including congestion, the quality, proximity and timing of the development of alternative transport infrastructure, road toll rates, population growth and settlement patterns, perceived value for money, fuel prices and general economic conditions. The impact of road traffic on the environment may result in the public choosing alternative transport instead of cars when possible. In several of the jurisdictions where the Group operates, authorities have actively implemented measures to reduce personal road traffic, such as increasing road toll rates and improving the alternative transport infrastructure in densely populated areas. In particular in central Europe, authorities are furthermore implementing strategies to move heavy transport to railways instead of roads. New technologies and new materials used in road infrastructure products or in cars and other transport vehicles may result in a reduced rate of tear per kilometre of transport and accordingly reduce the need for maintenance of the road infrastructure. Any circumstances that have the effect of reducing traffic volumes or rate of tear could materially adversely affect the Group's business, profit and financial condition.

2.2 Risks related to the Group and its operations

The Group may not be successful in implementing its strategies in the future

The Group may not be successful in implementing its strategies in the future. The adopted strategies may not be right for the Group or may not result in fulfilment of the financial goals or other objectives. The Group’s future development and success depends on the strategies being accurate for the Group, that the measures are being efficiently and correctly implemented and that they provide the expected result. If the strategies are not accurate for the Group or are not accurately implemented or implemented within the expected time frames, earnings may not be maintained or grown and savings may not be realised. This may negatively affect the Group’s business, results of operations, financial position, profitability and future prospects.

A failure by the Group to adequately perform on projects or under contracts may result in a loss on the project or under the contract and adversely affects the Group's revenue, profit and financial condition

The Group usually undertakes to complete a project by a scheduled date and that the delivered products and solutions will achieve specified performance standards. If the project is not completed by the scheduled date, or if the Group fails to meet the required performance standards or to duly perform other contractual obligations, the Group may be liable to pay compensation or damages for breach of contract, incur significant additional costs or incur a loss or penalties (as a result of, for example, civil liability), and payment of the Group's invoices may be delayed. The Group may also be subject to agreed-upon financial damages if it fails to meet performance standards.

For some projects, either because it is not deemed commercially possible or for other reasons, agreed limitations on the Group's liability is not obtained, and the liability under such contracts therefore has the potential of becoming extensive and disproportionate, in addition to significantly exceed the Group's insurance coverage. Furthermore, agreed limitations on the Group's liability are generally not applicable and insurance coverage is limited, in case errors or damage is caused by gross negligence or wilful misconduct. If a customer should succeed with a claim towards the Group based on such assumption, the potential liability of the Group may become equally extensive and disproportionate.

The Group enters into contracts in the various jurisdictions in which it operates and the Group's contracts are normally governed by local law and are subject to the jurisdiction of local courts and arbitration tribunals. The legal concepts and liability regimes varies between the different jurisdictions, and the risk profile under local contracts may be substantially higher than what is customary in the Norwegian market.

Performance on projects may also be affected by a number of factors beyond the Group's control, including unavoidable delays from governmental inaction, public opposition, inability to obtain financing, weather conditions, unavailability of materials, changes in the project, industrial accidents, discovery of historical monuments, environmental hazards, labour disruptions and other factors.

The above risk factors may have material adverse effect on the Group's business, revenue, profit and financial condition.

Changes in raw material costs and energy costs could impact Saferoad's operating results and financial condition

The prices of the raw materials and the energy on which Saferoad's business depends can in certain cases be volatile and susceptible to rapid and substantial increases due to factors beyond Saferoad's control. Saferoad's main commodity price volatility exposure comes from purchases of raw materials, and in particular steel, but also aluminium, zinc and plastics, as well as fluctuations in the price of electricity and oil used to power Saferoad's production processes. Accordingly, large swings in the cost of raw materials or energy may during a short period of time have a material adverse effect on Saferoad's business, results of operations, financial condition and prospects.

The Group may be liable for breaches in product quality or failures to meet product standards and specifications

The Group companies produce a number of products in accordance with standards and specifications. A possible quality breach, forcing a recall or a replacement might cause major costs, particularly if the company has to replace already installed products. Depending on the circumstances, a recall or replacement may only partially, or not at all, be covered by the Group's insurance policy, and this may have material adverse effect on the Group's business, revenue, profit and financial condition.

The Group depends on the performance of business partners and third party subcontractors

The Group may from time to time be depending on business partners and third-party subcontractors to deliver products and perform services timely and in compliance with contractual requirements. If the Group cannot engage business partners or subcontractors at reasonable costs, or if the amount that the Group is required to pay exceeds its estimates, the Group may not be able to complete the project timely, or with profit. In addition, if a business partner or a subcontractor is unable to deliver its services according to the negotiated terms for any reason, including the deterioration of its financial condition, the Group may be required to buy the services from another source at a higher price.

Further, a business partner or a subcontractor could cause damage, for which the Group could be held liable by its customer or a third party, with limited right or possibility for the Group to claim recourse from such business partner or subcontractor.

Each of these factors may have a material adverse effect on the Group's business, revenue, profit and financial condition.

The profit of the Group on its large projects depends on accurate calculations of costs and control of the project

The majority of the Group's contracts relating to large projects have pricing structures based on estimates of costs. The cost estimates are made based on expected cost of material, production, labour and logistics and an overall assessment of risk, complexity and timing of the project. The profit of the Group on each project depends on costs being accurately calculated and controlled and projects being completed on time. In case of inaccurate estimates or calculations or lack of sufficient control, profits may be lower than anticipated or the project may result in a loss. Cost overruns can for example result from increased complexity of projects with multiple partners, inefficiency, miscalculations, cost escalation or cost overruns by extended use of subcontractors, or other changes in circumstances combined with a limited possibility to pass on the increased costs to the customers. Each of these factors, if they materialise in a project, may have material adverse effect on the Group's business, revenue, profit and financial condition.

The Group's profitability may suffer if the Group's counterparties fail to perform their obligations

Counterparty credit risk is considered by the Company to be of importance. This relates to all parties within the Group's revenue and performance chain, from subcontractors to senior lenders and customers. Such counterparties may fail to perform their obligations in the manner anticipated by the documentation. This may result in unexpected costs or a reduction in expected revenues for the Group and hence impact the payments received by the Group.

The Group's joint venture arrangements

The Group regularly enters into joint venture arrangements for the purpose of submitting tenders and enter into customer contracts. The Company assesses every such joint venture arrangement to ensure competition law compliance and believes that it is in compliance with all applicable competition law requirements. However, there can be no assurance that the Group in all respects will be deemed to be in compliance by the relevant competition law authorities, particularly as the scope of such competition laws and regulations may be unclear and may be subject to changing interpretations. In June 2015, the Danish Competition Council found Eurostar Denmark A/S, a company within the Group, guilty of infringing Danish and EU competition law by having engaged in joint bidding via a consortium with the competitor LKF Vejmarkering A/S in a tender for road marking in Denmark. The decision was contested by Eurostar Danmark A/S, but upheld by the Danish Competition Appeals Tribunal in April 2016. In May 2016, the Danish Competition Council handed the case over to the Danish State Prosecutor for Serious Economic and International Crime for further investigation. The case is currently pending before the Danish Maritime and Commercial

High Court. See Section 8.9 "Legal proceedings" for further information. Failure to comply with competition laws and regulations may entail extensive liability and fines, and thus have a material adverse effect on the Group's business, revenue, profit and financial condition.

The Group's profitability may be negatively affected if customers were to fail or refuse to pay, or if a customer becomes insolvent or goes bankrupt

The Group has a relatively diversified customer base where the 10 largest customer represented approximately 17% of the Group's revenue for 2016. Nevertheless, in the event that customers were to fail, refuse to pay or delay payment, or if a customer becomes insolvent or goes bankrupt, or if the Group's customers change payment terms, or terminate their contracts with the Group, there is a risk that the Group's business, results of operations and financial position and future prospects could be negatively affected. Similarly, there are a number of contracts across the Group that are periodically up for renewal on a tendering basis. Loss of these tenders might negatively impact the business, if the companies are not able to replace the volumes.

The Group's profitability may suffer if the Group is not able to maintain an adequate utilisation of its workforce

The ability of the Group to utilise its workforce, in particular during seasonal variations of order intake, affects its profitability. The rate at which the Group utilises its workforce is affected by a number of factors, including:

- The Group's ability to transfer employees to other business areas during low-seasons;
- The Group's ability to transfer employees between projects;
- The Group's ability to forecast demand for its products and solutions and thereby maintain an appropriate headcount;
- The Group's ability to manage attrition; and
- The Group's ability to match the skill sets of its employees to its needs.

If the Group over-utilises its workforce, the Group's employees may become disengaged which will lead to increase in the rate of employee attrition. If the Group under-utilises its workforce, its profit margin, profit and financial condition may adversely be affected.

The Group has a highly decentralised governance structure and the Group's risk management and internal control systems may not adequately identify all risks and the Group may not properly assess the impact such risks may have

The Group has a highly decentralised governance structure with local management having extended responsibility for the local operations. The Group continuously works to identify and to mitigate risks, in particular in respect of strategic, operational, compliance-related, financial reporting, tax and financial risks throughout the Group. Risks can manifest themselves in many ways, including business interruption, poor performance, erroneous financial figures, IT system malfunctions or failures, non-performance from partners or subcontractors, breach of applicable laws and regulations, human errors, employee misconduct or internal and external fraud and corruption. The Group's risk management activities may not adequately identify all risks and the Group may not properly assess the impact such risks may have. The Group's decentralised operational structure increases the possibility of local risks not being identified and reported. As a result, the Group may suffer financial losses or damage to its reputation. This may have a material adverse effect on the Group's business, revenue, profit and financial condition.

The Group has adequate risk management procedures in place, the methods used to manage risk may not identify or anticipate current or future risks or the extent of future exposures, which could be significantly greater than historical measures indicate. Risk management methods depend on the evaluation of information regarding markets, customers or other matters that is publicly available or otherwise accessible to the Group. Failure (or the perception that the Group has failed) to develop, implement and monitor the Group's risk management policies and procedures and, when necessary, preemptively upgrade them could give rise to reputational issues which could have a material adverse effect on the Group's business, prospects, results of operations and financial conditions.

The Group's general liability, professional indemnity and project risk insurance may not provide sufficient coverage which may materially adversely affect the Group's business, revenue, profit and financial condition

Although the Group maintains general liability insurance coverage and professional indemnity insurance coverage, any claim that may be brought against the Group could result in a court judgment or settlement or a nature or in an amount that is not covered, in whole or in part, by the Group's insurance or that it is in excess of the limits of the Company's insurance coverage. The Group's insurance policies also have deductibles and various exclusions, and the Group may be subject to a product liability claim for which the Company has no coverage. The Group will have to pay any amounts awarded by a court or negotiated in a settlement that exceed the Company's coverage limitations or that are not covered by the Group's insurance, and the Group may not have, or be able to obtain, sufficient capital to pay such amounts. This may have a material adverse effect on the Group's business, revenue, profit and financial condition.

Employee, agent or partner misconduct or failure to comply with anti-bribery, sanctions and other governmental laws and regulations could materially harm the Group's reputation, reduce its revenue and profit, and subject it to administrative, criminal and civil enforcement actions

Misconduct, fraud or non-compliance with applicable laws and regulations, or other improper activities by any of the Group's employees, hired-in personnel, agents, subcontractors or partners could have an adverse effect on its business and reputation. Such misconduct could include, but is not limited to failure to comply with government procurement regulations, competition laws and regulations, regulations regarding the protection of classified information, regulations prohibiting bribery and other foreign corrupt practices, trade sanctions, regulations regarding the pricing of labour and other costs in government contracts, regulations on lobbying or similar activities, regulations pertaining to the internal controls over financial reporting, environmental laws and any other applicable laws or regulations.

Three of the subsidiaries acquired by the Group or persons associated with subsidiaries acquired by the Group have historically been involved in compliance cases. In 2009, the managing director of the MEAG Genevad (a company acquired by the Group in 2008 and renamed to Saferoad Traffic AB) was convicted for bribery during the period 2005-2007. In 2011, three management board members of Silesiana B.C. sp. z o.o. (a company which merged with Saferoad Grawil sp. z o.o. and into the Group in 2010) and one of which still works with the Group were convicted for bribery during the period 1998-2006. In 2007, ViaCon Baltic and its at that time managing director were convicted and fined for fraud, deceptive accounting and forgery. The convicted actions were associated with a large industry fraud scheme performed during the period 2003-2004 in Lithuania and involving approximately forty other companies and individuals not being part of the ViaCon group. ViaCon Baltic was acquired by the Group in 2010 through Saferoad's acquisition of ViaCon. The former managing director of ViaCon Baltic was furthermore found guilty in 2011 for violation of accounting rules related to one of its warehouses during the period 2009-2010. The respective manager has agreed to sell its minority shareholding and resigned as the managing director of ViaCon Baltic.

Although the Group has taken measures to avoid compliance cases, the Group's internal controls are subject to inherent limitations, including that they do not fully eliminate the risk of human error. It is also possible that these controls could be intentionally circumvented or become inadequate because of changed conditions. As a result, the Group cannot ensure that its controls will protect it from reckless or criminal acts committed by its employees, hired-in personnel, agents, subcontractors, partners and others.

Even if the Group currently only operates in Europe, the Group is subject to general prevailing UN, U.S. and EU economic and trade sanctions. Current or future trade sanctions may impact the Group's possibility to expand its business.

Failure to comply with applicable laws or regulations or acts of misconduct could subject the Group to fines and penalties and suspension or exclusion from tender competitions or liability under ongoing contracts, any or all of which could harm the Group's business and reputation, subject the Group to administrative, criminal and civil enforcement actions and materially adversely affect its revenue, profit and financial condition.

The Group's operations are subject to environmental laws, regulations and permits and the Group is subject to the risk of costs and liabilities relation to investigation and remediation of environmental contamination

The Group's operations are subject to environmental laws, regulations and permit conditions concerning air, soil and water pollution, wastewater discharge, water usage and waste handling and disposal. These laws, regulations and permit conditions may restrict or limit the Group's ability to increase production and cause the Group to incur costs, monetary fines, penalties or liabilities with respect to environmental compliance and potential clean-up obligations.

The Group conducts and has historically conducted industrial operations and manufacturing carrying risk of contamination through discharge and release of hazardous substances into the air, soil, surface water and groundwater, in particular in connection with surface treatment and hot-dip galvanization. The Group currently owns, or formerly operated, manufacturing facilities and discontinued operations, or may acquire other properties which may be subject to costs and liabilities relating to investigation and remediation of contamination resulting from such discharges or releases.

The Group is currently performing an updated environmental assessment at the Group's site in Birsta (Sweden) since there is known contamination at the Group's site. Further, the Group is also aware of known contamination at the Group's sites in Ringerike and Ørsta (Norway) and Odense (Denmark) and that there is a risk of contamination at other sites.

Although there is no pending investigations or remediation actions imposed on the Group, the discovery of previously unknown contamination, or the imposition of new obligations to investigate or remediate contaminations, or migrating off-site from, any of its current of former production facilities could result in unanticipated costs. Additional investigation and remediation costs may also arise if the Group were to close down operation of any of its current facilities or operations in the future. The Group may also have full or partial liability for off-site disposal activities under the laws of the various jurisdictions in which it operates.

The cost of investigation and remediation of contaminated properties could have a materially adversely affect its revenue, profit and financial condition.

The Group's business is subject to health and safety risks, including the risk of personal injury to employees and others

Providing road infrastructure solutions and products involves risks of fatal and serious accidents, including, but not limited to fatal accidents or personal injury to employees and the general public and damage to own and third party property. While the Group seeks to minimise its exposure to such risks through training and compliance programs, as well as vehicle and equipment maintenance programs, the incurrence of an accident may result in substantial liabilities not covered by insurance and reputational damage with customers, employees and the general public. Any such accident may have a material adverse effect on the Group's business, revenue, profit and financial condition.

The Group's future success depends on its ability to continue to attract, retain and motivate qualified personnel

The Group's ability to execute projects and to obtain new contracts depends largely on the Group's ability to attract, retain and motivate key personnel, including senior managers, engineers, highly skilled technical employees, project leaders and sales and mercantile personnel. In addition, many of the projects to which the Group delivers solutions and products are located in remote areas and involve a substantial degree of travelling. If the Group fails to attract new qualified employees or to retain and motivate its employees, the Group may be unable to win projects and deliver its services and products up to the quality standards that are expected from the Group by its customers. In addition, any failure to successfully attract, retain and motivate qualified personnel may force the Group to use more subcontractors or hired-in personnel, which may affect its margins. These factors may have a material adverse effect on the Group's business, revenue, profit and financial condition.

Increases in the cost of labour may reduce the Group's profitability

Labour costs represent major operating expenses for the Group. Labour costs are dependent upon, among other things, unemployment levels, demand and supply imbalances in various geographic regions, prevailing wage rates, collective bargaining arrangements, insurance costs, changes in employment and labour legislation and employee turnover rate in the road infrastructure industry. The Group competes with other businesses in its markets for qualified employees. A shortage of qualified employees may require the Group to enhance its wage and benefits packages to compete more effectively for employees. An increase in wage rates or the need to take on temporary employees to meet shortfalls would reduce the Group's profitability.

The Group may be subject to litigation or otherwise be involved in disputes that could have a material adverse effect on the Group’s business, revenue, profit and financial condition

The Group may, from time to time, be involved in litigation matters and other disputes. These matters may include, among other things, contract disputes, personal injury claims, environmental claims or proceedings, tort claims, disputes relating to tender processes, employment matters and governmental claims for taxes or duties as well as other litigation that arises in the ordinary course of business. See Section 8.9 "Legal proceedings" for a description of the pending case before the Danish Competition Appeals Tribunal which the Group is involved in. In particular, the Group cannot predict with certainty the outcome of any claim or litigation matter. The ultimate outcome of any litigation matter and the potential costs associated with prosecuting or defending such lawsuits, including the diversion of management's attention to these matters, could have a material adverse effect on the Group's business, revenue, profit and financial condition.

The Group is dependent on its decentralised IT systems and IT service providers, and any failure in these systems or by the Group's IT service providers may materially adversely affect the Group

The Group's IT systems are highly decentralised which may result in increased costs and lack of collaboration and ability to reuse between regions. The Group's ability to provide services to its customers depends, among other things, on the efficient and uninterrupted operation of its IT systems, and also on the performance of its IT service providers. Any failure of, or damage to, the Group's IT systems, non-performance by its IT service providers, noncompliance with its IT standard or failure or delay in implementing new IT systems in the future or higher than expected IT capital expenditures could materially adversely affect the Group's business, revenue, profit and financial condition.

Minority shareholders in the Group's subsidiaries may have interests that differ from the Group and may take actions that adversely affect the Group

Following the Offering, the minority share of the Group's EBITDA and EBITA 2016 represents 3.4% and 3.9%, respectively, and 1.3% of net interest bearing debt. Further, the Group may enter into joint venture or co-investment projects with third parties in the future, in particular in connection with its strategy to expand into emerging markets. Such current and prospective joint venture and co-investment projects involve potential risks, including:

- The Group not having voting control over the relevant entities;
- Partners taking actions contrary to the Group's instructions or requests;
- The objectives of the joint venture not being achieved in a timely manner or at all;
- Partners at any time having or developing economic or business interests or goals that are not consistent with the Group's including competing with the Group;
- Partners becoming unwilling to participate in the Group's financing arrangement; and
- Partners becoming unwilling to contribute in an efficient manner to an exit of the joint venture if desired by the Group.

The ownership of some of the Group's subsidiaries is not governed by shareholders' agreements which results in the relationship between the shareholders being governed by and subject to local law requirements. Actions by the Group's joint venture partners may also not comply with the Group's internal compliance policies and may expose the Group to violation of applicable laws and regulations and reputational damage.

Damage to the Group's reputation and business relationships may have a material adverse effect beyond any monetary liability

The Group's business depends on customer goodwill, the Group's reputation and the Group's ability to maintain good relationships with its customers, joint venture partners, suppliers, employees and regulators. Any circumstances that publicly damage the Group's goodwill, injure the Group's reputation or damage the Group's business relationships may lead to a broader adverse effect on its business and prospects than solely the monetary liability arising directly from the damaging events by way of loss of business, goodwill, customers, joint venture partners and employees.

Adverse weather conditions, catastrophic events, terrorist attacks, acts of war, hostilities, riots, civil unrest, pandemic diseases and other unpredictable events may materially adversely affect the Group

The road infrastructure business is particular sensitive to adverse weather conditions such as heavy rainfall and snowfall, flood, landslip and harsh and long winters. Adverse weather conditions and catastrophic events, terrorist attacks, acts of war or hostilities, riots, civil unrest, pandemic diseases, and other similarly unpredictable events, and responses to those events or acts, may reduce the number of workable days and therefore prevent the Group and its employees from being able to provide services to its customers. Those events and acts may also create economic and political uncertainties, which may have an adverse effect on the economic conditions in the countries where the Group operates, and more specifically, could materially adversely affect the Group's business, revenue, profit and financial condition. Those events and acts are difficult to predict and may also affect property, financial assets, trading positions or employees, including key employees. If the Group's business continuity plans do not fully address such events or cannot be implemented under the circumstances, the Group may incur significant losses. Unforeseen events can also lead to lower revenue or additional operating costs, such as fixed employee costs not recovered by revenue due to inability to deliver services, higher insurance premiums and the implementation of redundant back-up systems. Insurance coverage for certain unforeseeable risks may also be unavailable. These risks may have material adverse effect on the Group's business, revenue, profit and financial condition.

The Company may make acquisitions that prove unsuccessful or strain or divert the Company's resources

The Company may consider making strategic acquisition to support growth and profitability. Successful growth through acquisitions is dependent upon the Company's ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favourable terms, obtain required licenses and authorisations and ultimately complete such acquisitions and integrate acquired entities in the Group. If the Company makes acquisitions, it may be unable to generate expected margins or cash flows, or realise the anticipated benefits of such acquisitions, including growth or expected synergies. The Company's assessment of and assumptions regarding acquisition targets may prove to be incorrect, and actual developments may differ significantly from expectations. The Company may not be able to integrate acquisitions successfully and such integration may require greater investment than anticipated, and the Company could incur or assume unknown or unanticipated liabilities or contingencies with respect to customers, employees, authorities and other parties. The process of integrating acquisitions may also be disruptive to the Company's operations, as a result of, among other things, unforeseen legal, regulatory, contractual and other issues and difficulties in realising operating synergies, which could cause the Company's results of operations to decline. Moreover, any acquisition may divert Management's attention from day-to-day business and may result in the incurrence of additional debt. Should any of the above occur in connection with an acquisition, there could be a material adverse effect on the Company's business, results of operations and financial condition.

The Company is a holding company and is dependent upon cash flow from subsidiaries to meet its obligations and in order to pay dividends to its shareholders

The Company currently conducts its operations through, and the Group's assets are owned by, the Company's subsidiaries. As such, the cash that the Company obtains from its subsidiaries is the principal source of funds necessary to meet its obligations, in particular its repayment of debt. Contractual provisions or laws and regulations, as well as the subsidiaries' financial condition, operating requirements, restrictive covenants in its debt arrangements and debt requirements, may limit the Company's ability to obtain cash from subsidiaries that it requires to pay its expenses or meet its current or future debt service obligations or to pay dividends to its shareholders.

The inability to transfer cash from the subsidiaries may result in the Group not being able to meet its obligations or the Company not being able to pay dividends to its shareholders. A payment default by the Company, or any of the Company's subsidiaries, could have material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

The Group may be unable to renew the lease agreements at its production sites

The Group conducts a few of its production operations at sites which are leased from third parties, some of which have short durations. The Group may not be able to renew its lease agreements or renewal may not be available at commercially reasonable terms. If the Group is not able to renew its lease agreements, costs may incur in connection with reallocation of the production facilities and appropriate new locations may not be available in short-term. If the operations are moved to other locations, the Group may not be able to reallocate a sufficient number of employees with necessary qualifications.

2.3 Risks related to financing and market risk

Changes in rules related to accounting for income taxes, changes in tax laws and regulations in any of the jurisdictions in which Saferoad operates or adverse outcomes from audits by taxation authorities could result in an unfavourable change in its effective tax rate

Saferoad operates its business in numerous tax jurisdictions. As a result, its effective tax rate is derived from a combination of the applicable tax rates in the various locations in which it operates. Saferoad's effective tax rate may be lower or higher than its tax rates have been in the past due to numerous factors, including the sources of its income and the tax filing positions it takes. Saferoad estimates its effective tax rate at any given point in time based on a calculated mix of the tax rates applicable to its Group and on estimates of the amount of business likely to be done in any given jurisdiction. Changes in rules related to accounting for income taxes, changes in tax laws in any of the jurisdictions in which Saferoad operates, expiration of tax credits formerly available, or adverse outcomes from tax audits that Saferoad may be subject to in any of the jurisdictions in which it operates could result in an unfavourable change in its effective tax rate.

Saferoad is exposed to liquidity risk and any inability to maintain sufficient cash flows could materially disrupt its business operations, harm its reputation and its ability to raise further capital and financing

The Group monitors its cash flow forecasts to ensure that it has sufficient cash available on demand to meet expected operational expenses, including the servicing of financial obligations. The Group's future liquidity needs depend on a number of factors, and is subject to uncertainty with respect to inter alia future earnings, working capital variations, outcome of legal claims and disputes. A limited liquidity position may have a material adverse effect on the Group's business, financial condition, results of operation and liquidity, and worst case, force the Group to cease its operations.

Saferoad may need additional equity or debt funding in the future in order to execute its strategy or for other purposes, which may not be available on favourable terms, or at all

Simultaneously with the Offering, the Company is refinancing the Existing Facilities (as defined below) with the Senior Facilities (as defined below) as further described in Section 11.7.1 "Material borrowings". The refinancing is conditional upon closing of the Offering and the Senior Facilities have a termination date falling five years after completion of the Listing. No assurance can be given that the Group will not require additional funds in order to execute its business strategy, or for other purposes, in the future. Adequate sources of funds may not be available, or available at acceptable terms and conditions, when the Group needs it. If the Group raises additional funds by issuing additional shares or other equity or equity-linked securities, it may result in a dilution of the holdings of existing shareholders. If adequate funds are not available on a timely basis, the Group may need to curtail development programmes and may be required to delay, scale back, sell or eliminate certain of its assets and/or activities, which may have a material adverse effect on the Group's business, revenue, profit and financial condition.

The Group is subject to exchange rate risk

The Company's and its Norwegian subsidiaries' operational costs are primarily in NOK, whilst the Company's foreign subsidiaries' cost base primarily is in their local currencies. Although, the companies in the Group generate most of their income in the same currency as their operational costs, they will also from time to time generate income under currencies, which differ from the currency of their operational costs. To some extent the Group is exposed to currency exchange fluctuations in connection with conversion of foreign currency into NOK. If the Group continues to expand its market positions in other countries, or expands its business to new markets, it will be further exposed to such fluctuations. Currency exchange rates are determined by forces of supply and demand on the currency exchange markets, which again are affected by the international balance of payments, economic and financial conditions and expectations, government intervention, speculation and other factors. Fluctuations in exchange rates may have a material adverse effect on the Group's business, revenue, profit and financial conditions.

The Group's transfer pricing documentation and policies may be challenged

The Group has activity in 20 countries and different tax jurisdictions. As such, there is a risk that tax authorities may challenge the Group's transfer pricing documentation and policies regarding sale of goods and services between companies in the Group. The Group is currently implementing a revised transfer pricing policy.

2.4 Risks related to the Listing and the Shares

The Group will incur increased costs as a result of being a publicly traded company

As a publicly traded company with its Shares listed on the Oslo Stock Exchange, the Group will be required to comply with the Oslo Stock Exchange's reporting and disclosure requirements and with corporate governance requirements. The Group will incur additional legal, accounting and other expenses to comply with these and other applicable rules and regulations. The Group anticipates that its incremental general and administrative expenses as a publicly traded company will include, among other things, costs associated with annual and quarterly reports to shareholders, shareholders' meetings, investor relations, incremental director and officer liability insurance costs and officer and director compensation.

The price of the Shares may fluctuate significantly

The trading volume and price of the Shares could fluctuate significantly. Securities markets in general have been volatile in the past. Some of the factors that could negatively affect the Share price or result in fluctuations in the price or trading volume of the Shares include, for example, changes in the Company's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the strategy described in this Prospectus, as well as the evaluation of the related risks, changes in general economic conditions and consumer preferences, changes in shareholders and other factors. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate based upon factors that have little or nothing to do with the Company, and these fluctuations may materially affect the price of the Shares.

There is no existing market for the Shares, and an active trading market may not develop

Prior to the Listing, there was no public market for the Shares, and there can be no assurance that an active trading market will develop, or be sustained or that the Shares may be resold at or above the Offer Price. The market value of the Shares could be substantially affected by the extent to which a secondary market develops for the Shares following the completion of this Offering.

Future sales, or the possibility for future sales, including by the Existing Shareholder, of substantial numbers of Shares may affect the Shares' market price

The Company cannot predict what effect, if any, future sales of the Shares, or the availability of Shares for future sales, will have on the market price of the Shares. Sales of substantial amounts of the Shares in the public market following the Offering, including by the Existing Shareholder (which, following the Offering, will hold between 30.0% to 46.2% of the Shares of the Company), or the perception that such sales could occur, may adversely affect the market price of the Shares, making it more difficult for holders to sell their Shares or the Company to sell equity securities in the future at a time and price that they deem appropriate. Although the Existing Shareholder, as at the date of this Prospectus, is subject to an agreement with the Managers that, subject to certain conditions and exceptions, restricts its ability to sell or transfer its Shares during the period up to and including the date on which the Company releases the second quarterly report after the first day of Listing of the Shares on the Oslo Stock Exchange, the representatives of the Managers may, in their sole discretion and at any time, waive the restrictions on sales or transfer during this period. Additionally, following this period, all Shares owned by the Existing Shareholder will be eligible for sale or other transfer in the public market, subject to applicable securities laws restrictions.

Future issuances of Shares or other securities may dilute the holdings of shareholders and could materially affect the price of the Shares

The Company may in the future decide to offer additional Shares or other securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. There can be no assurance the Company will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not be able to purchase additional equity securities. If the Company raises additional funds by issuing additional equity securities, holdings and voting interests of existing shareholders may be diluted.

Pre-emptive rights to secure and pay for Shares in additional issuance could be unavailable to U.S. or other shareholders

Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders (the "**General Meeting**"), existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new Shares for cash consideration. Shareholders in the United States, however, could be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and Shares or an exemption from the registration requirements under the U.S. Securities Act is available. Shareholders in other jurisdictions outside Norway could be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and Shares, and doing so in the future could be impractical and costly. Accordingly, there is no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be diluted.

Investors could be unable to exercise their voting rights for Shares registered in a nominee account

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) could be unable to vote such Shares unless their ownership is re-registered in their names with the VPS prior to any General Meeting. There is no assurance that beneficial owners of the Shares will receive notice of any

General Meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote their Shares in the manner desired by such beneficial owners.

The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions

The Shares have not been registered under the U.S. Securities Act or any U.S. state securities laws or any other jurisdiction outside Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act and other applicable securities laws. See Section 20 "Selling and transfer restrictions". In addition, there is no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings.

The Company's ability to pay dividends is dependent on the availability of distributable reserves and the Company may be unable or unwilling to pay any dividends in the future

Norwegian law provides that any declaration of dividends must be adopted by the shareholders at the General Meeting. Dividends may only be declared to the extent that the Company has distributable funds and the Company's Board of Directors finds such a declaration to be prudent in consideration of the size, nature, scope and risks associated with the Company's operations and the need to strengthen its liquidity and financial position. As the Company's ability to pay dividends is dependent on the availability of distributable reserves, the Company is, among other things, dependent upon receipt of dividends and other distributions of value from its subsidiaries and companies in which the Company may invest. As a general rule, the General Meeting may not declare higher dividends than the Board of Directors has proposed or approved. If, for any reason, the General Meeting does not declare dividends in accordance with the above, a shareholder will, as a general rule, have no claim in respect of such non-payment, and the Company will, as a general rule, have no obligation to pay any dividend in respect of the relevant period.

Investors could be unable to recover losses in civil proceedings in jurisdictions other than Norway

The Company is a public limited company organised under the laws of Norway. All of the Board Members and the members of the Management reside in Norway, except for Johan Ek (Chairman of the Board of Directors), Olof Faxander (Board Member), Annika Poutiainen (Board Member), Gry Hege Sølsnes (Board Member) and Henrik Perbeck (Chief Executive Officer ViaCon Group), who all reside in Sweden, and Peter Lind (Senior Vice President Saferoad Europe), who resides in Germany. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in non-Norwegian courts including any judgments obtained in U.S. courts predicated upon civil liability provisions of the U.S. securities laws, or to enforce judgments on such persons or the Company in other jurisdictions.

Norwegian law could limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Norwegian law and by the Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritised over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK

The Shares will be priced and traded in NOK on the Oslo Stock Exchange and any future payments of dividends on the Shares will be denominated in NOK. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account or linked a local cash account and swift address to their local bank, will, however, receive dividends by check in their local currency, as exchanged from the NOK amount distributed through the VPS. If it is not practical in the sole opinion of Danske Bank, being the Company's VPS registrar, to issue a check in a local currency, a check will be issued in USD. The issuing and mailing of checks will be executed in accordance with the standard procedures of Danske Bank. The current policy of Danske Bank is to apply the exchange rate(s) on the date of issuance, and there is no guarantee that Danske Bank will not adopt an alternative policy in the future. Exchange rate movements of NOK will therefore affect the value of these dividends and distributions for investors whose principal currency is not NOK. Further, the market value of the Shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Shares and of any dividends paid on the Shares for an investor whose principal currency is not NOK.

Market interest rates could influence the price of the Shares

One of the factors that could influence the price of the Shares is its annual dividend yield as compared to yields on other financial instruments. Thus, an increase in market interest rates will result in higher yields on other financial instruments, which could adversely affect the price of the Shares.

The limited free float of the Shares may have a negative impact on the liquidity of and market price for the Shares

After completion of the Offering, approximately 57.1% of the Company's share capital (or approximately 65.7% of the share capital if the Over-Allotment Option is exercised in full, and the maximum number of Additional Shares which may be purchased pursuant to the Over-Allotment Option is sold) will be publicly held if all the New Shares are issued and sold (based on a price of NOK 52.50 per Share – which is the mid-point of the Indicative Price Range). The remaining approximately 42.9% (or approximately 34.3% if the Over-Allotment Option is exercised in full, and the maximum number of Additional Shares which may be purchased pursuant to the Over-Allotment Option is sold) of the share capital is expected to be held by the Existing Shareholder. The limited free float may have a negative impact on the liquidity of the Shares and result in a low trading volume of the Shares, which could have an adverse effect on the then prevailing market price for the Shares and could result in increased volatility of the market price for the Shares.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Offering described herein and the Listing of the Shares on the Oslo Stock Exchange.

The Board of Directors of Saferoad Holding ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

10 May 2017

The Board of Directors of Saferoad Holding ASA

Johan Ek *Chairman*	Bård Mikkelsen *Vice Chairman*	Olof Faxander *Board Member*
Annika Poutiainen *Board Member*	Synnøve Lyssand Sandberg *Board Member*	Gry Hege Sølsnes *Board Member*
Jan Torgeir Hovden *Board Member*	Britt Sandvik *Board Member*	Knut Brevik *Board Member*

4 GENERAL INFORMATION

4.1 Other important investor information

The Company has furnished the information in this Prospectus. The Managers disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Prospectus or any such statement.

None of the Company, the Existing Shareholder or the Managers, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

Investing in the Offer Shares involves a high degree of risk. See Section 2 "Risk factors" beginning on page 12.

In connection with the Offering, each of the Managers and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in the Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Managers or any of their respective affiliates acting in such capacity. None of the Managers intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, certain of the Managers or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Managers (or their affiliates) may from time to time acquire, hold or dispose of Shares.

4.2 Presentation of financial and other information

4.2.1 Financial information

The Company is a holding company that was incorporated by Advokatfirmaet Thommessen AS on 14 September 2016 as a shelf company and acquired by the Existing Shareholder in connection with the Reorganisation (as defined below) of the corporate structure of the Group in connection with the Listing. See Section 14 "The Reorganisation" below for a description of the Reorganisation. Prior to the Reorganisation, Saferoad Holding AB was the ultimate holding parent company of the Saferoad Holding AB Group. Hence, the Saferoad Holding AB Group's audited consolidated financial statements as at, and for the years ended, 31 December 2015 and 2014 have been prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union ("**IFRS**") and with SEK as the presentation currency, with Saferoad Holding AB as the ultimate parent company of the Saferoad Holding AB Group (the "**SEK Financial Statements**"). The Group's audited consolidated financial statements as at, and for the year ended, 31 December 2016 have been prepared in accordance with IFRS and with NOK as the presentation currency (and with unaudited comparative figures for the year ended 31 December 2015), with the Company as the ultimate parent company of the Group (the "**NOK Financial Statements**"). The Company has also, for prospectus purposes, prepared unaudited financial information for the Saferoad Holding AB Group for the year ended 31 December 2014, converted from SEK to NOK (using an exchange rate at 31 December 2014 of 0.9597 for the balance sheet and the average exchange rate for the year of 0.9186 for the profit and loss and cash flow) (the "**NOK 2014 Financial Information**"). The SEK Financial Statements, the NOK Financial Statements and the NOK 2014 Financial Information are together referred to as the "**Financial Information**" and are included in Appendix B to this Prospectus.

The SEK Financial Statements for the years ended 31 December 2015 and 2014 have been audited by Ernst & Young AB, as set forth in their reports thereon included in Appendix B to this Prospectus. The NOK Financial Statements for the year ended 31 December 2016, with the Company (being Cidron Triangle AS as at 31 December 2016) as the ultimate parent company of the Group, have been audited by Ernst & Young AS, as set forth in their report thereon included in Appendix B to this Prospectus.

Neither Ernst & Young AB nor Ernst & Young AS have audited, reviewed or produced any report on any other information provided in this Prospectus.

4.2.2 Alternative performance measures (APMs)

In this Prospectus, the Company has used certain basic alternative performance measures ("**APMs**"). Each of the following APMs has been defined by the Group as follows:

- "**EBITA**" is defined as operating profit (loss) before interests, income tax and amortisation.
- "**Underlying EBITA**" is defined as EBITA adjusted for material items which are not regarded as part of underlying business performance for the period, such as costs related to acquisitions and divestments, major restructuring costs and closure costs, major impairments of property, plant and equipment, depreciations of excess values of tangibles, effects of disposals of businesses and operating assets, as well as other major effects of a special nature.
- "**EBITDA**" is defined as operating profit (loss) before interests, income tax, depreciation and amortisation; and
- "**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, effects of disposals of businesses and operating assets, as well as other major effects of a special nature.

The APMs are presented and described in Section 11 "Operating and financial review". The APMs presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and investors should not consider any such measures to be an alternative to: (a) operating revenues or operating profit (as determined in accordance with IFRS or other generally accepted accounting principles), as a measure of the Group's operating performance; or (b) any other measures of performance under generally accepted accounting principles. The APMs financial measures presented herein may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results. The Company believes that the APMs measures presented herein where adjustments for revenues and costs which is deemed to be non-recurring, give a better reflection of the financial performance of the Group through improved comparability year over year and quarter over quarter. Furthermore, APM's are commonly reported by companies in the markets in which it competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciations of excess values, amortisation and impairment, which can vary significantly depending upon accounting methods (particularly when acquisitions have occurred), business practice or based on non-operating factors. Accordingly, the Group discloses the APMs financial measures presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies and across periods, and of the Group's ability to service its debt. Because companies calculate the APMs financial measures presented herein differently, the Group's presentation of these APMs financial measures may not be comparable to similarly titled measures used by other companies.

4.2.3 Industry and market data

This Prospectus contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to our business and markets. Unless otherwise indicated, such information is based on the Company's analysis of multiple sources, including market studies commissioned from Bain & Company, Inc. and information otherwise obtained from Euroconstruct, Business Monitor International and national road authorities (the "**Company Market Study**"). As far as the Company is aware from such information, no facts have been omitted which would render the information provided inaccurate or misleading. The reports from Euroconstruct and Business Monitor International are not publicly available, but may be purchased through their respective websites. The Company understands from Bain that its market studies include and are based on primary interviews and field visits it conducted with industry experts and participants, its secondary market research and internal financial and operational information supplied by, or on behalf of, the Company, as well as information obtained from (i) data providers, including Datastream, Euroconstruct and Business Monitor International; (ii) The Economist Intelligence Unit; (iii) industry associations and country organizations, including Norwegian Statens Vegvesenet, Swedish Trafikverket, German BMVI, Polish GDDKiA and International Transport Forum and (iv) publicly available information from other sources, such as information publicly released by the Company's competitors. While the Company has compiled, extracted and reproduced industry and market data from external sources, the Company has not independently verified the correctness of such data. The Company cautions prospective investors not to place undue reliance on the above-mentioned data. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk factors" and elsewhere in this Prospectus.

4.2.4 Other information

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway, all references to "**Zloty**" or "**PLN**" are to the lawful currency of Poland, all references to "**SEK**" are to the lawful currency of Sweden, all references to "**USD**" are to the lawful currency of the United States, all references to "**DKK**" are to the lawful currency of Denmark and all references to "**EUR**" are to the lawful common currency of the member states of the EU who have adopted the Euro as their sole national currency.

4.2.5 Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.3 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They appear in the following Sections in this Prospectus, Section 7 "Industry and market overview", Section 8 "Business of the Group" and Section 11 "Operating and financial review", and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Important factors that could cause those differences include, but are not limited to:

- implementation of the Group's strategies;
- failure by the Group to adequately perform on projects or under contracts;
- performance by the Group's business partners and third party subcontractors;
- inaccuracy relating to estimates or calculations of costs on large projects;
- failure by counterparties to meet their obligations;
- environmental issues related to the Group's business and properties;
- failure to attract, retain and motivate qualified personnel;
- increases in labour cost;
- litigation;
- damage to the Group's reputation and business relationships;
- access to funding; and
- fluctuations of raw material prices, exchange and interest rates

The information contained in this Prospectus identifies additional factors that could affect the Group's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Prospectus for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Company.

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5 REASONS FOR THE OFFERING AND THE LISTING

The Company will apply for the Listing of all of its Shares on the Oslo Stock Exchange. The Company believes that the Offering and the Listing will:

(i) enhance Saferoad's profile with investors, business partners and customers;

(ii) further enhance the ability of Saferoad to attract and retain key management and employees;

(iii) enable access to capital markets if necessary for future growth;

(iv) diversify the shareholder base; and

(v) while at the same time enabling the Existing Shareholder to partially realise its holding and as a result allow for a liquid market for its Shares going forward.

The gross proceeds from the sale of the New Shares in the Offering are expected to be NOK approximately 1,400 million. After deduction of estimated expenses of NOK 70 million attributable to the Company, the Company expects to receive net proceeds of NOK 1,330 million. The Company intends to use the proceeds from issuance of the New Shares in the Offering to pay for transaction costs (NOK 70 million), to buy-out minority shareholders in selected, local entities (in aggregate NOK 221 million) and to partly repay existing debt (NOK 1,109 million).

The Company will not receive any proceeds from the sale of any Additional Shares by the Existing Shareholder.

6 DIVIDENDS AND DIVIDEND POLICY

6.1 Dividend policy

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions, as set out in the Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (the "**Norwegian Public Limited Companies Act**") (see Section 6.2 "Legal constraints on the distribution of dividends"), the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintaining of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

Saferoad targets dividend payments corresponding to ~50% of underlying net income, with a potential to increase this ratio over time. Saferoad envisages, from 2018, to pay out dividends in the third quarter in light of seasonal swings of the business. The dividends should be carefully considered in relation to liquidity position, future cash flow, investment needs as well as strategic opportunities.

There can be no assurance that a dividend will be proposed or declared in any given year. If a dividend is proposed or declared, there can be no assurance that the dividend amount or yield will be as contemplated above.

No dividends were distributed by the Group to shareholders of the Company for the years 2016, 2015 and 2014.

6.2 Legal constraints on the distribution of dividends

Dividends may be paid in cash, or in some instances, in kind. The Norwegian Public Limited Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Companies Act provides that the Company may distribute dividends to the extent that the Company's net assets following the distribution cover (i) the share capital, (ii) the reserve for valuation variances and (iii) the reserve for unrealised gains. The amount of any receivable held by the Company which is secured by a pledge over Shares in the Company, as well as the aggregate amount of credit and security which, pursuant to Section 8-7 to Section 8-10 of the Norwegian Public Limited Companies Act fall within the limits of distributable equity, shall be deducted from the distributable amount.

  The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided however that the registered share capital as of the date of the resolution to distribute dividends, shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorise the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.

- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

The Norwegian Public Limited Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 18 "Taxation".

6.3 Manner of dividend payments

Any future payments of dividends on the Shares will be denominated in NOK, and will be paid to the shareholders through the VPS. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account or linked a local cash account and swift address to their local bank, will however receive dividends by check in their local currency, as exchanged from the NOK amount distributed through the VPS. If it is not practical in the sole opinion of Danske Bank, being the Company's VPS registrar, to issue a check in a local currency, a check will be issued in USD. The issuing and mailing of checks will be executed in accordance with the standard procedures of Danske Bank. The exchange rate(s) that currently is applied is Danske Bank's rate on the date of issuance. Dividends will be credited automatically to the VPS registered shareholders' NOK accounts, or in lieu of such registered NOK account, by check, without the need for shareholders to present documentation proving their ownership of the Shares.

7 INDUSTRY AND MARKET OVERVIEW

Unless otherwise stated, information in this Section is based on the Company Market Study. See Section 4.2.3 "Industry and market data" above for further information on the Company Market Study.

7.1 Overview

7.1.1 Introduction

Saferoad operates in the European road infrastructure market and delivers products and engineering solutions to road construction and maintenance projects. Saferoad's operations are split in two business areas: Road Safety and Road Infrastructure. The Group's primary geographical markets are the Nordics, and Western, Central and Eastern Europe, of which the largest part of revenue comes from Norway, Sweden, Germany and Poland (~70% FY 2016). Saferoad's long-term vision is to be the number one road safety and road infrastructure solutions supplier across its key markets, and utilize its existing platform to enter new markets.

7.1.2 Road Safety products and solutions

The Road Safety market constitutes products and solutions created to increase road safety and hence decrease the amount and corresponding consequences of traffic accidents. The Road Safety products often require a substantial degree of customization and involvement of engineering, due to factors such as topography and project specifications, design requirements, safety standards, country specific regulations and technical requirements. The key products in the Road Safety business area can broadly be categorised into:

- Road Restraint Systems
- Light poles
- Signs
- Road Marking
- Work Zone Protection
- Other (including Rock Support, Noise Protection, Street Furniture and Rail and Power Poles)

A standard road construction project typically has a tenure of approximately three years (after two to three years of planning before commencement) and is generally divided in the following four phases; 1) clearing, 2) subgrade construction, 3) gravel and asphalt and 4) installation of road safety products, as illustrated in figure 7.1.3 below. Road Safety products are typically installed during the last phase of a road construction project, e.g. during the last six months of a three-year project. In addition to the standard "four phased" road construction project there are also a substantial share of road maintenance projects only focusing on parts of the five phases, e.g. projects only focusing on new asphalt or upgrade and repair or replacement of road safety equipment. These maintenance projects often have shorter lead times and demand quicker product deliveries than a standard road construction project. Work Zone Protection is typically needed in all phases of the construction projects.

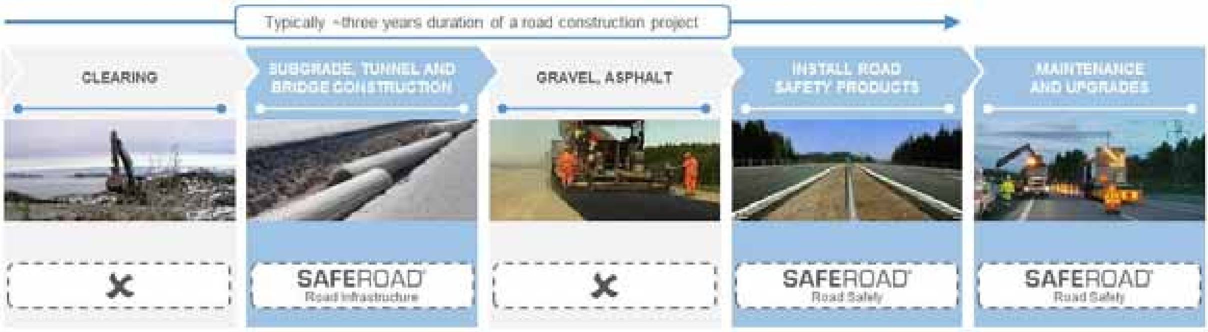
7.1.3 Road Infrastructure products and solutions

The Road Infrastructure market includes products and solutions related to road construction and road installations. The key Road Infrastructure product groups can broadly be categorised into:

- Soil Steel Bridges
- Pipes and Culverts
- Geosynthetics
- Water & Sewage
- Other (including Modular Steel Bridges, Conspan Bridges, Retaining Walls and Cast Iron Products)

In a standard road construction project, Road Infrastructure products and solutions are normally installed in the subgrade construction part of the projects, see figure 7.1.3. For the same reasons as for Road Safety products, Road Infrastructure products and solutions also demand a high degree of customization and engineering.

Figure 7.1.3: Phases of a road construction project



7.2 Market structure and competitive characteristics

7.2.1 Road construction

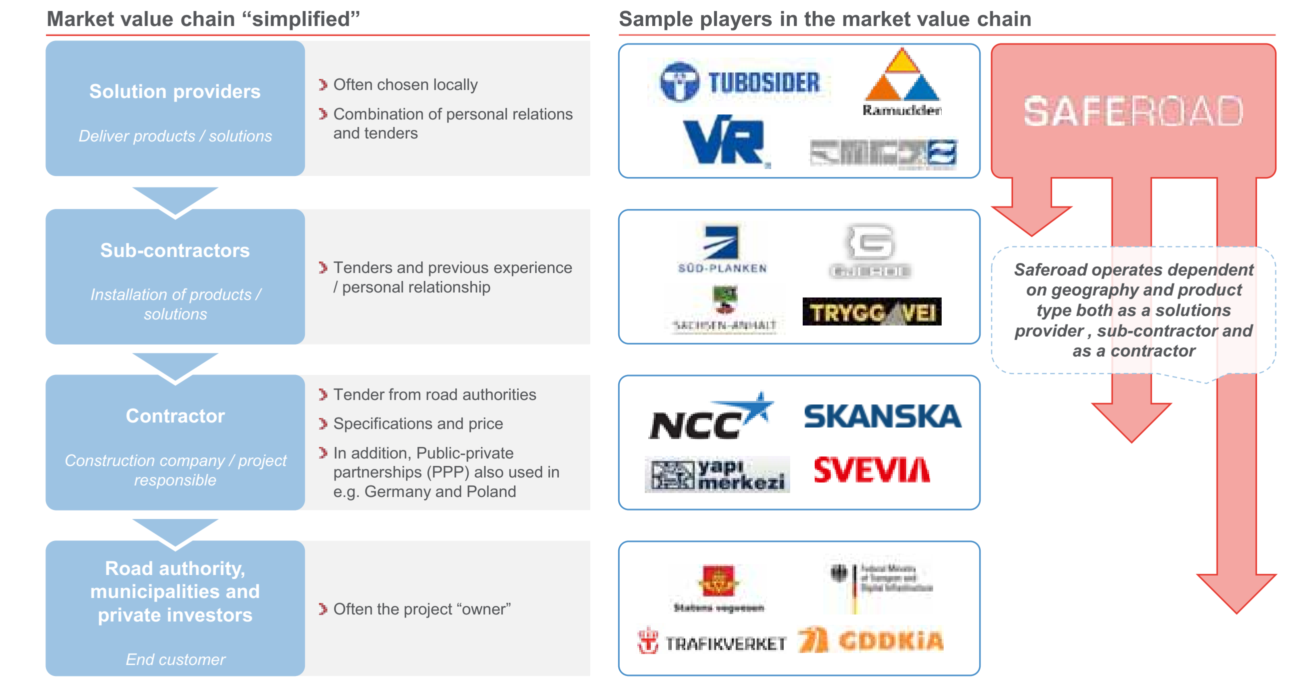
Figure 7.2.1 illustrates Saferoad's role in a typical road construction project. Depending on geography and product type, Saferoad can operate as a solution provider, sub-contractor or as a contractor.

Solutions providers generally supply products and solutions to local sub-contractors handling the installation; hence factors such as local support, personal relationships as well as understanding local requirements are often important selection criteria.

The sub-contractors install the products on behalf of the contractor and are often specialized towards a specific product or group of products. For example, in Norway, a guardrail solutions supplier often delivers its product to a guardrail solutions sub-contractor who installs the guardrail solution. In Norway there is a clear distinction between solution providers and sub-contractors, however, the distinction is less clear for instance in Sweden, Germany and Poland where the solutions providers also install a substantial part of the products on behalf of the contractor.

Sub-contractors, or in the instances where the solution supplier also installs the product, are selected by contractors based on tenders, previous experience and business relationships. The contractor has the overall project responsibility and is usually selected by road authorities through transparent tender processes to which they first need to qualify by meeting specific requirements and are finally selected primarily based on price. In addition, some of the road projects in Germany and Poland are done via public-private partnerships ("**PPP**"). The PPP purchasing process is usually less transparent than the public tendering process and business relationships and total cost of ownership are considered to be significantly more important in the decision-making process.

Figure 7.2.1: Saferoad's position in the value chain



7.2.2 Road maintenance

Maintenance contracts are usually tendered separately from road projects, however, the process varies between countries. The following sections give a brief overview of the differences in road maintenance contracts in Saferoad's four largest markets; Norway, Sweden, Germany and Poland.

In Norway, maintenance contracts are tendered on a regional basis by the road authorities to contractors and sub-contractors and typically have durations of three to five years. The engaged contractor is notified when maintenance work is needed, and the sub-contractors have frame agreements with short deadlines for when orders have to be fulfilled. The solution providers sell from inventory to the sub-contractors and are committed to short delivery times, typically one week for maintenance work.

In Sweden, an average contract has duration of four years with an option to extend. Maintenance contracts are tendered on a regional basis by road authorities to contractors.

The duration of a standard maintenance contract in Germany is normally up to five years. Road authorities issue separate maintenance contracts depending on the nature of the job to sub-contractors. In PPP projects, the contractor is normally maintenance responsible for 30 years.

The typical contract length in Poland is currently between 3-5 years. Traditionally the road authorities have issued separate maintenance contracts depending on task to sub-contractors. Polish road authorities aim to sophisticate the country's maintenance operations by entering longer contracts with fewer contractors and sub-contractors, and by outsourcing more of the maintenance responsibility to its contractors.

7.2.3 Competitive characteristics – barriers to entry

Several barriers to entry are created as a result of the industry structure and contract selection process. The below paragraphs broadly describe the key barriers in the Road Safety and Road Infrastructure market:

Local relationships: The customer base is often fragmented, and several of the road projects are often smaller and defined within a specific regional area with less structured purchasing processes. Procurement decisions are often quick and are made locally, thus making it important to maintain strong local and trusted business relationships.

Local presence and customization: Local presence is required to offer quick and on-time deliveries to regional customers and is deemed as a key selection criteria, as customers tend to stick with suppliers offering reliable and correct deliveries. Customers also demand the ability to purchase customized products both in terms of specific needs and local regulations and requirements. In addition, customers often expect local installation expertise.

Regulations: Several of the countries where Saferoad has presence have adopted international product standards that need to be fulfilled on top of a high degree of additional national performance requirements.

Complex logistics: Substantial capital requirements arise from the need to have a broad finished goods inventory and local assembly for timely deliveries, especially for maintenance. For example, in Norway there are regulations that require all suppliers to be able to deliver products for maintenance work within one week.

7.3 Drivers of road investments

The development in the road safety and road infrastructure markets are driven by a number of key drivers, of which the following are most important for road investments: (i) economic environment; (ii) increasing road traffic volumes; (iii) political will and public attitudes towards road infrastructure investments; (iv) road safety trends; (v) technology innovation; and (vi) input prices, each of which are described below.

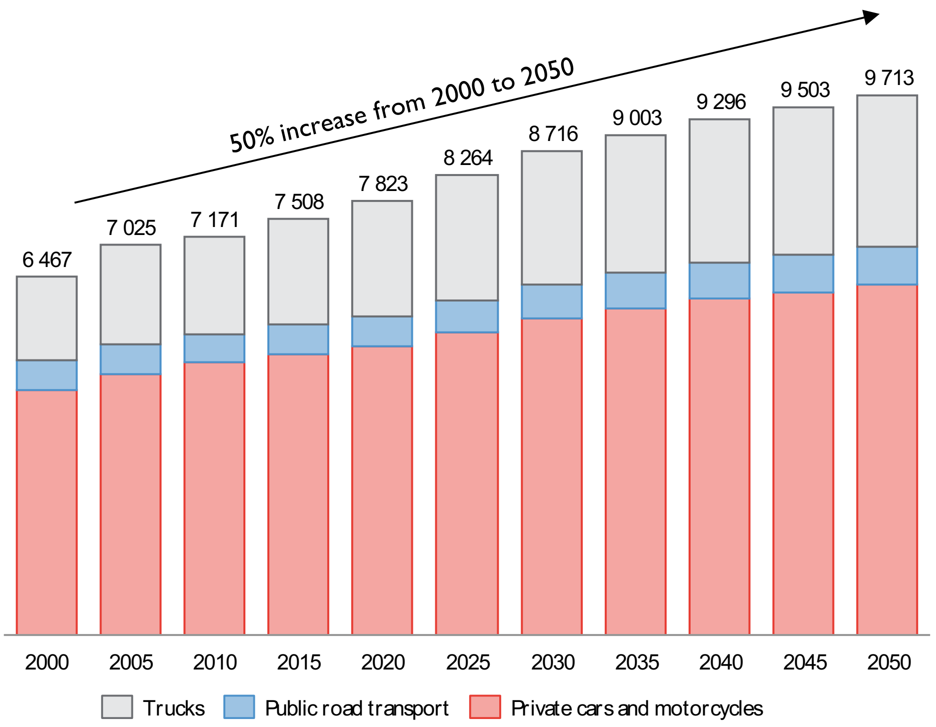
7.3.1 Economic environment

The current economic environment is the overall driver of public road investments as the majority of spending comes from available governmental funding allocated to construction and maintenance. Although the long-term ability for states and municipalities to invest in road construction and maintenance is correlated with economic development (GDP growth) there is limited annual correlation between road spend and GDP growth across different countries. A likely reason for the low correlation is that publicly allocated funds to infrastructure have been used as financial stimulus packages to boost long-term GDP growth and employment. A favourable long-term GDP outlook in Saferoad's core markets is expected to have an overall positive effect on road investments.

7.3.2 Increasing road traffic volumes

Road traffic volumes drive the need for extension of road networks, road upgrades and road maintenance. Road traffic volumes are expected to grow going forward, and the European Commission forecasts road traffic to grow by approximately 50% from 2000 to 2050 in the 28 EU countries as illustrated in figure 7.3.2 below.

Figure 7.3.2: Road traffic development 2000-2050 – EU 28: Gpkm (giga passenger-kilometre)



Source: European Commission; EU Energy, Transport and GHG emissions – Trends to 2050.

7.3.3 Political will and public attitudes

Political commitment and public attitudes towards road infrastructure drive public funds to road construction and road upgrades to increase road quality and reduce the number of road accidents. For example, the current Norwegian government (elected in 2013) have consistently expressed a positive attitude and commitment towards road investments both in terms of allocations in the state budget and through the National Transport Plan. Furthermore, the EU's ambition to expand and upgrade road networks in Poland and other CEE countries plays an important role in developing the countries' national road standards. Factors influencing the political commitment to road investments and the overall public opinion towards road investments include capacity constrained road networks, poor road quality and large road maintenance lags. In its latest Global Competitiveness Report (2016-17), the World Economic Forum considers Norway to be number 67 out of 138 countries when evaluating road quality. In the same ranking, Germany is placed 16th, Sweden 21st and Poland 72nd.

7.3.4 Road safety trends

Penetration of safety products is driven by trends in safety policies and the overall focus on reducing the number of road accidents. One of the cornerstones in the road safety work in several countries including (Norway, Sweden, and Germany) is Vision Zero, which is a multi-national road traffic safety project that aims to achieve a highway system with no fatalities or serious injuries in road traffic. For example, the Norwegian government has decided that the efforts to improve road traffic safety should be based on a vision of zero fatalities and severe injuries in road traffic and has set a short-term goal to reduce fatalities by 33% from 2010 to 2020. Other important initiatives include the Polish National Road Safety Program, and the UN's Global Plan for the Decade of Action for Road Safety 2011-2020.

7.3.5 Technological innovation

Technological innovation can drive the replacement rates for old solutions as well as improve quality and durability for certain products (e.g. the introduction of LED in street lights). Smart roads are expected to increase the share of road investments going to safety improvements.

7.3.6 Pricing

Cost and pricing of road investments are dependent on a number of factors. Important drivers of the price of road investments include raw material prices (e.g. steel, plastic etc.) and labour (for example, labour is the main input in Road Marking, making wage inflation an important factor). Competitive intensity and the ability to pass on price increases to customers will also have a significant impact on the price of road investments.

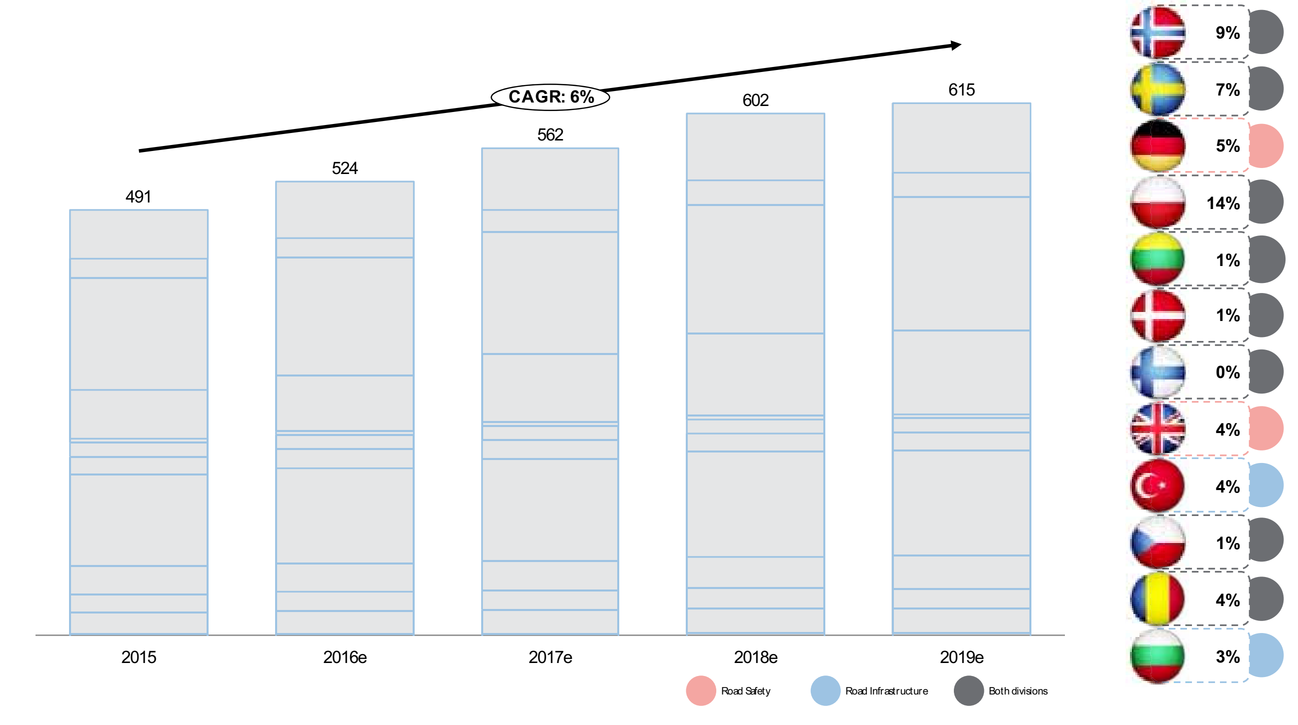
7.4 Road spend outlook

7.4.1 Overview

The following Section describes the development and outlook for road investments in Saferoad's key markets. The total road investments in Saferoad's key markets was estimated to be NOK 491 billion in 2015 measured in 2015 prices. The total annual growth rate from 2015 to 2019 is estimated to be ~6% in real terms measured in 2015 prices. Poland is expected to grow at the highest growth rate with an estimated CAGR of ~14% during the same period, followed by Norway (~9%), Sweden (~7%) and Germany (~5%). In absolute size, Germany is the largest of the markets; with Poland and UK following as number two and three respectively.

Figure 7.4.1 below illustrates the development in road investments in Saferoad's key markets.

Figure 7.4.1: Road investments development and outlook 2015-2019 (NOK billion at 2015 prices)



Source: Company Market Study; Note: Countries in same order in graph as flags to the right.

7.4.2 Norway

Road spend is estimated at NOK 56 billion in 2015 and the market is predicted to grow at ~9% annually to NOK 80 billion in 2019. Public demand is the main driver behind the development, and infrastructure investments can be used to stimulate the Norwegian economy in response to the global oil price drop. Investments in new roads are expected to continue to grow through a combination of current projects and planned project start-ups. The state budget and funds from road toll companies comprise approximately one third each of investments in roads and a significant part of the funding comes from counties and municipalities as well as the private sector. Maintenance of roads is primarily financed by state authorities.

The central government budget for 2017 includes several grants to new road projects with multiple large road projects across Norway anticipated to start in 2017-18. In addition, the new National Transport Plan (the "**NTP**") for the period 2018-2029 will be released in 2017, with a separate plan for Norwegian highways, which is anticipated to be a strong contributor to the long-term growth in road spend.

7.4.3 Sweden

Euroconstruct estimates that investment in Swedish infrastructure is lagging by approximately EUR 33 billion, and will double by 2025 if the current investment pace continues going forward. The road and railway maintenance lag alone is estimated at approximately EUR 3.5 billion, hence, creating a favourable outlook for market growth in the long-term.

A new transport infrastructure plan was approved in the spring of 2014 covering the period from 2014 to 2025. The plan intends to increase investments by 20% compared to the previous plan released in 2010. In October 2016, the government released a new transport infrastructure plan including maintained high levels of spend beyond 2019. Over the last two decades, Swedish road quality has declined due to the lack of investment creating broad political support for increased spend going forward.

7.4.4 Germany

German road spend is largely driven by public investments, both directly and through businesses with public ownership. Road spend grew from 2011 to 2014 at a CAGR of 0.4% after a decrease of approximately 5% from 2011 to 2012. Several road investments have been postponed in recent years due to insufficient funding from municipalities. In addition to funding coming from the government, Länder and municipalities, parts of the road funding also derives from road tolls, providing a robust source for funding. Further, private funding is also funnelled into road investments through PPP projects.

In March 2016 the German central government announced the largest transport infrastructure plan ever, 2030 Federal Transport Infrastructure Plan "Bundesverkehrswegeplan 2030". The central government is to spend NOK 1,260 billion on Autobahn and highways in the period from 2016 to 2030. The plan will focus on maintenance and removal of motorway bottlenecks on ~1,700 kilometres of roads and Autobahn upgrades.

Germany has an extensive road network; however, road investments have largely lagged the increase in traffic volumes. Euroconstruct reports estimates from an investigatory commission which remarked that the federal government, "Länder" and municipalities would need to invest an additional EUR 4.7 billion annually the next 15 years to meet maintenance requirements and gradually eliminate the backlog. Euroconstruct further reports that the German federal government has promised to spend an extra EUR 2 billion on bridge renovation between 2015 and 2018. It is expected that in the long term, the Autobahn network will not be expanded and that funds will rather be used for widening existing roads and/or filling gaps.

7.4.5 Poland

The main source of financing for road spend in Poland comes from the European Regional Development Fund and the Cohesion Fund. Polish road spend is expected to grow fast on the back of major EU infrastructure investments program 2016-23 with ~NOK 200 billion earmarked for roads and road safety. More than 10 projects with a total value of over NOK 10 billion each are expected to end by 2020.

The growth in Poland comes on the back of a sharp decline in road spend from 2011 to 2014 after the country experienced contractual and construction disputes in connection with the country's major road building programme. Consequently, the contract issues resulted in several delayed projects and EU funds being postponed. As a result, the Polish road spend has been delayed by approximately two years, and the sector is anticipated to see a surge in spending going forward.

7.4.6 Lithuania

Road spend in Lithuania is characterised by the process of replacing Soviet era infrastructure, using public-private partnerships and parts of EU funding. There are some upgrade projects in the pipeline (e.g. upgrading the important Via Baltica road, linking Prague and Helsinki to the motorway). Since the total size of the Lithuanian road spend budget is relatively small, individual projects have a large impact on the growth. The largest ongoing road projects are reconstruction/maintenance projects - main roads targeted are E67, E262, E272 and National Road 102.

7.4.7 Denmark

Road spend growth is expected to be relatively low in the coming years in Denmark. The government change in 2015 shifted focus from railways to roads but also reduced the overall infrastructure spend. New road projects are still in the planning phase in 2016 and will take time to implement and growth is expected to be slow in 2017-2018. New road projects may include "intelligent roads" and LED light poles.

7.4.8 Finland

The Finnish macro economy has developed poorly since the 2009 crisis and lags behind the average Euro area due to export collapse, weak Russian economy, and e.g. Nokia struggling. Road spend forecast is largely flat as projects are ending and new ones are not being added at a higher rate. The current government is expected to consolidate spending in order to lower debt. Current spend is aimed at improving road conditions and creating roads to new urban development and residential areas. Main large projects are Ring Road I, Route 4 Oulu–Kemi, Route 5 Mikkeli–Juva and Route 12 Lahti southern ring road as well as street investments.

7.4.9 United Kingdom

2015 initiated a period of high spend levels in the UK driven by many major projects. Main ongoing projects are Mersey Crossing, A1 upgrade, M8/M73/M74 improvement, Aberdeen Route and "smart" motorways. The high spend levels are expected to continue to ~2019-2020 on the back of several major projects in plans. Brexit increases uncertainty but may lead to even higher spend as the government tries to further stimulate the economy.

7.4.10 Turkey

Growth in Turkey is expected to be driven by motorway/highway projects, and the total length of highways is projected to increase by 4 times by 2035. By 2023 the investment in motorways is expected to amount to ~NOK 380 billion. In addition to the highway projects, there is potential upside from other roads for which additional investments are likely. The national budget has been holding back the build out of road network and hence funding is coming mainly from the private sector (Public-Private Partnership and Build-Operate-Transfer models).

7.4.11 Czech Republic

Relatively high road spend levels in 2015 are expected to continue, but at lower growth. The maintained high spend levels come from starting up the remaining 45% of projects in the 2014-18 plan. Ongoing projects in Czech Republic include 12 motorway/highway projects and a reconstruction of main motorway D1. Activities include road cover reparations, road widening, modernisation of traffic signs, drainage, guard railing, and widening of overpasses.

7.4.12 Romania

Investment in roads and bridges is a priority for the recently elected Romanian government, with a focus on connecting Romania’s manufacturing base to European markets. Several large projects with a total value of over NOK 55 billion are in the pipeline supported by EU funds, however, development is slow and delays are common. Government approved in February 2015 the General Transport Master Plan outlining investment needs of NOK ~450 billion through 2030, of which only 45% is secured.

7.4.13 Bulgaria

Bulgaria is highly dependent on EU funding for road infrastructure projects and road improvements sponsored by EU funds worth ~EUR 1.4 billion are expected to be carried out in the period from 2014-2020. Examples of ongoing EU-funded projects are the Hemus and Struma motorways.

7.5 Outlook in addressed markets

The following Section discusses the market size of Saferoad's addressed markets. Saferoad's products and solutions represent a small fraction of total funds funnelled into road spend. As a result, the Company has performed the Company Market Study to map out market sizes and outlook for the more specific end-markets deemed most relevant to Saferoad.

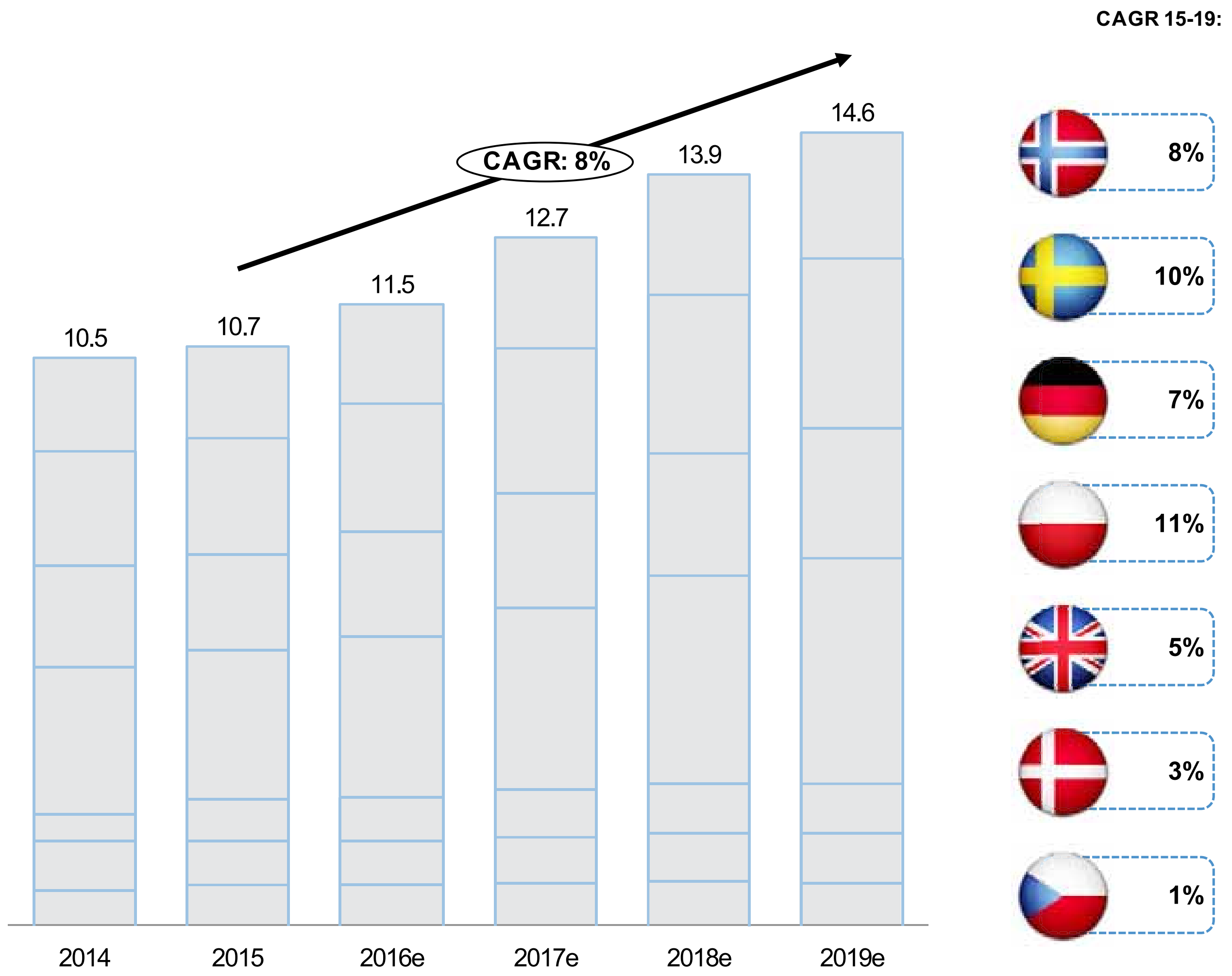
7.5.1 Road Safety

The addressed road safety market at the date of the Prospectus is defined as Road Restraint Systems, Light Poles, Rock Support, Road Marking, Signs and Work Zone Protection in Norway; Road Restraint Systems, Light Poles, Road Marking, Signs and Work Zone Protection in Sweden; Road Restraint Systems in Germany; Road Restraint Systems, Road Marking and Road Maintenance in Poland; Road Restraint Systems in United Kingdom; Road Restraint Systems, Road Marking, Signs and Work Zone Protection in Denmark; and Road Restraint Systems, Road Marking and Work Zone Protection in Czech Republic.

The drivers behind addressed market growth are to a large extent the same as for overall road spend, but penetration and/or price changes of Saferoad's product categories can lead to addressed market growth differing from overall road spend growth.

Figure 7.5.1 below depicts the development in Saferoad Road Safety's current addressed markets in Norway, Sweden, Germany, Poland, United Kingdom, Denmark and Czech Republic.

Figure 7.5.1: Saferoad Road Safety addressed markets in Norway, Sweden, Germany, Poland, UK, Denmark and Czech Republic (NOK billion) 2014-2019e



Source: Company Market Study. Note: Countries in same order in graph as flags to the right.

7.5.1.1 Norway

The Norwegian market is estimated to grow with a CAGR of ~8% annually from NOK 1.7 billion in 2015 to NOK 2.3 billion in 2019. Public pressure and political will to improve Norwegian road standards and road safety are among the key drivers for increased spend on Road Safety products. A large increase in penetration is not expected. Prices are expected to increase in signs, work zone protection and light poles driven by inflation and steel price.

7.5.1.2 Sweden

The Swedish market for Road Safety is estimated to grow with an estimated CAGR of ~10% annually from NOK 2.1 billion in 2015 to NOK 3.1 billion in 2019. The Swedish road safety market is expected to be driven by a steady growth in road spend, among others driven by road maintenance to reduce the investment lag. Road Safety is expected to continue to penetrate road investments driven by increased focus on safety, stricter regulations and new products such as electronic signs. Prices are expected to grow with inflation.

7.5.1.3 Germany

The growth in the German safety market is forecasted to grow significantly, and above growth in road spend, with an estimated CAGR of ~7% annually from NOK 1.8 billion in 2015 to NOK 2.4 billion in 2019. The new government plan with split 50/50 between investments and maintenance may give significant growth in road spend. Saferoad's products generally make up a larger part of maintenance than new investment spending. Slight increase in penetration of steel Road Restraint Systems is expected while prices are expected to grow with inflation.

7.5.1.4 Poland

The Polish Road Safety market is forecasted to grow rapidly. The estimated CAGR from NOK 2.1 billion in 2015 to NOK 4.2 billion in 2019 is approximately 11%. The growth is mainly expected to be driven by the new round of EU funds of which the majority is expected to be channelled into new road projects. Road Safety is seen as an important part of the refurbishment of the Polish road network, and especially the demand for Road Restraint Systems is expected to be positively impacted.

7.5.1.5 United Kingdom

The UK market is expected to grow at a CAGR of approximately 5% from NOK 0.76 billion in 2015 to NOK 0.93 billion in 2019. Addressable market growth is driven by road spend growth as stimulus in shaky post-Brexit economy and price growth slightly above inflation due to increasing demand in new investment cycle. Penetration is expected slightly down due to competition from concrete barriers.

7.5.1.6 Denmark

Relatively modest growth is expected in the Danish market compared to other Saferoad markets. The total addressable market is expected to grow from NOK 0.82 billion in 2015 to NOK 0.90 billion in 2019 at a CAGR of ~3%. Relatively stagnant road spend is expected, where new road projects are likely to focus on "intelligent roads". No major impact from penetration is expected and price is expected to grow with inflation in most product categories.

7.5.1.7 Czech Republic

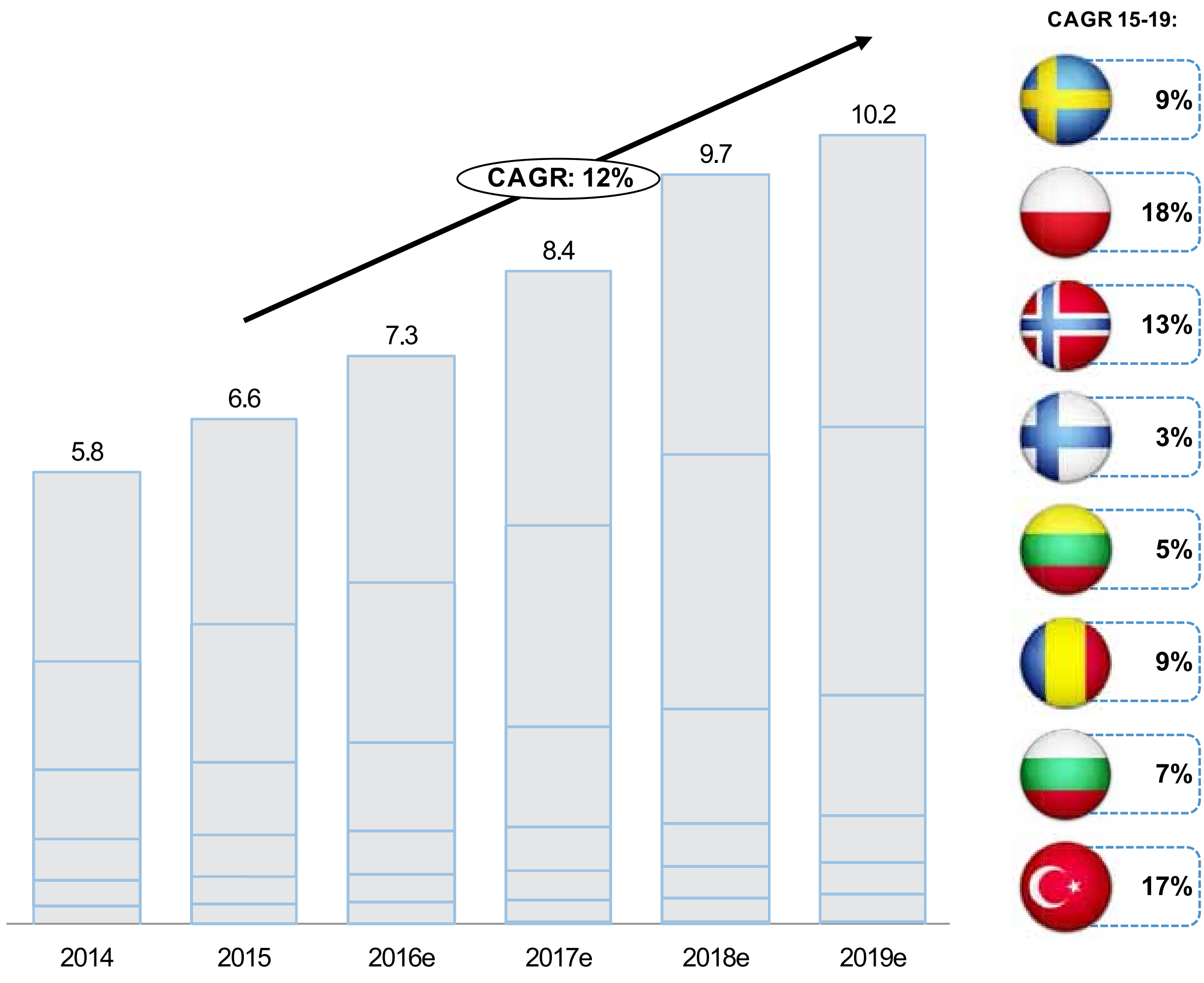
The Czech addressable market is expected to grow at relatively low levels. The market is estimated at NOK 0.76 billion in 2015 and is expected to grow at a CAGR of 1% to NOK 0.80 billion in 2019. Stagnant road spend is expected, while increasing focus on road safety may drive a small growth in RRS penetration. Competition is expected to drive down prices in Road Restraint Systems, while Road Marking is expected to grow with inflation.

7.5.2 Road Infrastructure

The following Section discusses the Road Infrastructure business area in Norway, Sweden, Finland, Poland, Lithuania, Turkey, Romania and Bulgaria, hereunder Saferoad's core addressable markets. The addressed Road Infrastructure markets at the date of the Prospectus is defined as: Steel Pipes, Plastic Pipes, Soil Steel Bridges, Water & Sewage and Geosynthetics in Sweden; Steel Pipes, Plastic Pipes, Soil Steel Bridges and Geosynthetics in Finland; Steel Pipes, Plastic Pipes, Soil Steel Bridges, Water & Sewage and Geosynthetics in Norway; Steel Pipes, Plastic Pipes, Soil Steel Bridges and Geosynthetics in Poland; Steel Pipes, Plastic Pipes, Soil Steel Bridges, Water & Sewage and Geosynthetics in Lithuania; Steel Pipes, Soil Steel Bridges and Geosynthetics in Bulgaria; Steel Pipes, Plastic Pipes, Soil Steel Bridges and Geosynthetics in Bulgaria; Steel Pipes, Plastic Pipes, Soil Steel Bridges and Geosynthetics in Romania; and Steel Pipes and Soil Steel Bridges in Turkey.

Figure 7.5.2 below depicts the development in Saferoad Road Infrastructure's addressed markets.

Figure 7.5.2: Saferoad Road Infrastructure addressed markets in Sweden, Poland, Norway, Finland, Lithuania, Romania, Bulgaria and Turkey (NOK billion) 2014-2019e.



Source: Company Market Study. Note: Countries in same order in graph as flags to the right.

Saferoad's overall core addressable Road Infrastructure market is estimated at NOK 6.6 billion in 2015 and expected to grow to NOK 10.2 billion in 2019 corresponding to an average annual growth rate of approximately 12%. Poland and Turkey are expected to be the fastest growing markets with ~18% and ~17% annual growth during the same period, respectively. Similar to Road Safety products, the foundation for Road Infrastructure addressable market growth is increase in road spend. Price is expected to grow in line with or slightly above inflation for most of Saferoad Road Infrastructure's product groups.

7.5.2.1 Sweden

The Swedish market is forecasted to grow by approximately 9% CAGR from 2015 to 2019, mainly driven by factors such as steady growth in road spend, more specifically in road maintenance. There has been a large increase in penetration of Soil Steel Bridges with spans shorter than five meters the past 10 years, however expected to have reached a saturation point. Increased penetration expected for larger span bridges.

7.5.2.2 Poland

The upcoming EU funding, mentioned as the key factor behind the Polish growth in Road Safety, will also be the main factor driving the Polish Road Infrastructure market in the years to come. The market is expected to grow by an estimated CAGR of approximately 18% from 2015 to 2019, as the majority of new funds are expected to be used towards new road projects. Higher penetration of Soil Steel Bridges is anticipated to drive growth in the upcoming years and outgrow the market by approximately 5% from 2015 to 2019.

7.5.2.3 Norway

The Norwegian market is expected to grow at 13% annually driven by political initiatives to improve the Norwegian road network. Some increase in penetration of Soil Steel Bridges expected, although coming from low levels.

7.5.2.4 Finland

Growth in Finland is predicted to be relatively flat, around 3% CAGR, as a result of government savings programmes and austerity measures expected to hamper increased investments in roads. Maintenance comprises a larger share of the Finnish road spend compared to Norway and Sweden. Opportunity to increase penetration of Soil Steel Bridges as more than 50% of Finnish bridges are in need of renovation.

7.5.2.5 Lithuania

The Lithuanian market is expected to grow steadily, forecasted at approximately 5% from 2015 to 2019 (CAGR), as the government is in the process of replacing infrastructure from the Soviet area. It is expected that Geosynthetics will continue to penetrate the market as a replacement for more traditional soil reinforcement methods. In addition, Soil Steel Bridges are expected to grow above market rate, however, growing from a low initial base level.

7.5.2.6 Romania

The market growth in Romania, estimated at approximately 9% (CAGR 2015-2019), is mainly driven by long-term investment programs and increased penetration of plastic pipes, steel pipes and soil steel bridges. Similar to other CEE countries, the Bulgarian market is also predicted to be driven mainly by EU funds of which the country's road spending is highly dependent on. Replacement of traditional methods and products is expected to support the penetration of product groups such as Geosynthetics and Soil Steel Bridges.

7.5.2.7 Bulgaria

The growth in Bulgaria is expected at around 7%, driven by increasing road spend, increased penetration and rising prices. Product penetration is especially expected to increase in Soil Steel Bridges, which is currently at a low level. A high need of replacement of old concrete and steel pipes is expected to drive the penetration of plastic pipes. Price is a large driver with an expectation of a price increase of 3-4% per year.

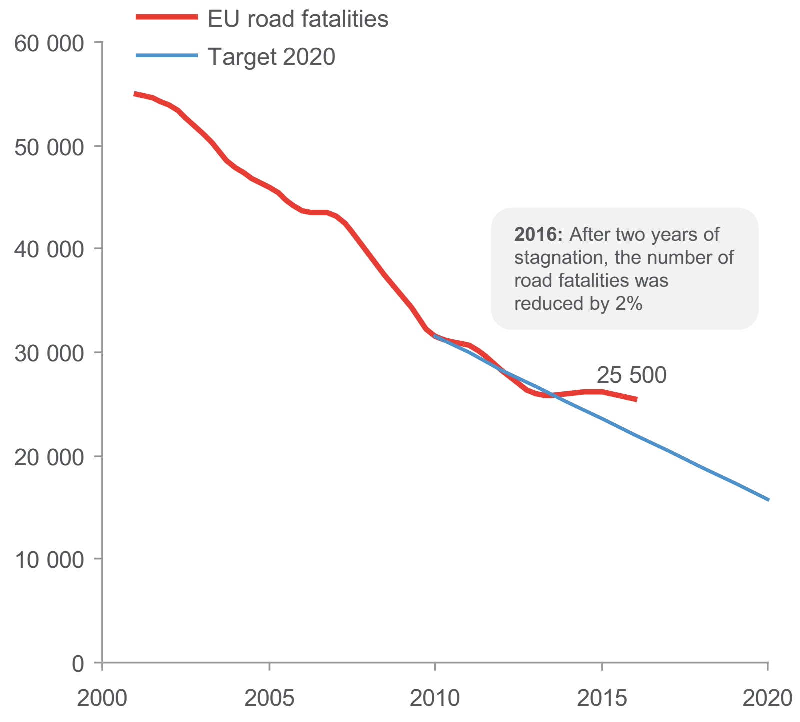
7.5.2.8 Turkey

The Turkish Road Infrastructure market is forecasted to grow rapidly from 2015 to 2019 with an estimated CAGR of ~18%. Several of the new anticipated projects are expected to come through privatization and to be built under the build-operate-transfer model, a type of arrangement in which the private sector builds an infrastructure project, operates it and eventually transfers ownership of the project to the government. The market is expected to see an increased penetration of plastic pipes, steel pipes and soil steel bridges.

7.6 European Commission's progress towards 2020 road fatalities target

The European Commission reported progress towards the road fatalities target for 2020 in March 2017. The statistics show that following two years of stagnation, there was a 2% drop in fatalities on EU roads in 2016. The European Commission states that significant work is still required to reach the target of halving road fatalities between 2010 and 2020. Figure 7.6.1 below shows the development in road fatalities from 2001 to 2016.

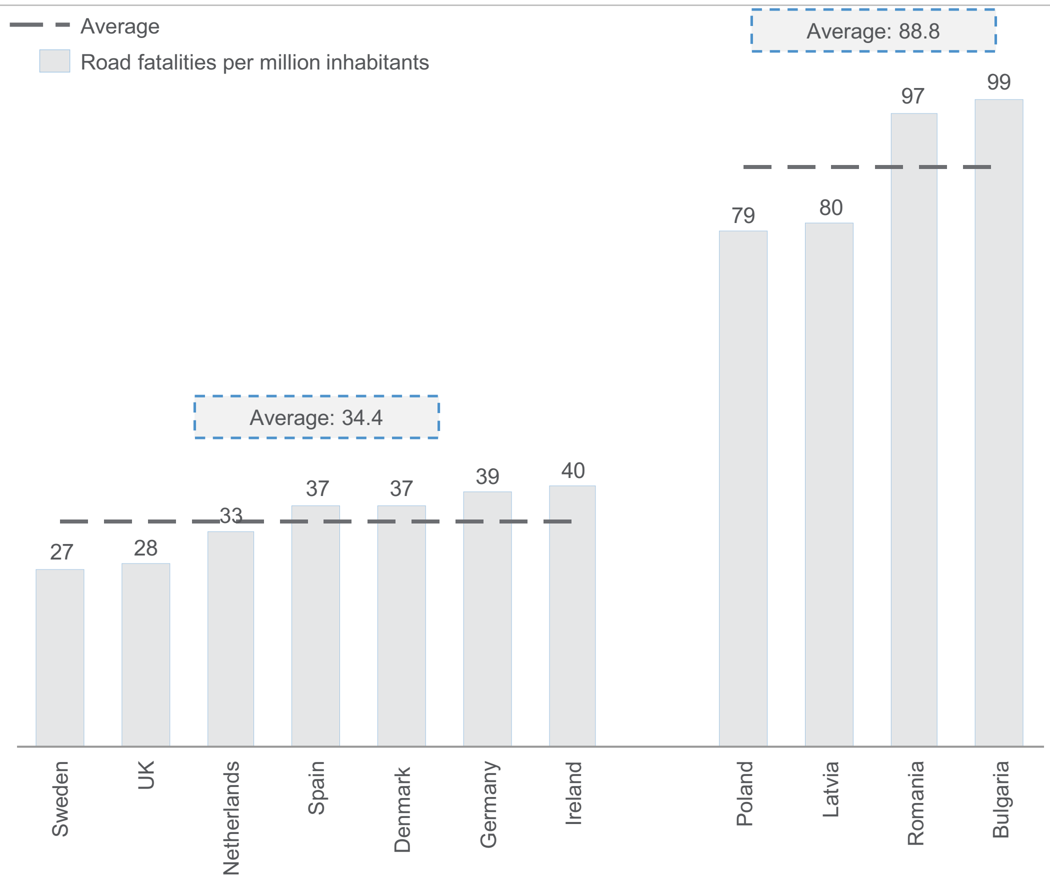
Figure 7.6.1: Road fatalities in the EU since 2001



Source: CARE (EU road accidents database)

Figure 7.6.2 below shows the number of road fatalities per million inhabitants in various EU countries. As stated by the European Commission, there is a large gap between the various EU member states. Although the gap narrows every year, those living in the countries with highest fatalities rates are over three times more likely to be killed on the road than those living in the countries with the lowest rates.

Figure 7.6.2: Road fatalities 2016 per million inhabitants by country



Source: CARE (EU road accidents database)

7.7 Nye Veier's targets for new road construction

Nye Veier is a Norwegian state owned company controlled by the Ministry of Transport and Communications, mandated to plan, build, operate and maintain important main roads in southern and mid Norway. An example of the roads Nye Veier is building is E18 Rugtvedt-Dørdal. For this project, Nye Veier has stated 5 overall targets for the construction in the tender process:

- Minimise the inconvenience for the road's users in the building phase
- Minimise the need for maintenance which creates inconvenience for the road users
- Realise the zero vision for accidents in the building period caused by the contractor
- Realise the zero vision for violations of social responsibility in the building and maintenance period
- No unsettled disputes after ended building period

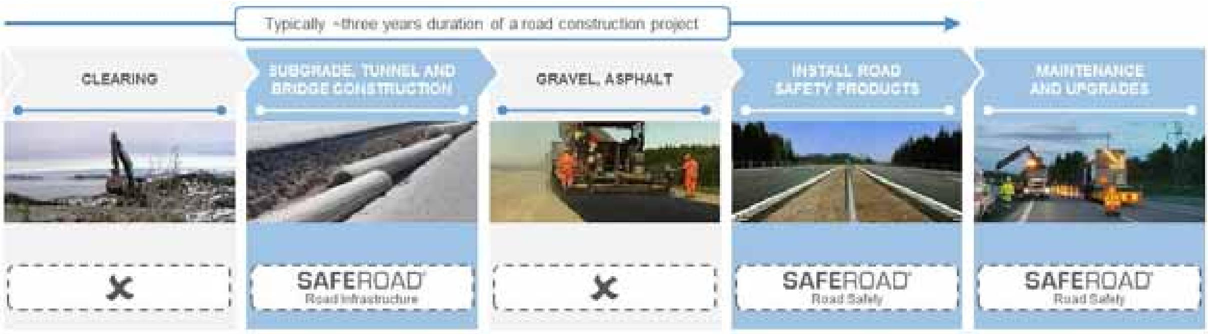
Criteria weighted to account for 50% in the evaluation of offers in the tender process were evaluated against the contractor's ability to reach these targets. These points support the Company's view that the Work Zone Protection market will be an attractive area of growth going forward.

8 BUSINESS OF THE GROUP

8.1 Introduction to Saferoad

Saferoad is a leading road safety and road infrastructure solutions provider in Northern, Central and Eastern Europe[2]. The Group's core business comprises designing, manufacturing and selling of products and solutions that improves the standard of road safety and road infrastructure. Saferoad plays an important role in various stages throughout new road construction projects, including maintenance and upgrades of existing roads. Saferoad's products and solutions protect and support people on the move, whether by foot, bike or car.

Figure 8.1: Saferoad's involvement in the road construction value chain



Source: Company

Saferoad serves the most product and solution intensive parts of the road construction value chain through its two business areas, Road Safety and Road Infrastructure. The Group seeks to gain competitive advantages within each product group, and by positioning the Group as a total supplier across product groups when appropriate. The Group has the capabilities to deliver combinations of products across its main product groups, thus taking a position as a total supplier. The content of the offering varies from project to project, based on customer requirements and specifications. During 2016 the Group has been engaged in projects which included Road Restraint Systems, Signs, Work Zone Protection, Road Marking and Noise Protection. Saferoad works directly with national road authorities (e.g. Statens Vegvesen in Norway, Trafikverket in Sweden), main contractors (e.g. Skanska, Veidekke, PEAB etc. in the Nordics, and Strabag, Astaldi and Hochtief in Europe), as well as subcontractors that install road safety and road infrastructure solutions.

Saferoad's activities are characterised by small average order sizes, low customer concentration and highly local business dynamics. Important customer satisfaction criteria include delivery capabilities (short lead time and delivery accuracy) and ability to provide customised solutions that satisfy project specifications tailored to local regulations, topography, and technical and aesthetic requirements. The Group has an extensive portfolio of products, tested and approved according to EU and National standards. Value added services such as installation and technical support also drive customer satisfaction. One of the key prerequisites to deliver on these criteria is local presence, both in terms of sales offices, warehouses and expertise. Saferoad has proven capabilities and a strong track record meeting these criteria, and the Group complies with strict requirements of both the regulatory authorities and its customers with regards to product quality, durability, design and functionality.

Saferoad's expansion is the result of strong organic growth in addition to a series of mergers and acquisitions within both business areas. Today's Saferoad consists of around 60 operating entities with approximately 80% of Group revenue derived from the 20 largest entities. The Group is to a large degree decentralised due to the industry characteristics where local presence is important. The operating entities are run by local managers with strong entrepreneurial spirit, deep competence and incentives to succeed. Operations are coordinated with regional managers and supported by central Group functions to allow for sharing of common resources. The two business areas, Road Safety and Road Infrastructure, are further divided in two geographical business regions, Nordic and Europe.

[2] Source: Company Market Study and Management's view.

Saferoad is headquartered in Oslo, Norway. As per 31 December 2016, the Group employed approximately 2,700 full-time and part-time employees. As of 31 March 2017, Saferoad operated sales offices in 20 countries and production plants in 12 countries. The Group's top-line has grown consistently from 2012 to 2016 with a CAGR of ~5% supported by secular growth trends. For the year ended 31 December 2016, Saferoad generated revenues of NOK 5,764 million, and the Underlying EBITDA was NOK 478 million with an Underlying EBITDA margin of 8.3%. For the year 2016, the Group derived 69% of its revenue from the Road Safety business and the remaining 31% from the Road Infrastructure business.

8.2 Competitive strengths

Management firmly believes that Saferoad operates in the sweet spot of a highly attractive market driven by secular megatrends, a favourable macro environment and visible market growth for the coming years. The Group holds market leadership[3] positions across, in Management's view, the most attractive niches within road safety and road infrastructure solutions. Saferoad's stronghold is built on flexible business models tailored to local market conditions, a scalable platform and industry-leading technical competence, making Saferoad the natural go-to supplier for its customers[4]. The Group has demonstrated resilient growth driven by both M&A and organic expansion, and is well positioned to capitalise on the healthy market outlook over the coming years. Saferoad has a proven ability to identify pockets of growth and will continue to execute on its strategy to further streamline operations and leverage its capabilities to enhance margins.

8.2.1 Robust and predictable market growth supported by megatrends

Total road investments in Saferoad's key markets is expected to grow 6% per annum on an aggregated basis from 2015 to 2019, as demonstrated in Section 7.4.1 "Overview", on the back of increased road traffic volumes driven by an increasing population, increasing urbanisation and increasing cars per capita. Furthermore, there is a strong political sentiment to reverse road deterioration, improve infrastructure and increased focus on road safety in addition to a strong macro environment with long-term government budgets and committed EU funding. High and visible public spending across Saferoad's end markets creates a robust foundation for growth over the forthcoming years.

8.2.2 Unique position as leading multi-niche player[5]

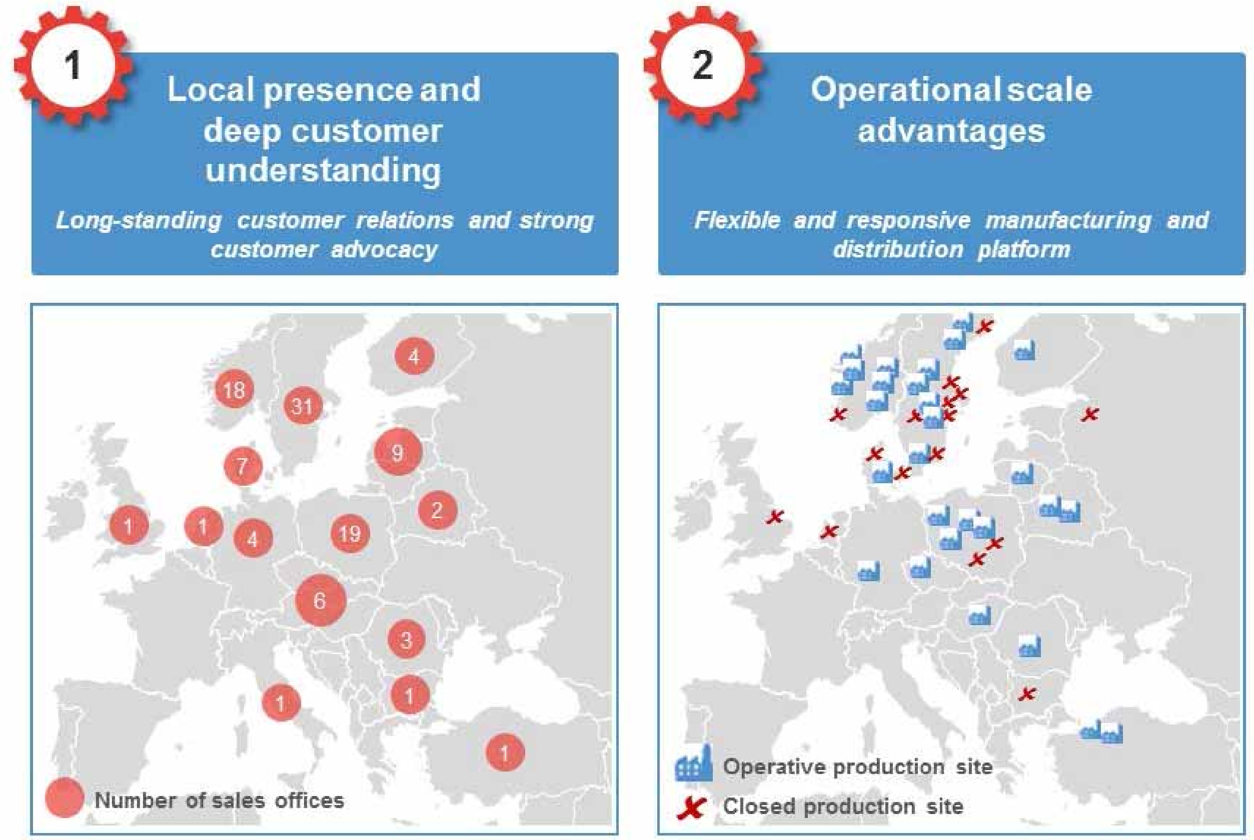
Saferoad targets, in Management's view, the most attractive niches within the road construction value chain with a broad product portfolio covering both road safety solutions and road infrastructure solutions. As shown in Sections 8.5.2.3 and 8.5.3.3, the Group holds strong positions across several niches and Saferoad has consistently been labelled a reference company within its addressable markets, with end customers defining the Group's products as the market standard.[6] The Group is the go-to supplier for new product designs, having a proven ability to develop products tailored to customer specifications. Saferoad's vast exposure to both road safety and road infrastructure markets, combined with a unique value proposition to customers, provides the Group with a solid platform on which to capitalise on the expected market growth.

8.2.3 Competitive advantage through combining local responsiveness with economies of scale

As one of the largest companies in a fragmented industry, Saferoad is able to both fulfil key customer criteria by being local and accessible – and extract economies of scale through efficient operations. The road safety and road infrastructure business is to a large degree conducted locally and characterised by low customer concentration, small order sizes and high order frequency. Saferoad's sales and distribution network consists of 108 sales offices, managed by experienced local entrepreneurs with deep understanding of local legislation and customer preferences. The local front-end is supported by an effective back-end that gives operational scale advantages; an efficient procurement organisation, a flexible and responsive production setup and a platform for cross-sharing of knowledge. Figure 8.2.3 below, shows Saferoad's strong local presence including manufacturing footprint, illustrating how the Group has successfully streamlined and consolidated its manufacturing setup over time. In managements view, the unique combination of a responsive local front-end and efficient and scalable back-end is a key enabler of Saferoad's success, both historically and going forward.

[3] Source: Company Market Study and Management's view.
[4] Source: Company Market Study and Management's view.
[5] Source: Company Market Study and Management's view.
[6] Source: Company Market Study and Management's view.

Figure 8.2.3: Illustration of geographical presence through sales offices and manufacturing sites[1]



Note: 1) As of 31 March 2017.
Source: Company.

8.2.4 Attractive financial profile supported by tangible top-line and margin enhancing initiatives

Saferoad has, throughout the years, demonstrated an ability to grow faster than its underlying addressed market. A strong platform paired with an aptitude to swiftly shift focus to profitable growth pockets in a larger scale compared to competitors are key reasons behind Saferoad's success and above-market growth, demonstrated in both growing and declining market climates. Management has identified several sources for driving sales growth in the future, strengthening exposure to fast-growing niches and reaping the benefits from an expected healthy market growth, as described more granularly in Sections 8.3.1 "Strengthen and develop current strongholds" and 8.3.2 "Drive growth in selected areas", respectively. In addition to organic initiatives, mergers and acquisitions serve as an integral part of Saferoad's heritage and will continue to be a key source of accretive growth in a fragmented space with ample consolidation potential.

In addition, several tangible initiatives are planned to improve profitability, including further streamlining of Saferoad's procurement and production operations, increasing transfer of know-how, best-practices and R&D efforts across the Group.

8.3 Strategy

Saferoad's long-term vision is to be the leading multi-niche road safety and road infrastructure solutions supplier in Northern, Central and Eastern Europe and to utilise its existing platform to enter new markets. Through the Group's extensive geographical footprint and broad products and solutions offering, Saferoad is well positioned to benefit from favourable market trends and deliver on its ambition of further growth in new markets, organically as well as driving consolidation from its Northern European base. Saferoad's medium term target is to achieve a 5% annual revenue growth and to develop the underlying EBITDA margin towards 10%, while maintaining net debt in relation to underlying EBITDA below 2.5x, with some flexibility to handle the normal business seasonality.

Significant transport infrastructure investments are planned across CEE (Central and Eastern Europe) countries (EU funded), especially in Poland. Management believes that Saferoad is very well positioned to capture growth in these geographies on the back of its current footprint, and that the existing platform can be utilised to strengthen Saferoad's position through both organic growth and value enhancing acquisitions.

Saferoad's strategy is built on three pillars: (i) Strengthen and develop current strongholds, (ii) Drive growth in selected areas, and (iii) Leverage group capabilities. The three pillars are supported by a proactive M&A strategy.

8.3.1 Strengthen and develop current strongholds

Saferoad holds leading positions in several of the Group's addressed markets[7], as further explained in Sections 8.5.2.3 "Competitive landscape and market positions" and 8.5.3.3 "Competitive landscape and market positions". To further strengthen its position, the Group envisages broadening the scope of supply in selected markets to potentially become a total solution provider of road safety products needed in road construction projects.

Expanding capabilities in certain areas such as installation is another example of how Saferoad seeks to strengthen its market position in current markets. Furthermore, the Group will maintain its attention to value-add products and services such as partnership models with customers, attractive and unique design and integration of technology. Saferoad's operating model is built on local entrepreneurial drive and spirit, which is central to maintain and improve the Group's market positions. The overall ambition for the Group is to further improve and harmonise operating standards, while offering leeway for local managers to build on successful practices established for respective niches and geographies. Embedded in the deep local understanding of the various local teams lies the understanding of customer needs required to develop products tailored to customer requirements. The Group intends to continue the R&D efforts and design focus to maintain leadership positions and competitiveness in key product areas (e.g. Road Restraint Systems) and to increase the penetration and grow the markets for Saferoad's products and solutions (e.g. Soil Steel Bridges).

8.3.2 Drive growth in selected areas

Saferoad has identified certain highly attractive market niches and has developed a strategy to target these markets. One example of such markets is Work Zone Protection, which exhibits attractive characteristics such as add-on sales opportunities, and is expected to be the fastest growing Road Safety segment going forward. As further described in Section 7.7 "Nye Veier's targets for new road construction", this is an area of high focus among road authorities and the project responsible. The Work Zone Protection segment requires local presence and swift delivery capabilities and is a good strategic fit to Saferoad. The Group further looks to expand on current product positions and enter new technology areas. For example, the Electronic Signs segment is viewed to be a natural platform on which to build towards ITS (Intelligent Transportation Systems). Electronic Signs represents a developing high-growth market, with several large projects expected during the coming years.

A third growth area identified is export of certain parts of the product portfolio that have relevance outside Saferoad's existing footprint. Within Road Infrastructure, several attractive new markets are identified in neighbouring export markets, such as MENA (Middle East and North Africa) by means of exports from the Road Infrastructure export hubs in Poland and Turkey. Also easily transportable Road Safety products such as RRS and other product groups such as Rock Support are deemed to provide attractive export opportunities.

8.3.3 Leverage Group capabilities

While encouraging the local entrepreneurial spirit, Saferoad also seeks to leverage group scale and capabilities to achieve higher profitability across the Group. The Group aims to improve the commercial skillset in the operating entities by implementing programs and initiatives, such as Lean practices, working capital optimisation, pricing and sales force management training.

Margin enhancing initiatives currently being assessed include the potential construction of an in-house hot dip galvanisation plant in Poland. Insourcing galvanisation services at an own plant is expected to strengthen Saferoad's cost leadership. Furthermore, Saferoad is constantly looking to further optimise the production footprint. Potential opportunities include consolidating volumes to larger automated production lines and transfer of labour intensive production to internal production facilities in countries with lower cost of labour. Furthermore, procurement initiatives have been successfully run since 2012 and will continue to be a focus area in the future.

8.3.4 M&A

M&A is a key part of Saferoad's strategy to strengthen and develop current strongholds and to drive growth in selected areas. Bolt-on acquisitions will continue to be a value driver for Saferoad going forward. Saferoad targets small to medium sized, typically owner-operated companies that are active within Saferoad's geographies and segments. Often, the businesses acquired are family owned, where the sellers are seeking to part monetise their position whilst

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[7] Source: Company Market Study and Management's view.

ensuring that their businesses are integrated into a business model that secures a proper continuation. Additionally, several sellers prefer an industrial buyer to further develop and industrialize their business. Once acquired, the companies are on-boarded to the Saferoad platform where the previous owners are incentivised with appropriate earn-out structures to align strategies and maximise commitment. The synergy potential is systematically assessed with the aim to extract incremental value within production and procurement, SG&A, working capital and customer offering. Over the last 10 years, M&A has been an important factor behind Saferoad's growth story, adding product and geographical breadth, niche segments and the road infrastructure business area through the acquisition of ViaCon. The Group targets 2-5 acquisitions per year with the ambition to add NOK 100-500 million in revenues annually, depending on the attractiveness of the respective acquisition targets, alternative investment opportunities and financing capacity.

8.4 History and important events

Saferoad was established in 2007 through the merger between Ørsta-gruppen and Euroskilt AS, but the Group traces its heritage back to the establishment of Ørsta Stålindustrier AS in 1947. Prior to the merger, Ørsta-gruppen and Euroskilt AS had grown both organically and through acquisitions. In the period 1997-2007, Ørsta-gruppen and Euroskilt AS acquired several companies across Norway, Sweden, Denmark, Germany and Poland. The merger between the two groups was based on a clear industrial logic by bringing together two complementary offerings and competencies of primarily road safety solutions. Since the merger, Saferoad has continued to build on its strategy to add scale and broaden its customer offering by acquiring a number of road safety businesses across different geographies. In 2010, the Company acquired the ViaCon group, a supplier of road infrastructure solutions, which established Saferoad's position within infrastructure solutions in Northern and Eastern Europe.

Figure 8.4: Overview of key events in the history of Saferoad

Year	Important event
1947	Ørsta Stålindustrier AS established; supplier of steel corrosion protection for road infrastructure
1985	Euroskilt AS established; supplier of traffic signs and other traffic safety related products
1997 - 2007	Acquisition of several companies (Ørsta-gruppen and Euroskilt AS); Nordics, Poland and Germany
2005	Euroskilt AS acquired by Reiten & Co Capital Partners VI
2007	Saferoad established through the merger between Ørsta-gruppen and Euroskilt AS
2007 - 2011	Acquisition of several companies; Nordics, Germany, Poland, Czech Republic and the Netherlands
2008	Saferoad acquired by Nordic Capital Fund VII
2010	Acquisition of ViaCon; supplier of infrastructure solutions including steel bridges, pipes & culverts and geosynthetics
2010 - 2011	Acquisition of Bongard&Lind and Outimex: Currently included in the Road Safety Europe Division with Saferoad Europe GmbH as the main entity
2012 - 2016	Focus on internal efficiency, professionalising procurement and production, as well as cost reductions
H2 2015 - 2016	Smaller, targeted acquisitions made in Sweden, Norway, Hungary and Poland

8.5 Overview of the Group's business areas

8.5.1 Introduction

The Saferoad heritage is deeply rooted in Road Safety solutions, while the Road Infrastructure business was established in connection with the acquisition of ViaCon in 2010, following a strategic decision based on an industrial logic of expanding Saferoad's share of the road infrastructure value chain by further broadening its geographical footprint and product offering. The Road Infrastructure business area continues to operate under the ViaCon brand.

As an integrated solutions provider, Saferoad supports its customers with early stage design, development and technical assistance, production and distribution as well as value-added services such as installation, assembly and customisation on site. Within Road Safety, Saferoad is also active within maintenance work on existing roads. Services normally constitute around 10-15% of annual revenue.

8.5.2 Road Safety

8.5.2.1 Offering

Saferoad offers a broad assortment of products and solutions to the Road Safety industry, as illustrated in Figure 8.5.2.1 below, but the actual product portfolio varies across geographies. While Road Safety Nordic is a complete supplier with a relatively strong foothold in all main product categories, Road Safety Europe is more focused on selected niches. Saferoad offers products and solutions to the new build market and to the maintenance market. The product offering is similar for new build and maintenance, while the degree of installation and other services is higher in the new build part of the market. On the other hand, Saferoad's products and solutions represent a higher relative share of spend in the maintenance part of the market, allowing Saferoad to reap a higher share of the expenditure. The majority of Saferoad's offering within Road Safety solutions is developed and manufactured within the Group, while certain complimentary products are traded from renowned international partners. Saferoad is an integrated solutions provider with capabilities to deliver the full spectrum of services, from design to installation, to its customers.

Figure 8.5.2.1: Road Safety products and solutions & revenue mix by product group, 2016

Note: Revenue per product group is based on external revenue. Geographical revenue splits per product category are based on external revenue in constant currency. Road marking includes both Road marking and Road maintenance.
Source: Company.

Road Restraint Systems

Road Restraint Systems (RRS) prevent vehicles from hitting objects, oncoming traffic and driving off the road. The products are designed to reduce the impact of an accident. Typical products/systems are guardrails, bridge parapets, crash cushions and end terminals. Saferoad develops tests, certifies and produce its own comprehensive range of RRS solutions. All RRS products require testing and certification according to European and national technical standards as well as approval from relevant road authorities. The broad product portfolio is also developed with an eye for various designs to match customer needs in the various markets. The business model varies slightly between geographies and markets, but Saferoad offers expertise in terms of engineering, technical support and project management, in addition to the supply and installation of RRS products. RRS products and services are delivered both for the new build and maintenance markets

Light Poles

Saferoad designs, develops, produces and distributes Light Poles, mainly for use on the roads, but also for sport arenas, industrial areas, parks, residential areas and parking areas. Saferoad has developed a range of technically advanced energy absorbing poles for the Nordic market, tested and certified according to European standards.

Saferoad also has a wide range of products covering requirements for different designs, sizes and functions. The majority of the business is technical support and product supply. However, for sport arenas and industrial areas Saferoad also provides engineering, installation and product management. Light Poles are delivered both for the new build and maintenance markets.

Signs

Saferoad offers a complete range of signs, including fixed traffic signs, mechanical variable message signs and electronic variable message signs, along with safety posts and gantries. Saferoad develops, produces, delivers and installs signs in the Nordic countries, both for the new build and maintenance markets. Saferoad further offers a wide range of supplementary traded products to have a complete offering of road safety products within signs.

Road Marking

Road Marking is application of road marking materials (lines and symbols) on roads, parking lots, airports and other paved areas, usually with truck mounted application equipment. The materials offered and applied are thermoplastic, paint, cold plastic and tape. Pre-marking, flushing, drying and milling are additional services provided. The majority of Saferoad's Road Marking business is in Scandinavia, under 3-5 years maintenance contracts with the national road administrations, cities and municipalities. Saferoad also offers Road Marking in Poland and Czech Republic. Saferoad also offers high quality Road Marking tape products to the European market.

Work Zone Protection

Work Zone Protection products and services ensure an efficient and safe working environment during road building projects and maintenance work. Further it ensures smooth and efficient traffic flow through or past the work sites. Saferoad offers a full concept, including training, establishing traffic accommodation plans, obtaining necessary permits, providing required products under a rental model as well as performing installation, handling and supervision of actual processes. Typical products are barriers, crash cushions, traffic lights, signs and warning trailers, all products of temporary and/or movable character.

Other

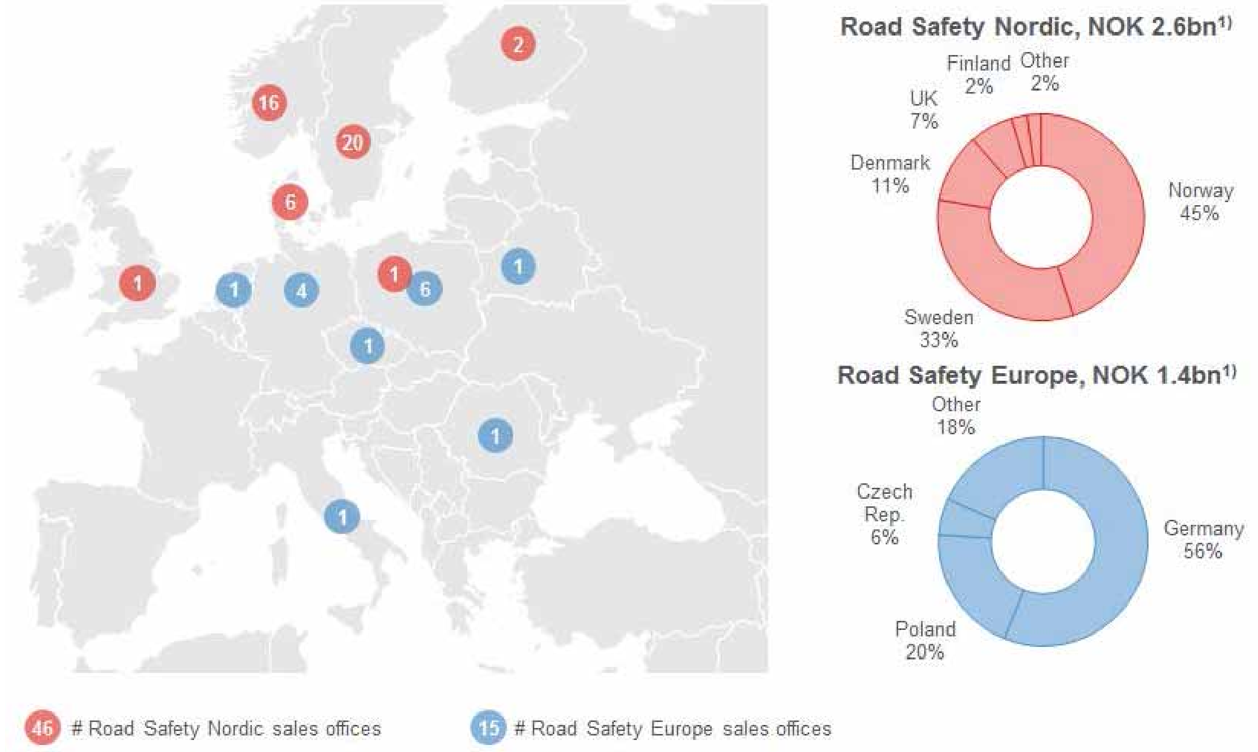
In addition to the five main product areas described above, Saferoad offers an extended range of products including: Street furniture, rail and power poles, rock support products, Marina systems and Noise Protection systems.

8.5.2.2 Geographical presence

Saferoad has broad exposure to the European Road Safety market, with 61 sales offices across Northern, Central and Eastern Europe. The Nordic segment, including United Kingdom, accounted NOK 2.6 billion revenue in 2016. The corresponding figure for the European segment was NOK 1.4 billion.

The scope of business and business model varies between geographies, emphasising the importance of local presence and adaption. The market dynamics vary although products may be similar, and there are local regulations and preferences that Saferoad's local management and expertise aim to support and serve.

Figure 8.5.2.2: Overview of locations & revenue mix by geography, 2016



Note: Sales offices as of 31 March 2017. 1) Before inter-company eliminations. Revenue splits per country are based on external revenue.
Source: Company.

8.5.2.3 Competitive landscape and market positions

Saferoad is a leading supplier of road safety solutions in Northern and Central Europe and holds strong market positions across several niches in the road safety market.[8] The niches differ in size and nature across the geographies and due to the local characteristics of the industry, the competitive landscape is fragmented. The table below provides an overview of Saferoad's leading positions in the product categories addressed on a country level, and the illustration of indicative market position takes into account Saferoad's share of revenue in the specific niches compared to competition, irrespective of nominal size. Markets currently not addressed by Saferoad is marked "x", and blank cells indicate a market position below #3.

Figure 8.5.2.3: Market positions in Road Safety's addressed markets

	Road Restraint Systems	Light Poles	Signs	Road Marking	Work Zone Protection	Indicative market position
Norway	#1	#1	#1	#1	#2	◑
Sweden	#1	#1	#2	#3	#3	◔
Denmark	#2	x	#1	#1	#1	◔
United Kingdom	#2	x	x	x	x	◔
Germany	#1	x	x		x	◔
Poland	#2	x		#1		◔
Czech Republic	#2	x			#1	◔

Note: Market positions are calculated by measuring Saferoad's revenue in 2016E in the respective niches relative to competition.
Source: Company Market Study and Management's view.

Norway

Strong market position and leadership across all addressed markets. Key competitors include Brødrene Dahl, AB Varmförzinkning, Pretec, Visafo and ATA Hill & Smith.

Sweden

Market leader in Road Restraint Systems and Light Poles, with clear number two positions in Signs, and well positioned

[8] Source: Company Market Study and Management's view.

within Work Zone Protection and Road Marking. Key competitors include AB Varmförzinkning, Cleanosol, ATA Hill & Smith/FMK and Blinkfyrar.

Denmark

Market leader in Signs, Road Marking and Work Zone Protection, and well positioned within Road Restraint Systems. Key competitors include DAV, Nord Profil, Seri Q Sign, Traffics and LKF.

United Kingdom

Second in Road Restraint Systems behind Hill & Smith. Saferoad is one of few larger players with installation capabilities in addition to product supply. Key competitors, in addition to Hill & Smith, include HW Martins, Newton & Frost and Roocroft.

Germany

Co-leader with Volkmann & Rossbach (V&R) in Road Restraint Systems – a highly fragmented market, particularly within installation, where Saferoad also competes with customers for contracts. Market leader in Road Marking Tape. Key competitors, in addition to V&R, include SGGT, Snoline, Peetz, Colberg & Forster, Alka, Schütte and 3M.

Poland

Market leader in Road Marking and number two positions in Road Restraint Systems and Road Maintenance. Key competitors include Stalprodukt, Polimez, Prowerk, Zaberd and DUBR.

Czech Republic

Market leader in Work Zone Protection and number two position in Road Restraint Systems behind ArcelorMittal. Other key competitors include Voestalpine, Vesiba, Fracasso and Znacky.

8.5.2.4 Customers

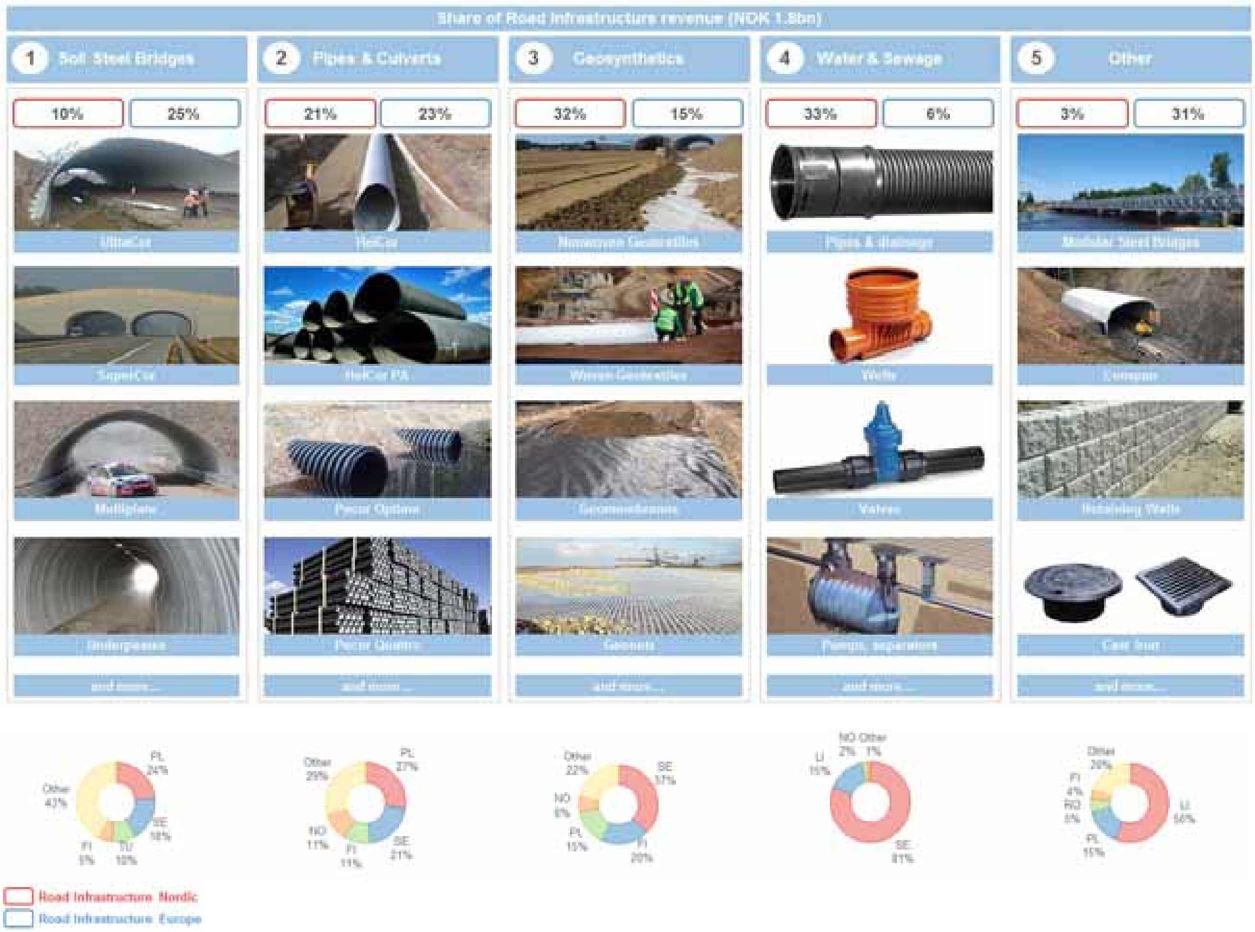
Saferoad's customer universe in Road Safety solutions can be divided into four main categories: road authorities and other public authorities, contractors, sub-contractors and other. Road authority customers within Road Safety Nordic and Road Safety Europe share the same characteristics as they typically are governmental and municipal customers such as e.g. States Vegvesen (Norway), Trafikverket (Sweden), Vejdirektoratet (Denmark), GDDKiA (Poland) and Bundesministerium für Verkehr und digitale Infrastruktur (Germany). While road authorities ultimately are the end customers, contractors are often considered project responsible in a road construction project. The largest customers within this category are e.g. Skanska, NCC, Veidekke and PEAB in the Nordics, while Strabag, Budimex and Astaldi are among the largest customers in Europe. The sub-contractors are mainly installers of products and solutions, and smaller/medium sized contractors that take on parts of the larger projects. On smaller projects these companies may well be the main contractor. Within Road Safety Nordic, the ten largest customers accounted for approximately 28% of revenue in 2016. The corresponding figure for Road Safety Europe was approximately 25%. While selling large volumes to selected contractors with cross-Nordic and cross-European operations, Saferoad's customer base is fragmented and diversified, and characterised by a long tail of smaller customers with small average order size and frequent purchasing decisions.

8.5.3 Road Infrastructure

8.5.3.1 Offering

Through ViaCon, Saferoad provides products and solutions for subgrade construction, which refers to the process of stabilising the terrain, including structural subgrade work related to bridges, ensuring sufficient drainage of water and sewage and protecting underlying cables before the gravel and asphalt are put in place. Saferoad has a broad portfolio of products and solutions and is active throughout the value chain, supporting customers with early stage design and development, technical advice through the process, installation and assembly and other related services to ensure the best possible solutions.

Figure 8.5.3.1: Road Infrastructure products and solutions & revenue mix by product group, 2016



Note: Revenue per product group is based on external revenue. Geographical revenue splits per product category are based on external revenue in constant currency.
Source: Company.

Soil Steel Bridges

The buried flexible steel structures MultiPlate, SuperCor, UltraCor are used for the construction of culverts, bridges, underpasses, overpasses, tunnels and animal underpasses and overcrossings. They are also commonly used in re-lining applications to renovate existing structures. Steel structures are made of galvanized corrugated steel plates. Bridges are produced by the Group (in Poland and Turkey), easy to transport, and bolted to structures with spans reaching up to 30 metres. MultiPlate, SuperCor, UltraCor structures are easy and quick to assemble. Soil-structure interaction between steel structures and the surrounding backfilling allows the structures to take the required loads of motorways and railways. Advanced anti-corrosion protection and proper design allow for 100 years lifetime of service. In-house design and R&D department support designers and contractors to optimise cost efficient solutions, and continuously expand product applications and larger bridge spans.

Pipes and Culverts

Helically corrugated steel pipes HelCor and pipe-arches HelCor PA are ideal solutions for culverts, small underpasses and other industrial applications like ventilation or vertical shafts. The range of diameters is 300 millimetres – 4,500 millimetres. Installation time for HelCor and HelCor PA is much shorter than for concrete pipes. Advanced anti-corrosion protection systems of plastic film (TrenchCoat) satisfy over 100 years' lifetime of service.

To optimise logistics, corrugated steel pipes are produced close to the market of installation, in seven production units across the Group. Plastic pipes are used for culverts as well as for storm sewers, designed to take motorway and railway loads. The unique structural wall allows getting the optimal stress distribution within the whole pipe length and ensures the proper ring stiffness on each section. Smooth inside wall of pipes made of polyethylene (HDPE) – PECOR OPTIMA and polypropylene (PP) – Pecor Quattro, allows achieving good hydraulic parameters. PECOR OPTIMA pipes are produced in diameter ranging DN/ID 300 millimetres – 1,200 millimetres and Pecor Quattro DN/ID 200 millimetres – 1,000 millimetres. Plastic pipes are produced in Poland, Lithuania and Romania.

Geosynthetics

Geosynthetical products are made of polymeric or natural material and they are widely used within construction applications. These innovative materials can be used in various applications in geotechnical, environmental and hydraulic engineering. Geosynthetics can provide a solid engineering solution and extended lifetime for structures. The Group provides a complete range of geosynthetics, mostly traded products, like nonwoven geotextiles, woven geotextiles, geogrids, natural erosion control mats, asphalt reinforcements, erosion control products, geomembranes, bentonite liners and many different types of geocomposites. Saferoad creates innovative engineering solutions using the latest application knowledge on virtually any type of civil engineering challenge.

Water & Sewage

In Sweden and Lithuania, the Group is a full range wholesaler of products for Water & Sewage contractors. These traded products are distributed directly to work sites or via local warehouses covering the geography. The products include pipes & drainage, fittings, wells, valves, pumps, separators as well as cast iron products for the roads.

Other

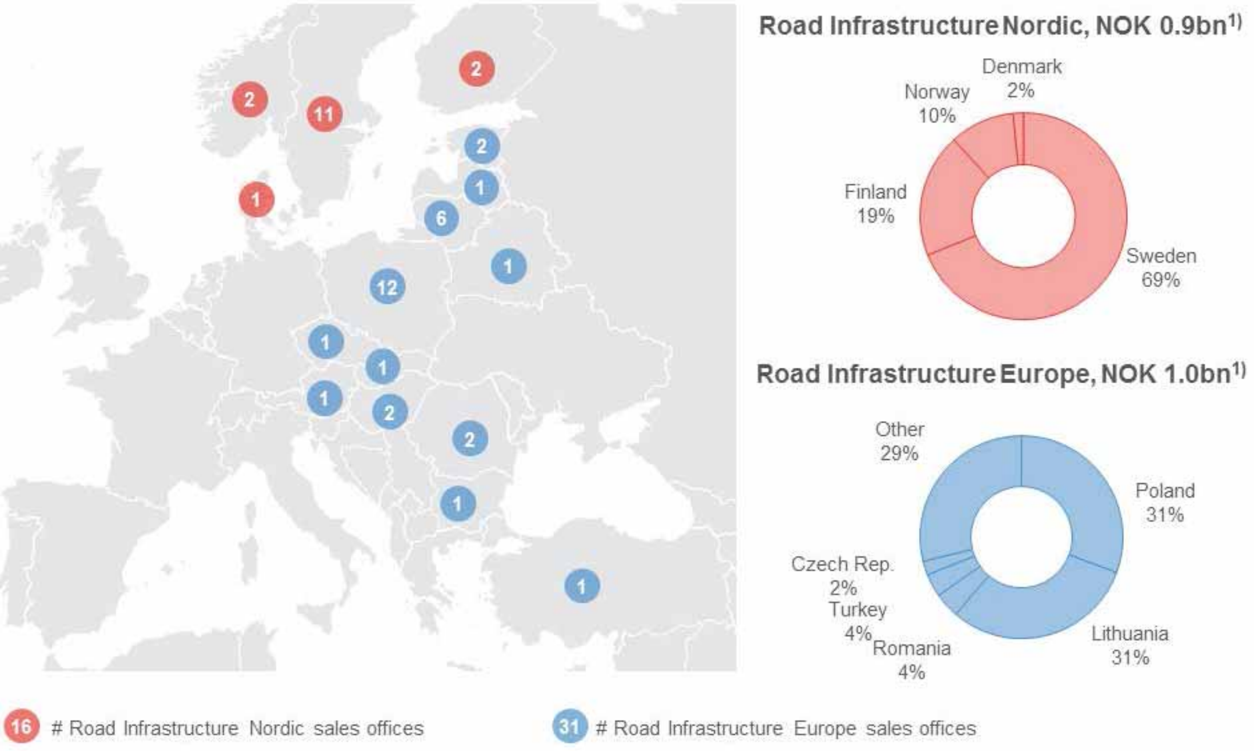
In addition to the four main product categories, the Group offers Road Infrastructure products and solutions related to: Railway implementation and application materials, Temporary and permanent modular steel bridges, Precast modular concrete elements for bridges, Environmental protection products, Retaining walls and gabions and Storm sewage systems and retaining tanks.

8.5.3.2 Geographical presence

Through ViaCon, Saferoad has a geographical focus based in the Nordics, which over the years has expanded into CCE, where significant road investments have been and are being made. In some markets, Saferoad has a network of local sales offices and warehouses, while other markets are served from the central office and stock, depending on local product ranges. The production footprint is optimised based on production and logistics cost, resulting in centralised production in Poland and Turkey for steel plate products, whereas pipes are also produced locally in smaller units.

In addition to the Nordic and CEE footprint, the Group also exports Road Infrastructure solutions through a network of dealers in Western Europe. Selected export projects are also pursued in the MENA region with Turkey as a hub. For the years 2015 and 2016, Management estimates that the total revenue from export projects totalled NOK ~110 million and NOK ~87 million, respectively.

Figure 8.5.3.2: Overview of locations & revenue mix by geography, 2016



Note: Sales offices as of 31 March 2017. 1) Before inter-company eliminations. Revenue splits per country are based on external revenue.
Source: Company.

8.5.3.3 Competitive landscape and market positions

The competitive landscape within Road Infrastructure is typically such that the Group holds a strong market position within its own produced steel products, including Soil Steel Bridges and Steel Pipes, as well as traded geosynthetical products, where technical content is high[9]. Plastic pipes, geotextiles and Water & Sewage products are typically less technical with more active competitors.

Figure 8.5.3.3 provides an overview of Saferoad's market positions across addressed product categories on country level as well as an illustration of indicative market position which takes into account Saferoad's share of revenue in the specific niches compared to competition, irrespective of nominal size. Markets currently not addressed by the Group are marked "x", and blank cells indicate a market position in below #3.

Figure 8.5.3.3: Market positions in Road Infrastructure's addressed markets

	Soil Steel Bridges	Pipes & Culverts		Geosynthetics	Water & Sewage	Indicative market position
		Steel	Plastic			
Sweden	#1	#1	#1	#1	#3	
Norway	#1	#1	#2	#1		
Finland	#1	#1		#1	x	
Poland	#1	#1		#2	x	
Lithuania	#1	#1	#1	#1	#1	
Romania	#1	#1			x	
Bulgaria	#1	#1	x		x	n.a.
Czech Republic	#1	#1	x	x	x	n.a.
Denmark	#1	#1	x	x	x	n.a.

Note: Market positions are calculated by measuring Saferoad's revenue in 2015 in the respective niches relative to competition.
Source: Company Market Study and Management view's.

[9] Source: Company Market Study and Management's view.

Sweden

Leading position in Soil Steel Bridges and Steel Culverts (Pipes & Culverts), with strong presence also in Water & Sewage and Geosynthetics. Key competitors include Ahlsell, Dahl, Onninen and AO.

Norway

Market leader within Steel Pipes (Pipes & Culverts), as well as the Soil Steel Bridges niche market. Strong position also in the fragmented Geosynthetics and Plastic Pipes (Pipes & Culverts) market. Key competitors include Ahlsell, Dahl and Geosyntia.

Finland

Number one position in technical Geosynthetics and Steel Pipes (Pipes & Culverts). Key competitors include Ahlsell, Meltex, Kaitos, Pipelife and Uponor.

Poland

Strong market leader in Soil Steel Bridges and Steel Pipes (Pipes & Culverts). Joint market leader in Geosynthetics, and one of many players in Plastic Pipes (Pipes & Culverts). Key competitors include Kaczmarek and Wavin.

Lithuania

Strong position in Soil Steel Bridges and Pipes & Culverts (both Steel and Plastic), as well as leading position in the relatively consolidated Water & Sewage market. Key competitors include Gairana and Industek.

Romania

Generally strong position as number two across addressed markets. Market leadership in Geosynthetics. Key competitors include Teraplast, Geosintex, Valrom and Naue.

8.5.3.4 Customers

The customer base within Road Infrastructure solutions is diverse and fragmented with the clear majority, approximately 90%, being contractors. The Nordic contractors category typically consists of customers such as e.g. Skanska, Svevia, PEAB and NCC followed by smaller regional and local companies. Examples of European contractors are Astaldi, Strabag, Destia, Yapi Merkezi, Eurovia and Budimex. Other customers include Road Authorities and other public authorities, as well as players in a variety of different industries such as installers, wholesalers and foresters, e.g. Bravida, XL Bygg and Södra, respectively. The ten largest customers in Road Infrastructure accounted for approximately 24% of 2016 revenue. Typically, in each local market, top ten customers constitute around 50% of revenues.

8.6 Competition

The competitive landscape varies across both geographies and products. In the Company's view, no other player covers the same geographical area with the same product range as Saferoad. In the European market, there are a few large players, e.g. Hill & Smith (UK), Volkman & Rosbach (Germany), Stalprodukt (Poland) and Swarco (Austria) in the Road Safety industry and Hill & Smith (UK), Brødrene Dahl (Norway, Sweden) and Ahlsell (Sweden) in the Road Infrastructure industry. Swarco has a large portion of its operations within "Intelligent Transportation Systems (ITS)" which is a segment where Saferoad currently does not operate except for electronical signs. Within Road Restraint Systems, a few steel mills have taken a position as part of their down-stream activity. Other than this, the market consists of a number of small and medium-sized players where several are family-owned.

8.7 Operations

8.7.1 Procurement

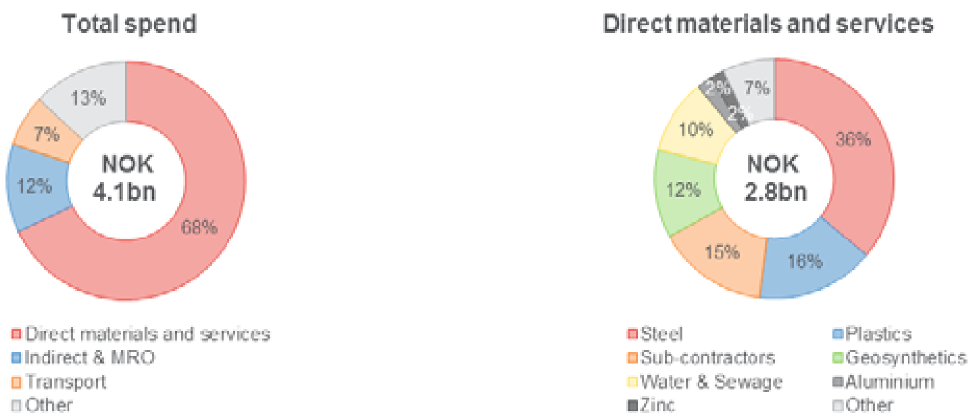
Procurement in Saferoad is structured around a team of Global Category Managers (GCM), representing categories purchased by all Saferoad entities: Steel, Transport, Indirect & MRO (maintenance, repair and operations), and Finished goods. GCMs facilitate larger procurement savings initiatives, negotiate frame agreements and train procurement resources across Saferoad in a six-step sourcing process *(Baseline analysis, Supply analysis, Sourcing strategy development, Supplier selection, Implementation and Supplier relationship management)*. This training has ensured a continuous professionalisation of the procurement workforce since 2011.

Given Saferoad's broad portfolio of products, the number of suppliers is large with ~7,800 active in 2016. The top 10 suppliers during the same period represented only 18% of spend, making Saferoad's exposure to any specific supplier limited. Single sources exist in a few areas, but also here there are alternative suppliers in the market.

Procurement processes are efficiently supported by Saferoad's procurement management system. This system collects and categorises invoices from ERP systems of the respective legal entities; through providing substantial analysis of Saferoad's spend, serving as a tool to manage and track procurement savings initiatives. Procurement savings are made across all spend categories, with steel being by far the largest. Various levers of procurement savings are applied, such as reallocation and consolidation of procurement contracts, renegotiation with suppliers, low cost country (LCC) sourcing, standardisation and redesign for lower sourcing costs. Saferoad expects further savings realisation through the latter lever by combining procurement- and product development resources to joint development of products optimised to minimise costs of production/sourcing, transport and installation.

Through Saferoad's branch office in Shanghai, the Group provides low risk opportunity for sourcing from Chinese suppliers for all its subsidiaries. The branch office includes six quality control resources that follow-up orders at Chinese suppliers on a weekly basis. As a result, the defective rate on more than 3,000 containers from China over an 8-year period has been below 0.10%. Since 2012, Saferoad's procurement set up has realised NOK 30-50 million in annual procurement savings.

Figure 8.6.1: Overview of Saferoad's spend, 2016



Note: 1) Total spend defined as Cost of Goods Sold + Other Operating Expenses. At current, approximately 70% of total spend is managed by the Group spend management system; hence the allocation in the graph is based on a survey performed in 2015. Management believes the allocation reflects reality and is a representative picture of spend on Group level.
Source: Company.

8.7.2 Production

Saferoad distributes its products and services efficiently from a broad footprint of larger production sites, smaller assembly sites, central warehouses, and even directly from third party suppliers in Eastern Europe and China. Consolidation opportunities are pursued when deemed appropriate and 16 sites have been closed since 2010 reducing the run rate costs by more than NOK 30 million. However, the consolidation potential is balanced by demand for local production and assembly, mainly due to (i) ad-hoc orders with short lead-time, often towards the end of installation periods in construction processes, (ii) need for specific competence which can only be found locally, and (iii) high transport cost of some voluminous products, and (iv) tender advantage for domestic manufacturers, where local presence and competence are appreciated.

Saferoad's larger production sites are located in Norway, Sweden and Poland. Manufacturing strategy implies efficient combination of consolidating large series products to automated production lines while moving labour intensive production to LCCs including production sites controlled by Saferoad.

8.7.3 Sales and distribution

Saferoad possesses a large distribution network, with sales offices in 20 countries. The sales force consists of more than 450 full-time employees, with complementary technical competencies and customer knowledge to provide targeted expertise to customers in different markets. Orders generally contain country- and market-specific features and the sales function is decentralised as the majority of orders are placed locally. Saferoad's decentralised sales network is considered key to drive customer loyalty, as the business' main customer satisfaction criteria require local presence, such as short lead time and delivery accuracy, as well as the ability to customise solutions related to local requirements. Warehouses are also decentralised to facilitate swift and on-time delivery.

The sales process varies between products and services. Within some product categories, such as Road Restraint Systems, Light Poles and Soil Steel Bridges, Saferoad is involved early in road construction projects, providing guidance on product specifications and design, while in other product categories, such as supplementary products within Signs and Water & Sewage, products are to a larger extent traded and standardised.

Saferoad achieves its contracts through different purchasing/sales arrangements, including public tenders, price offerings on specific projects, negotiation based offerings and frame agreements with price lists. Further, Saferoad provides products and services to a broad customer group that to a large extent place small orders, with an average order size in 2016 of approximately NOK 33,000 across the Group. Most of Saferoad's contracts with authorities is different sorts of multi-annual maintenance contracts, e.g. regional contracts for road marking in Norway, Sweden, Denmark and Poland, as well as road maintenance in Poland both during summer and winter. The contracts for road maintenance in Poland are entered into for specific roads and comprise inter alia snowplowing, salting, edge cutting and replacement of safety products. The road marking contracts in Norway and Sweden have typically duration of 3-5 years, while the contracts for road maintenance in Poland have duration of 4-6 years. The conclusion of contracts is based on public offers.

8.8 Property, plants and equipment

8.8.1 Property

Saferoad's headquarters are located at Enebakkveien 150, N-0680 Oslo, Norway, where the Company leases office space totalling 591 square metres. The lease on this property expires in 2021 and Saferoad made in 2016 lease payments of NOK 1,440,000 (including joint costs). The Company owns and leases, across Europe, 39 production facilities (21 owned and 18 leased), 102 warehouses (10 owned and 92 leased) and 121 sales and service offices (20 owned and 101 leased). The properties are located at 181 different locations.

The table below sets out certain key information relating to Saferoad's most significant properties:

Location	Products	Segment	Owned/leased
Rydzyna, Poland	Production facility/office	Road Infrastructure Europe	Owned
Inowroclaw, Poland	Production facility/warehouse	Road Safety Europe	Owned
Ørsta, Norway	Production facility	Road Safety Nordic	Owned
Szczecin, Poland	Production facility/square/office	Road Safety Nordic	Leased
Vik i Sogn, Norway	Production facility	Road Safety Nordic	Owned

Overall, the utilisation of the production capacity at the Group's main production facilities is high, however, there are some excess capacity at all facilities.

Saferoad is of the opinion that its premises and properties are sufficient for its current business for the foreseeable future. Further, Saferoad is of the opinion that there are no major encumbrances on its properties.

Saferoad is aware of known contamination at the Group's sites in Ringerrike and Ørsta (Norway), Birsta (Sweden) and Odense (Denmark) and due to the nature of the Group's production operations, there is a risk of contamination at other sites. There is, however, no pending investigations or remediation actions imposed on the Group that affects the utilisation of the properties as currently utilised.

8.8.2 Plants and equipment

Saferoad's main fixed assets are buildings, production equipment/machines and rental equipment. Saferoad's production equipment/machines consist of inter alia a number of roll-formers, welding stations (both automatic and manual), hot dip galvanisation, production lines for plastic and steel pipes and a large number of road marking equipment, and Saferoad's rental equipment consists of inter alia temporary barriers and other work zone protection equipment. As at 31 December 2016, these fixed asset had book values of NOK 896 million, or 96% of the total property, plant and equipment book value of NOK 934 million as at 31 December 2016. The remaining amount of property, plants and equipment consists of land and buildings under construction. Saferoad is of the opinion that there are no major encumbrances on its plants and equipment.

Saferoad's hot dip galvanisation plants have various environmental discharge permits relating to production volumes and emissions. The permits are suitable for significant higher production volumes than currently produced.

As at the date of this Prospectus, Saferoad had committed investments related to Temporary barriers (Road Safety Nordic), R&D Investments, Ultracore production line (Road Infrastructure Europe) and Road Marketing Equipment (Road Safety Nordic), which are both in progress and planned, for a total of NOK 55 million. Management expects that the projects that are in progress will be completed in 2017. See Section 11.6.2 "Principal investments in progress and planned principal investments" for a description of these investments.

8.9 Legal proceedings

From time to time, the Company and other companies in the Group may be involved in litigation, disputes and other legal proceedings arising in the normal course of their business.

In June 2015, the Danish Competition Council found Eurostar Denmark A/S, a company within the Group, guilty of infringing Danish and EU competition law by having engaged in joint bidding via a consortium with the competitor LKF Vejmarkering A/S in a tender for road marking in Denmark. Prior to entering the joint bidding consortium, Eurostar Denmark A/S sought legal advice which stated that such a joint bidding consortium did not infringe applicable competition law. The decision from the Danish Competition Council was contested by Eurostar Danmark A/S and appealed to the Danish Competition Appeals Tribunal which upheld the decision in April 2016.

Eurostar Denmark A/S appealed the decision from the Danish Competition Council and brought the case before the Danish Maritime and Commercial High Court where it is currently pending. The trial will most likely be held in 2018.

In May 2016, the Danish Competition Council handed the case over to the Danish State Prosecutor for Serious Economic and International Crime for further investigation. If the infringement decision against Eurostar Danmark A/S is upheld, Eurostar Danmark A/S could be subject to a fine. The infringement would probably be characterised as a "serious" violation of the competition rules. Eurostar Danmark A/S would also be exposed to damage claims from third parties who may have suffered a loss because of the infringement and to possible reputational damage. In addition, Eurostar Danmark A/S could potentially risk being excluded from bidding on future public procurement contracts for a two-year period of time starting no later than from termination of the consortium if a public contracting entity chooses to exclude a tenderer on the basis of infringement of competition law. Such an exclusion reason is required to be listed in the public procurement notice. This case is put on hold awaiting the decision of the Danish Maritime and Commercial High Court.

In connection with this legal proceeding, the Company has made provisions in its financial statements for the potential exposure to litigation, disputes and other legal proceedings, and such provisions are, in Management's opinion, adequate. Other than this legal proceeding, neither the Company nor any other company in the Group is, nor has been, during the course of the preceding twelve months, involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

8.10 Material contracts

Except for the shareholder agreements entered into with the minority shareholders of Oy ViaCon Ab (Finland), ViaCon Sp. z.o.o (Poland) and ViaCon Technologies z.o.o (Belarus) (as further described in Section 16.2 "Legal structure"), neither the Group nor any member of the Group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, the Group has not entered into any other contract outside the ordinary course of business which contains any provision under which any member of the Group has any obligation or entitlement.

8.11 Regulatory overview

As a road safety and road infrastructure solutions provider operating in Europe, the Group operates in an industry that is subject to a number of laws and regulations. The Group operates in several jurisdictions and its operations are subject to various regulatory requirements and obligations, including, but not limited to, regulations concerning construction, production, health and safety, tax, marketing, product safety, labour and employment, as well as procurement rules. Further, the Group's operations are also subject to environmental laws, regulations and permit conditions concerning air, soil and water pollution, wastewater discharge, water usage and waste handling and disposal. The Group monitors changes in applicable laws and regulations on an on-going basis and Management believes that the Group is in material compliance with all applicable laws and regulations.

Saferoad is not aware of any governmental, economic, fiscal, monetary or political policies or factors that may have materially affected, or could materially affect, directly or indirectly, the Group's operations. Nevertheless, the following areas may impact Saferoad:

Tax; OECD has launched the BEPS program implying increased focus on transfer pricing. Saferoad is, as a multinational company, required to adapt and implement these transfer prising guidelines. The Group expects increased costs adjusting internal policies and documentation procedures accordingly.

Several factors can influence market conditions in the countries where the Group operates both positive and negative. Among other, new and stricter requirements and regulations relating to the safer working condition for road works could contribute positively to the Group's turnover and improve the market potential for the Group.

8.12 Insurance

The purpose of insurance in Saferoad, is to cover financially the consequences of significant exposures which could lead to potential accidental and possible "catastrophic" losses to property, personnel, or Saferoad's income. The Group has established and maintains an insurance program that covers key risks and exposures. The Group's various operating insurance policies cover employees' accidents, property damage, business interruption, general and product liability, vehicles, transport and crime.

The Group also maintains directors' and officers' ("**D&O**") liability insurance for the members of the Board of Directors and Management, the coverage of which Management believes to be customary for a company of a similar size and type. Generally, Management believes that the Group's insurance coverage is customary for companies operating in its industry and that the Group has adequate insurance coverage with regard to the nature of its business activities and the related risks in the context of available insurance offerings and premiums. Management regularly reviews the adequacy of the Group's insurance coverage. No assurance can be given, however, that the Group will not incur any damages or losses that are not covered by its insurance policies or that exceed the coverage limits of such insurance policies.

8.13 Environmental, health and safety matters

Health, safety and environment ("**HSE**") is an integrated part of Saferoad's operations. Saferoad strives to achieve a vision of zero harm to people, the environment and society, and work purposefully and systematically to reduce the environmental impact. Management is responsible for providing and maintaining a safe working environment and systems that enable safe work, while each employee shall comply with work safety instructions and practices, in a continuous effort to avoid injury to themselves and others and damage to the plant, equipment and environment. Ownership and responsibilities for HSE lays with the respective business units/companies/entities. HSE performance in respective business units/companies/entities is reported monthly to Management as a set of KPIs[10]. In case of an accident or a serious near miss, an investigation report is required to be on the CEO's desk within 48 hours after the incident. Emissions to environment are controlled through local discharge permits (*Nw.: utslippstillatelse*).

8.14 Dependency on contracts, patents, licenses etc

It is the Company's opinion that Saferoad's existing business or profitability is not dependent upon any specific contracts. It is further the opinion of the Company that Saferoad's existing business or profitability is not dependent on any patents, licenses or new manufacturing process other than the licenses and the manufacturing processes described below.

SuperCor & UltraCor

Saferoad (ViaCon) holds a European license of SuperCor & UltraCor, which are large span soil steel bridges. The license is granted by AIL International (Canada) and is automatically renewed annually. In 2016 Saferoad (ViaCon) paid CAD 413,369 in license fee for SuperCor & Ultracor based on tonnage, within minimum and maximum amounts. The license can be terminated by AIL International (Canada) with three months' notice if Saferoad (ViaCon) is not fulfilling its obligations.

Conspan

Saferoad (ViaCon) holds a European license of Conspan, which is a prefabricated concreate bridge. The license is granted by Contech Engineered Solutions LLC (USA) and is automatically renewed annually. In 2016 Saferoad

[10] KPIs for regular HSE Performance reporting: LTI, H1 and Sickleave: Lost Time Incident (LTI): No of accidents with absence the next day (monthly) H1: no of accidents per one million work hours in relation to available work hours (LTM).

(ViaCon) paid USD 200,000 in license fee for Conspan based on revenue, within minimum and maximum amounts. The license can be terminated by Contech Engineered Solutions LLC (USA) with 13 months' notice if Saferoad (ViaCon) is not fulfilling its obligations.

Manufacturing processes

Saferoad produces several products in its own production facilities. Key production processes include, among other, laser cutting, welding both manually and by robots, corrugation and roll-forming of steel. In addition, the Group has facilities for anti-corrosion treatment such as hot dip galvanizing and powder coating. The Group is dependent on its production capabilities to deliver the expected volumes for the coming 12 months.

8.15 Information technology and intellectual property

Saferoad has a diverse IT structure with local differences among companies and countries. There is not one common standard for local IT systems, but there are common overlay structures in certain functions like Procurement, Treasury and Accounting. The Group has a Direct Enterpricing Subscribtion Agreement with Microsoft that includes Office365 licencies for all group companies.

Both safety and design are of vital importance to the Group's products. Saferoad is active in the area of technological innovation and product development. Examples of this include CombiCoat®, CT-bolt® and the EU approved bridge parapets/road railings MegaRail, SafeStar, SafeEnd, Sicuro, Ørsta, Birsta and SAFELINE™. These products are some of Saferoad's main trademarks and core competencies.

8.16 Research and development

Saferoad is focusing its R&D efforts on specific market-driven initiatives related to the continuous development of new and improved products. For example, the Group is currently developing a new range of electronic signs for Nordic conditions in cooperation with the Nordic Road Authorities. In the RRS segment, the focus is to develop products that meet market expectations in terms of cost efficiency and high performance. Reducing product weight, and thus price, while still meeting performance standards is one crucial parameter for staying competitive in the market.

The Group finds its product development activity relevant for the current mix of business models and activities. Further development into more service- and technological niches within Road Safety and Road Infrastructure may increase the importance and magnitude of R&D work going forward.

The amounts activated by the Group on R&D activities for the years 2016, 2015 and 2014 were NOK 16,805 thousand, NOK 11,348 thousand and NOK 10,511 thousand, respectively. In addition, the Group has also during these years expensed parts of its R&D costs.

9 CAPITALISATION AND INDEBTEDNESS

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 10 "Selected financial and other information" and Section 11 "Operating and financial review", and the Financial Statements and related notes, included in Appendix B to this Prospectus.

This Section provides information about the Group's unaudited consolidated capitalisation and net financial indebtedness on an actual basis as at 31 December 2016 and, in the "As adjusted" columns, the Group's unaudited consolidated capitalisation and net financial indebtedness on an adjusted basis to give effect to the following transactions:

(i) The repayment of the Existing Facilities with the Senior Facilities on 24 May 2017, including repayment of current portion of term loan (NOK 43 million), revolving facilities (NOK 350 million), other current liabilities to credit institutions (NOK 63 million) and non-current portion of term loan (NOK 1,824 million, net of amortised transaction costs of NOK 32 million) under the Existing Facilities; and draw-down of the Term Facility under the Senior Facilities as of 24 May 2017 totalling NOK 925 million (NOK 909 million after inclusion of capitalised transaction costs of NOK 16 million), which is unguaranteed and unsecured non-current debt, in addition an estimated NOK 350 million is drawn-down under the RFC under the Senior Facilities, which is unguaranteed and unsecured debt. See Section 11.7.1 "Material borrowings" for further details.

(ii) Receipt of proceeds from the Offering (minimum NOK 1,400 million)[11].

(iii) Acquisition of minority shares (NOK 221 million) and subsequent investment of minority shareholders into subordinated unguaranteed and unsecured debt (NOK 51 million), see Section 16.2 "Legal structure" for further details.

As a result of the transactions in (i) to (iii) above and based on an Offer Price per Offer Share of NOK 52.50, which is the mid-point of the Indicative Price Range, the Company's share capital will be NOK 4,666,667 consisting of 46,666,667 Shares, each with a nominal value of NOK 0.10.

Other than as set out above, there has been no material change to the Group's unaudited consolidated capitalisation and net financial indebtedness since 31 December 2016.

9.1 Capitalisation

In NOK millions	**As at 31 December 2016**	**Adjustments**	**As adjusted**
Indebtedness			
Total current debt:			
Guaranteed	-		-
Secured[1]	487[2]	-456[9]	31
Unguaranteed/Unsecured	256[3]	129[10]	385
Total non-current debt:			
Guaranteed	-		-
Secured[4]	1,864[5]	-1,824[11]	40
Unguaranteed/Unsecured	43[6]	960[12]	1,003
Total indebtedness	**2,651**	**-1,191**	**1,460**
Shareholders' equity			
Share capital	2	27[13]	29
Legal reserves	1,511[7]	1,328[14]	2,839
Other reserves	-292[8]	-97[15]	-388
Total shareholders' equity	**1,222**	**1,258**	**2,480**
Total capitalisation	**3,873**	**67**	**3,940**

[11] The receipt of proceeds of NOK 1,400 million from the Offering is not final. The final amount may be higher dependent on the Offer Price and the number of Offer Shares sold in the Offering.

In NOK millions	As at 31 December 2016	Adjustments	As adjusted

1 The secured debt is secured by:
Existing Facilities: Saferoad has granted security in its shares in all major subsidiaries which means that the majority of the Group's assets are directly or indirectly pledged. See Note 27 in the NOK Financial Statements for details. In addition, the lenders have mortgages in fixed assets (buildings and machinery), inventories and receivables in a number of the major companies in the Group.
Senior Facilities: The Senior Facility Agreement is based on negative pledge agreement and all the securities under the Existing Facility Agreement will be cancelled. The remaining secured debt of NOK 40 million represents financial leasing agreements where the leasing company in fact owns the fixed asset.

2 Reported amount as at 31 December 2016 includes: (i) Revolving credit facility under Existing Facilities of NOK 350 million, (ii) Current portion of Existing Facilities of NOK 43 million, (iii) Other current liabilities to credit institutions of NOK 76 million and (iv) Current portion of financial leases of NOK 19 million. See Note 23 in NOK Financial Statements for details.

3 Reported amount as at 31 December 2016 includes: (i) Estimated future payments acquired shares of NOK 24 million, (ii) Estimated future payments remaining shares of NOK 221 million and (iii) Loans of NOK 11 million. See Note 24 in the NOK Financial Statements for details.

4 The secured debt is secured by the same security as secured current debt, see note 1 above.

5 Reported amount as at 31 December 2016 includes: (i) Existing Facilities of NOK 1,824 million (net of capitalised loan fee of NOK 32 million) and (ii) Financial leases of NOK 40 million. See Note 23 in the NOK Financial Statements for details.

6 Reported amount as at 31 December 2016 includes: Estimated future payments acquired and remaining shares of NOK 43 million. See Note 23 in the NOK Financial Statements for details.

7 Reported amount as at 31 December 2016 includes: (i) Share premium of NOK 1,160 million and (ii) other paid-in capital of NOK 352 million. See the consolidated statement of financial position in the NOK Financial Statements.

8 Reported amount as at 31 December 2016 includes: (i) Retained earnings of NOK -372 million, (ii) minority interest of NOK 252 million and (iii) currency translation reserve of NOK 172 million. See the consolidated statement of financial position in the NOK Financial Statements.

9 Adjustments in current secured debt consist of repayment of (i) Revolving credit facility under Existing Facilities of NOK 350 million, (ii) Current portion of Existing Facilities of NOK 43 million and (iii) Other current liabilities to credit institutions of NOK 63 million.

10 Adjustments in current unguaranteed/unsecured debt consist of buyout of minorities representing estimated future payments remaining shares of NOK 221 million and drawdown of 350 million under the RCF under the Senior Facilities.

11 Adjustment in non-current secured debt consists of repayment of term loan facilities under Existing Facilities of NOK 1,824 million.

12 Adjustments in non-current unguaranteed/unsecured debt consist of drawdown of the Term Facility under the Senior Facilities as of 24 May 2017 totalling NOK 925 million (NOK 909 million after inclusion of capitalised transaction costs of NOK 16 million), and reinvestment of minority shareholders into subordinated unguaranteed and unsecured debt of NOK 51 million.

13 Adjustments in share capital consist of issuance of 26.7 million shares with nominal value of NOK 1 per share raising NOK 1,400 million of primary proceeds (assuming an Offer Price of NOK 52.50).

14 Adjustments in legal reserves consist of issuance of 26.7 million shares with nominal value of NOK 1 per share raising NOK 1,400 million of primary proceeds (assuming an Offer Price of NOK 52.50), payment of fees to the Managers of NOK 46 million related to the primary offering (out of the total transaction costs of NOK 70 million).

15 Adjustments in other reserves consist of negative adjustment to equity due to write down of IFRS adjustment of amortized transaction cost of NOK 32 million related to Existing Facilities expensed in Q1. Payment of other transaction costs of NOK 24 million (out of the total transaction costs of NOK 70 million) and payment of management bonuses of NOK 40 million.

9.2 Net financial indebtedness

In NOK millions		As at 31 December 2016	Adjustments	As adjusted
(A)	Cash	329	206[1]	535
(B)	Cash equivalents	-	-	-
(C)	Trading securities	-	-	-
(D)	**Liquidity (A)+(B)+(C)**	**329**	**206**	**535**
(E)	**Current financial receivables**	**-**	**-**	**-**
(F)	Current bank debt	426	-63[2]	362
(G)	Current portion of non-current debt	62	-43[3]	19
(H)	Other current financial debt	256	-221[4]	35
(I)	**Current financial debt (F)+(G)+(H)**	**743**	**-327**	**417**
(J)	**Net current financial indebtedness (I)-(E)-(D)**	**414**	**-533**	**-119**
(K)	Non-current bank loans	1,824	-915[5]	909
(L)	Bonds issued	-	-	-
(M)	Other non-current loans	83	51[6]	134
(N)	**Non-current financial indebtedness (K)+(L)+(M)**	**1,907**	**-864**	**1,043**
(O)	**Net financial indebtedness (J)+(N)**	**2,322**	**-1,397**	**925**

1 Adjustments in cash consist of:

a) Repayment of (i) Existing Facilities of NOK 2,314 million, including revolving credit facilities under Existing Facilities of NOK 350 million, (ii) Current portion of Existing Facilities of NOK 43 million, (iii) Other current liabilities to credit institutions of NOK 63 million and (iv) term loan facilities under Existing Facilities of NOK 1,824 million (adjusted for IFRS adjustment of amortized transaction cost of NOK 32 million).

b) Draw-down of new debt of NOK 1,259 million, including the Term Facility under the Senior Facilities totalling NOK 925 million (NOK 909 million after inclusion of capitalised transaction costs of NOK 16 million), which is unguaranteed and unsecured non-current debt, in addition an estimated NOK 350 million is drawn-down under the RCF under the Senior Facilities.

c) Issuance of New Shares raising proceeds of NOK 1,400 million.

d) Acquisition of minority shares (NOK 221 million) and subsequent investment of minority shareholders into subordinated unguaranteed and unsecured

In NOK millions	As at 31 December 2016	Adjustments	As adjusted

debt (NOK 51 million).

e) Payment of transactions costs of NOK 70 million.

f) Payment of Management bonus of NOK 40 million.

g) Shareholder loan of EUR 15 million (equivalent to NOK 139 million) waived as part of group restructuring.

2 Adjustments in current bank debt consist of repayment of (i) revolving credit facilities under Existing Facilities of NOK 350 million and (ii) Other current liabilities to credit institutions of NOK 63 million, and draw-down of NOK 350 million under the RCF under the Senior Facilities.

3 Adjustment in current portion of non-current debt consists of repayment of current portion of Existing Facilities of NOK 43 million.

4 Adjustment in other current financial debt consists of buyout of minorities representing estimated future payments remaining shares of NOK 221 million.

5 Adjustments in non-current bank loans consists of:

a) Repayment of (i) Existing Facilities of NOK 2,314 million, including revolving credit facilities under Existing Facilities of NOK 350 million, (ii) Current portion of Existing Facilities of NOK 43 million, (iii) Other current liabilities to credit institutions of NOK 63 million and (iv) term loan facilities under Existing Facilities of NOK 1,824 million (adjusted for IFRS adjustment of amortized transaction cost of NOK 32 million).

b) Draw-down of Term Facility under the Senior Facilities totalling NOK 925 million (NOK 909 million after inclusion of capitalised transaction costs of NOK 16 million).

6 Adjustment in other non-current loans consists of investment of minority shareholders into subordinated unguaranteed and unsecured debt of NOK 51 million.

9.3 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

9.4 Contingent and indirect indebtedness

As at 31 December 2016, the Group did not have any contingent or indirect indebtedness other than as set out in the NOK Financial Statements.

10 SELECTED FINANCIAL AND OTHER INFORMATION

10.1 Introduction and basis for preparation

The Company was established on 14 September 2016 by Advokatfirmaet Thommessen AS as a shelf company and acquired by the Existing Shareholder in connection with the Reorganisation. See Section 14 "The Reorganisation" below for a description of the Reorganisation. Prior to the Reorganisation, Saferoad Holding AB was the ultimate holding parent company of the Group. Hence, the Saferoad Holding AB Group's audited consolidated financial statements for the years ended 31 December 2015 and 2014 (the SEK Financial Statements) have been prepared with Saferoad Holding AB as the ultimate parent company of the Group in accordance with the International Financial Reporting Standards, as adopted by the European Union ("**IFRS**") and with SEK as the presentation currency (the SEK Financial Statements). The Group's audited consolidated financial statements for the year ended 31 December 2016 (and with unaudited comparative financial information for the year ended 31 December 2015) (the NOK Financial Statements), have been prepared with the Company as the ultimate parent company of the Group in accordance with the IFRS. The Company has also, for prospectus purposes, prepared unaudited financial information for the Saferoad Holding AB Group for the year ended 31 December 2014, converted from SEK to NOK (using an exchange rate at 31 December 2014 of 0.9597 for the balance sheet and the average exchange rate for the year of 0.9186 for the profit and loss and cash flow) (the NOK 2014 Financial Information). The SEK Financial Statements, the NOK Financial Statements and the NOK 2014 Financial Information are together referred to as the "**Financial Information**" and are included in Appendix B to this Prospectus.

The following selected consolidated financial information has been extracted from the Financial Information. The selected consolidated financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Financial Information included in Appendix B of this Prospectus and should be read together with Section 11 "Operating and financial review".

10.2 Summary of accounting policies and principles

For information regarding accounting policies and the use of estimates, judgments and assumptions, see Notes 2 and 3 of the NOK Financial Statements, included in this Prospectus as Appendix B.

10.3 Selected consolidated statements of comprehensive income information

The table below sets out selected data from the Group's consolidated statement of comprehensive income for the years ended 31 December 2016, 2015 and 2014 (derived from the NOK Financial Statements, the SEK Financial Statements and the NOK 2014 Financial Information).

In thousands			**Year ended 31 December**		
	2016	**2015**	**2014**	**2015**	**2014**
	NOK	**NOK**	**NOK**	**SEK**	**SEK**
	(audited)	*(unaudited)*	*(unaudited)*	*(audited)*	*(audited)*
Revenue	5,731,659	5,495,684	4,944,493	5,749,423	5,382,540
Other operating revenue	32,219	27,619	32,999	28,894	35,923
Total operating revenue	**5,763,878**	**5,523,303**	**4,977,492**	**5,778,317**	**5,418,463**
Cost of goods sold	3,337,360	3,218,885	2,826,378	3,367,503	3,076,775
Personnel costs	1,191,581	1,168,412	1,052,137	1,222,358	1,145,349
Depreciation and impairment	167,176	185,742	164,439	194,318	179,008
Amortisation and impairment	390,332	107,422	196,238	112,381	213,623
Other operating costs	787,692	857,456	714,148	897,045	777,417
Total operating costs	**5,874,141**	**5,537,917**	**4,953,341**	**5,793,606**	**5,392,172**
Operating profit/(loss)	**-110,263**	**-14,614**	**24,151**	**-15,288**	**26,291**
Financial income	23,935	23,452	12,645	24,535	13,765
Financial expenses	256,491	293,875	227,274	307,444	247,409
Net exchange rate gain (loss)	-97,370	60,916	37,732	63,728	41,075
Share of profit/(loss) of associated companies	0	5,598	5,415	5,856	5,895
Net financial income/expenses	**-329,926**	**-203,909**	**-171,482**	**-213,324**	**-186,674**

In thousands			Year ended 31 December		
	2016 NOK *(audited)*	**2015 NOK** *(unaudited)*	**2014 NOK** *(unaudited)*	**2015 SEK** *(audited)*	**2014 SEK** *(audited)*
Profit/(loss) before tax	**-440,189**	**-218,523**	**-147,330**	**-228,612**	**-160,383**
Tax	940	-45,158	-58,427	-47,243	-63,603
Profit/(loss) for the period	**-439,249**	**-263,681**	**-205,757**	**-275,855**	**-223,986**
Other comprehensive income					
Items to be reclassified to profit/loss in subsequent periods					
Exchange difference on translation of foreign operations	34,176	-16,222	22,394	-107,365	24,378
Items not to be reclassified to profit/loss in subsequent periods					
Remeasurement of net defined benefit liability	-3,838	1,664	-3,636	1,741	-3,959
Other comprehensive income for the year, net of tax	**30,338**	**-14,558**	**18,758**	**-105,624**	**20,419**
Total comprehensive income for the period	**-408,911**	**-278,239**	**-186,999**	**-381,480**	**-203,566**

10.4 Selected consolidated statements of financial position information

The table below sets out selected data from the Group's consolidated statement of financial position as at 31 December 2016, 2015 and 2014 (derived from NOK Financial Statements, the SEK Financial Statements and the NOK 2014 Financial Information).

In thousands			As at 31 December		
	2016 NOK *(audited)*	**2015 NOK** *(unaudited)*	**2014 NOK** *(unaudited)*	**2015 SEK** *(audited)*	**2014 SEK** *(audited)*
ASSETS					
Non-current assets					
Intangible assets					
Development	45,401	68,033	68,504	64,948	71,380
Licenses, product rights etc.	24,877	37,597	37,999	35,892	39,595
Goodwill	1,222,218	1,511,184	1,388,664	1,442,658	1,446,977
Customer relationships	221,400	341,810	366,125	326,310	381,499
Other intangibles	10,104	9,613	11,335	9,177	11,811
Total intangible assets	**1,524,000**	**1,968,237**	**1,872,627**	**1,878,985**	**1,951,262**
Tangible assets					
Land	33,047	31,631	36,590	30,197	38,126
Buildings	356,759	390,971	432,702	373,242	450,872
Machines and equipment	354,167	361,660	345,775	345,260	360,295
Construction in progress	5,202	3,602	4,589	3,439	4,782
Rental equipment, furniture and vehicles	185,083	199,890	183,220	190,826	190,914
Total fixed assets	**934,258**	**987,754**	**1,002,875**	**942,963**	**1,044,988**
Financial non-current assets					
Shares in associated companies	4,960	4,969	8,389	4,744	8,742
Loans to associated companies	127	0	511	0	532
Other investments	12,326	12,986	12,728	12,397	13,262
Non-current receivables	30,603	24,334	15,123	23,231	15,758
Total financial assets	**48,016**	**42,290**	**36,751**	**40,372**	**38,294**
Deferred tax assets	8,984	14,982	20,002	14,303	20,842

In thousands	As at 31 December				
	2016 NOK *(audited)*	**2015 NOK** *(unaudited)*	**2014 NOK** *(unaudited)*	**2015 SEK** *(audited)*	**2014 SEK** *(audited)*
Total non-current assets	**2,515,258**	**3,013,262**	**2,932,254**	**2,876,623**	**3,055,387**
Current assets					
Inventories	**909,895**	**853,983**	**820,744**	**815,259**	**855,209**
Receivables					
Trade receivables	843,576	852,292	736,267	813,644	767,185
Other receivables	219,804	287,780	210,840	274,730	219,693
Total receivables	**1,063,380**	**1,140,072**	**947,107**	**1,088,374**	**986,878**
Cash and cash equivalents	**328,977**	**507,655**	**433,068**	**484,635**	**451,254**
Total current assets	**2,302,253**	**2,501,711**	**2,200,919**	**2,388,268**	**2,293,341**
Total assets	**4,817,511**	**5,514,973**	**5,133,174**	**5,264,891**	**5,348,727**
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital	2,000	167	167	193	193
Share premium	1,159,875	2,061,961	2,061,961	2,307,596	2,307,596
Other paid in capital	351,596	351,596	351,596	418,589	418,589
Currency translation reserve	-171,550	-217,550	-184,333	-378,362	-277,443
Other equity	-371,729	-1,420,026	-1,065,069	-1,607,063	-1,235,718
Total shareholders' equity attributable to shareholders of the parent company	**970,192**	**776,148**	**1,164,322**	**740,953**	**1,213,217**
Non-controlling interests	251,726	259,606	219,395	247,834	228,608
Total equity	**1,221,918**	**1,035,753**	**1,383,717**	**988,784**	**1,441,823**
Liabilities					
Non-current liabilities					
Liabilities to credit institutions	1,824,152	1,979,156	1,453,192	1,889,409	1,514,215
Other non-current liabilities	83,266	865,467	338,194	592,494	352,396
Pension obligations	38,327	37,821	36,067	36,106	37,582
Deferred tax liabilities	42,898	95,560	116,797	91,227	121,701
Other provisions	17,794	28,019	115,676	260,475	120,533
Total non-current liabilities	**2,006,436**	**3,006,023**	**2,059,925**	**2,869,711**	**2,146,426**
Current liabilities					
Liabilities to credit institutions	425,562	438,521	384,665	418,636	400,818
Accounts payables	495,968	479,498	423,296	457,755	441,071
Current tax liabilities	9,945	46,459	6,847	44,352	7,134
Public duties (VAT, soc. benefits etc.)	68,471	102,601	105,405	97,950	109,831
Other current liabilities	525,962	327,678	219,811	312,819	229,042
Other provisions	1,673	10,122	5,382	9,663	5,608
Financial derivatives	0	13,884	23,584	13,255	24,574
Current portion of non-current liabilities	61,576	54,433	520,541	51,965	542,400
Total current liabilities	**1,589,156**	**1,473,197**	**1,689,531**	**1,406,395**	**1,760,478**
Total liabilities	**3,595,592**	**4,479,220**	**3,749,456**	**4,276,107**	**3,906,904**
Total shareholders' equity and liabilities	**4,817,511**	**5,514,973**	**5,133,174**	**5,264,891**	**5,348,727**

10.5 Selected consolidated statements of cash flow information

The table below sets out selected data from the Group's consolidated statement of cash flows for the years ended 31 December 2016, 2015 and 2014 (derived from the NOK Financial Statements, the SEK Financial Statements and the NOK 2014 Financial Information).

In thousands			Year ended 31 December		
	2016 NOK (audited)	2015 NOK (unaudited)	2014 NOK (unaudited)	2015 SEK (audited)	2014 SEK (audited)
Cash flow from operating activities					
Profit/loss before tax	-440,189	-218,524	-147,330	-228,613	-160,383
Income tax paid	-68,640	-44,698	-25,829	-46,762	-28,117
Profit from sale and disposal of tangible assets	-5,211	-7,980	-7,268	-8,348	-7,912
Loss on sale of tangible assets	238	1,553	2,616	1,625	2,848
Loss on sale of subsidiaries	0	26,013	-	27,214	0
Net depreciation, amortisations and impairment	557,508	293,163	360,677	306,699	392,630
Impairment of other assets	3,340	33,245	3,992	34,780	4,345
Change in fair value of financial assets	-13,024	-10,477	14,762	-10,961	16,070
Unrealised currency (gains)/losses	93,934	-128,815	-21,758	-134,762	-23,686
Interest income	-7,124	-11,123	-5,836	-11,637	-6,353
Interest costs and other financial expenses	253,433	194,671	180,183	203,659	196,146
Changes in inventory	-118,466	-3,873	-36,243	-4,052	-39,454
Changes in trade receivables	-47,484	-73,613	15,816	-77,012	17,217
Changes in accounts payable	50,352	35,131	-63,601	36,753	-69,236
Income from using equity method	0	-5,598	-5,415	-5,856	-5,895
Changes in other current receivables and liabilities	-15,298	137,903	-7,808	144,270	-5,576
Net cash flow from operations	**243,369**	**216,979**	**256,957**	**226,997**	**282,646**
Cash flow from investment activities					
Interest received	7,124	11,123	5,836	11,637	6,353
Acquisition of subsidiaries	-22,649	-64,965	-	-67,965	0
Purchase/production of fixed and intangible assets	-172,230	-165,080	-182,812	-172,702	-199,008
Sale of subsidiaries	0	-11,626	-	-12,163	0
Proceeds from sale of fixed assets	13,376	16,472	13,937	17,233	15,172
Other changes	12,619	-1,475	800	-1,543	870
Net cash flow from investment activities	**-161,759**	**-215,551**	**-162,240**	**-225,503**	**-176,613**
Cash flow from financing activities					
Proceeds from borrowings	22,259	310,752	203,974	325,100	222,044
Repayment of borrowings	-137,052	-106,199	-104,620	-111,102	-113,888
Proceeds from other shareholders	0	2,352	46	2,461	50
Dividends to non-controlling interests	-16,799	-16,155	-11,031	-16,901	-12,009
Buy-out of non-controlling interests	-	-	-87,943	0	-95,734
Interest paid	-157,528	-171,149	-158,049	-179,051	-172,051
Net cash flow from financing activities	**-289,120**	**19,602**	**-157,624**	**20,507**	**-171,588**
Net increase in cash and cash equivalents	-207,510	21,030	-62,907	22,001	-65,556
Effect of exchange rate differences on cash and cash equivalents	-34,428	53,556	3,683	11,380	-2,924
Cash and cash equivalents at beginning of the year	507,655	433,069	492,291	451,254	519,733
Cash and cash equivalents at the end of	**265,717**	**507,655**	**433,068**	**484,635**	**451,254**

In thousands	2016 NOK *(audited)*	2015 NOK *(unaudited)*	Year ended 31 December 2014 NOK *(unaudited)*	2015 SEK *(audited)*	2014 SEK *(audited)*
the year					
Cash and cash equivalents at the end of the year in statement of financial position	328,977	507,655	433,068	484,635	451,254
Bank overdrafts at the end of the year in statement of financial position	-63,260	0	0	0	0
Cash and cash equivalents at the end of the year in statement of cash flow	**265,717**	**507,655**	**433,068**	**484,635**	**451,254**

10.6 Selected consolidated statements of changes in equity information

The table below sets out selected data from the Group's consolidated statement of changes in equity for the years ended 31 December 2014, 2015 and 2016 (derived from the NOK Financial Statements, the SEK Financial statements and the NOK 2014 Financial Information).

In thousands	Share capital	Share premium	Other paid in capital[1]	Currency translation reserve	Other equity	Total	Non-controlling interests	Total equity
Equity at 31 December 2014 (unaudited)	**167**	**2,061,961**	**351,596**	**-184,333**	**-1,065,069**	**1,164,322**	**219,395**	**1,383,717**
Non-controlling interests companies acquired						0	2,578	2,578
Dividends to non-controlling interests						0	-17,704	-17,704
Disposals and buy-out non-controlling interests					-65,644	-65,644	11,046	-54,598
Profit/(loss) for the year					-290,977	-290,977	27,296	-263,682
Other comprehensive income net of tax:								
Actuarial gain/(loss)					1,664	1,664		1,664
Exchange difference on translation of foreign operations				-33,217		-33,217	16,995	-16,222
Total other comprehensive income net of tax	0	0	0	-33,217	1,664	-31,553	16,995	-14,558
Total comprehensive income	**0**	**0**	**0**	**-33,217**	**-289,313**	**-322,530**	**44,291**	**-278,239**
Equity at 31 December 2015 (unaudited)	**167**	**2,061,961**	**351,596**	**-217,550**	**-1,420,026**	**776,148**	**259,606**	**1,035,753**
Reclassification due to new parent company	-167	-2,061,961			1,512,128	-550,000		-550,000
Capital contribution 12 December 2016	1,000	549,000				550,000		550,000
Capital contribution 21 December 2016	1,000	610,875				611,875		611,875
Dividends to non-controlling interests						0	-16,799	-16,799
Profit/(loss) for the year					-459,992	-459,992	20,743	-439,249
Other comprehensive income net of tax:								
Actuarial gain/(loss)					-3,838	-3,838		-3,838
Exchange difference on translation of foreign operations				46,000		46,000	-11,824	34,176
Total other comprehensive income net of tax	0	0	0	46,000	-3,838	42,162	-11,824	30,338
Total comprehensive income	**0**	**0**	**0**	**46,000**	**-463,830**	**-417,830**	**8,920**	**-408,911**

In thousands	Share capital	Share premium	Other paid in capital[1]	Currency translation reserve	Other equity	Total	Non-controlling interests	Total equity
Equity at 31 December 2016	**2,000**	**1,159,875**	**351,596**	**-171,550**	**-371,729**	**970,192**	**251,726**	**1,221,918**

1 Shareholder contribution from 2008.

10.7 Key financial information by segment

The operating segments presented below are the key components of Saferoad's business and the segment note follow the structure of internal reporting. The following operating segments have been identified: Road Safety Nordic, Road Safety Europe, Road Infrastructure and Other/Holding. The segments are managed as separate and strategic businesses and no operating segment have been combined for the purpose of segment reporting. Assets and liabilities are not included in the segment reporting.

The tables below set out revenue per segment and business region, as well as revenue per country for the years ended 31 December 2016, 2015 and 2014 (derived from the NOK Financial Statements). For further information regarding key financial information by segment, see Note 6 of the NOK Financial Statements, included in this Prospectus as Appendix B.

In NOK thousands		**Year ended 31 December**	
	2016	**2015**	**2014**
	(unaudited)	*(unaudited)*	*(unaudited)*
Total operating revenue			
Segment Road Safety Nordic	2,647,798	2,598,439	2,499,094
Segment Road Safety Europe	1,437,814	1,289,179	1,167,975
Other/Eliminations	-71,018	-71,594	-78,358
Road Safety	**4,014,594**	**3,816,024**	**3,588,712**
Road Infrastructure Nordic	851,170	720,429	618,692
Road Infrastructure Europe	1,00,532	1,013,913	757,496
Other/Eliminations	-64,744	-40,996	-22,569
Road Infrastructure	**1,786,958**	**1,693,346**	**1,353,619**
Other/Holding	353	64,057	84,811
Eliminations	-38,027	-50,125	49,650
Total operating revenue	**5,763,878**	**5,523,303**	**4,977,492**

In NOK thousands		**Year ended 31 December**	
	2016	**2015**	**2014**
		(unaudited)	*(unaudited)*
Total operating revenue per geographical area			
Norway	1,282,854	1,356,007	1,373,312
Sweden	1,474,533	1,335,881	1,269,462
Denmark	293,163	251,590	382,731
Poland	627,597	620,828	492,323
Germany	880,307	785,447	669,357
Other Europe	1,205,424	1,173,551	790,306
Total operating revenue	**5,763,878**	**5,523,303**	**4,977,492**

10.8 Auditor

The Company's auditor is Ernst & Young AS (Dronning Eufemias gate 6, N-0191 Oslo, Norway). The partners of Ernst & Young AS are members of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants). Ernst & Young AS has been the Company's auditor since 7 December 2016 following the Reorganisation. Ernst & Young AB (Jakobsbergsgatan 24, Box 7850 SE-10399 Stockholm, Sweden) was the Saferoad Holding AB Group's auditor for the period 2008-2015. The partners of Ernst & Young AB are members of FAR (professional institute for authorized public accountants in Sweden). No auditor of the Group has resigned, been removed or failed to be re-appointed during the period covered by the historical financial information attached hereto. The auditor's reports on the Financial Statements are without qualifications or emphasis of matter, and are included together with the Financial Statements in Appendix B.

Neither Ernst & Young AB nor Ernst & Young AS have audited, reviewed or produced any report on any other information provided in this Prospectus.

11 OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read together with Section 10 "Selected financial and other information" and the Financial Statements and related notes included in Appendix B of this Prospectus. The following discussion contains forward-looking statements. These forward-looking statements are not historical facts, but are rather based on the Group's current expectations, estimates, assumptions and projections about the Group's industry, business and future financial results. Actual results could differ materially from the results contemplated by these forward-looking statements because of a number of factors, including those discussed in Section 4.3 "Cautionary note regarding forward-looking statements", as well as other sections of this Prospectus.

11.1 Overview

11.1.1 General overview

Saferoad is a leading road safety and road infrastructure solutions provider in Northern, Central and Eastern Europe.[12] The Group's core business comprises designing, manufacturing and selling of products and solutions that improves the standard of road safety and road infrastructure. Saferoad plays an important role in various stages throughout new road construction projects, including maintenance and upgrades of existing roads. Saferoad's products and solutions protect and support people on the move, whether by foot, bike or car.

Figure 11.1.1: Saferoad's involvement in the road construction value chain

Source: Company

Saferoad serves the most product and solution intensive parts of the road construction value chain through its two business areas, Road Safety and Road Infrastructure. The Group seeks to gain competitive advantages within each product group, and by positioning the Group as a total supplier across product groups when appropriate. The Group has the capabilities to deliver combinations of products across its main product groups, thus taking a position as a total supplier. The content of the offering varies from project to project, based on customer requirements and specifications. During 2016 the Group has been engaged in projects which included Road Restraint Systems, Signs, Work Zone Protection, Road Marking and Noise Protection. Saferoad works directly with national road authorities (e.g. Statens Vegvesen in Norway, Trafikverket in Sweden), main contractors (e.g. Skanska, Veidekke, PEAB etc. in the Nordics, and Strabag, Astaldi and Hochtief in Europe), as well as subcontractors that install road safety and road infrastructure solutions.

Saferoad's activities are characterised by small average order sizes, low customer concentration and highly local business dynamics. Important customer satisfaction criteria include delivery capabilities (short lead time and delivery accuracy) and ability to provide customised solutions that satisfy project specifications tailored to local regulations, topography, and technical and aesthetic requirements. The Group has an extensive portfolio of products, tested and approved according to EU and National standards. Value added services such as installation and technical support also drive customer satisfaction. One of the key prerequisites to deliver on these criteria is local presence, both in terms of sales offices, warehouses and expertise. Saferoad has proven capabilities and a strong track record meeting these criteria, and the Group complies with strict requirements of both the regulatory authorities and its customers with regards to product quality, durability, design and functionality.

Saferoad's expansion is the result of strong organic growth in addition to a series of mergers and acquisitions within both business areas. Today's Saferoad consists of around 60 operating entities with approximately 80% of Group revenue derived from the 20 largest entities. The Group is to a large degree decentralised due to the industry characteristics where local presence is important. The operating entities are run by local managers with strong

[12] Source: Company Market Study and Management's view.

entrepreneurial spirit, deep competence and incentives to succeed. Operations are coordinated with regional managers and supported by central Group functions to allow for sharing of common resources. The two business areas, Road Safety and Road Infrastructure, are further divided in two geographical business regions, Nordic and Europe.

Saferoad is headquartered in Oslo, Norway. As per 31 December 2016, the Group employed approximately 2,700 full-time and part-time employees. As of 31 March 2017, Saferoad operated sales offices in 20 countries and production plants in 12 countries. The Group's top-line has grown consistently from 2012 to 2016 with a CAGR of ~5% supported by secular growth trends. For the year ended 31 December 2016, Saferoad generated revenues of NOK 5,764 million, and the Underlying EBITDA was NOK 478 million with an Underlying EBITDA margin of 8.3%. For the year 2016, the Group derived 69% of its revenue from the Road Safety business and the remaining 31% from the Road Infrastructure business.

11.1.2 Presentation of financial information

The Financial Information for the years ended 31 December 2016, 2015 and 2014 have been prepared in accordance with IFRS. The SEK Financial Statements for 2015 and 2014 have been audited by Ernst & Young AB, and the NOK Financial Statements for 2016 have been audited by Ernst & Young AS. The Financial Statements are included in Appendix B to this Prospectus.

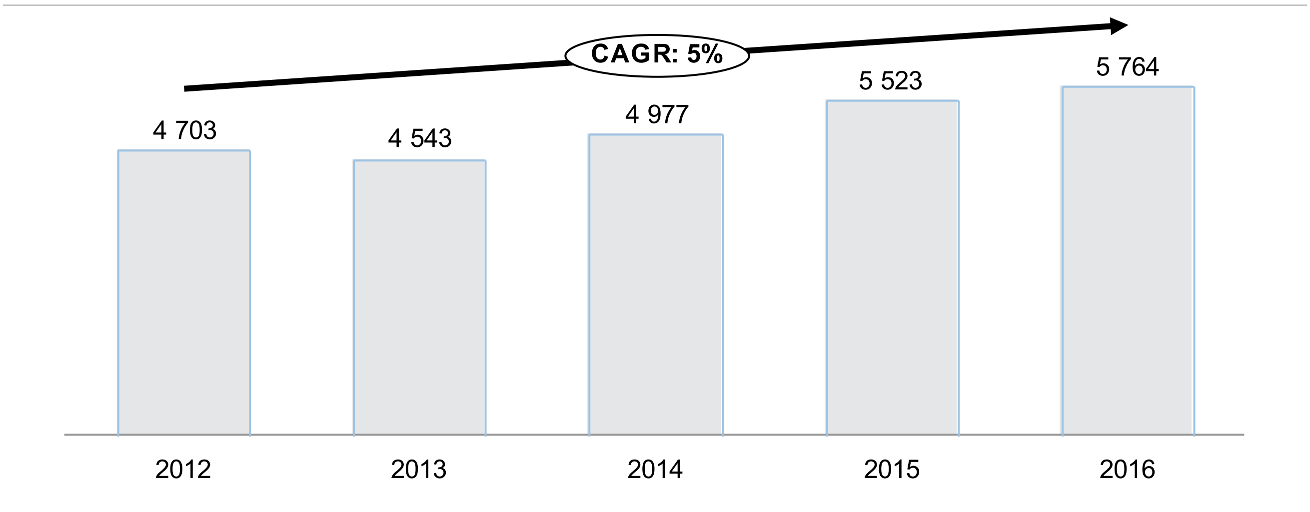
11.2 Factors affecting the Group's results of operations

The Group's operations and the operating metrics discussed below have been, and may continue to be, affected by certain key factors, as well as certain historical events and actions. The key factors affecting the Group's business and its results of operations include market growth, production and procurement optimisation, seasonality, phasing of projects, foreign exchange, raw material prices, acquisitions and structural measures, changes in capital structure in connection with the Offering, rules and regulations as well as public tender processes.

11.2.1 Revenue growth

As further outlined in Section 7 "Industry and market overview", the main driver behind Saferoad's revenue growth is infrastructure spending supported by government budgets and EU funding. Governmental budgets are long-term, hence supporting predictable market development and providing visibility to Saferoad's growth prospects. Figure 11.2.1 below depicts Saferoad's stable revenue development from 2012 to 2016. The Company has achieved a topline CAGR of approximately 5% in a period with limited M&A activity, hence the lion's share of growth has been organic in this period.

Figure 11.2.1: Saferoad historical revenue, in NOK million



Source: Company figures

As further elaborated in Section 7.6 "European Commission's progress towards 2020 road fatalities target", the EU constantly works to improve traffic safety in its member countries. A recent update from the European Commission shows that the number of road fatalities in the EU was reduced by 2% from 2015 to 2016 after two years of stagnation. The European Commission is working towards a target halving road fatalities in the period from 2010 to 2020. Increased investments in road safety structures is an important tool in the work to reach the 2020 target, which is expected to continue to drive the demand for Saferoad's products and services. Another example of public initiatives supporting Saferoad's target markets is Nye Veier AS, a Norwegian state owned company which plans, builds, operates and maintains Norwegian roads, that has an explicit target to reduce accidents in the building period of roads. This is expected to be a driver of the market for Work Zone Protection products and solutions, an area where Saferoad strategically will continue to strengthen its foothold in the coming years.

11.2.2 Production and procurement optimisation

As described further in Section 8.6.1 "Procurement", Saferoad is continuously working to improve its procurement processes. This is part of the Company's constant work to remain competitive and to expand margins. Since 2012, Saferoad's procurement set up has realised NOK 30-50 million in annual procurement savings.

In addition to streamlining its procurement operations, Saferoad is running initiatives to optimise its production footprint. Some of the tools implemented include LEAN manufacturing and production automation. LEAN tools and principles are currently being used across several production sites, although at various levels of maturity, and increased use of LEAN tools at the various sites represents an upside to manufacturing efficiency. Mass production in highly automated production lines ensures competitiveness even in countries with higher cost levels. In addition, the Company has taken measures to consolidate its production footprint by closing 16 production sites since 2010, totalling to at least NOK 30 million in run-rate savings over the last five years. Further optimisation of the manufacturing footprint is done by outsourcing labour intensive work to sites run by the Group and third parties in low cost countries, e.g. in Poland.

The Company will continue its procurement initiatives and production consolidation and efficiency program to further optimise its operational backbone.

11.2.3 Business region development

The following Section sets out to describe the development in the business regions Road Safety Nordic, Road Safety Europe, Road Infrastructure Nordic and Road Infrastructure Europe. The financial results are shown in Section 11.4 "Results of operations".

Road Safety Nordic

The Road Safety Nordic business region has had a steady increase in revenues over the past years. One of the key drivers behind the revenue growth has been the successful expansion of its Work Zone Protection offering. The Company has among other things entered into a frame agreement with Skanska for work zone protection, including manual traffic guidance. The Company has also strengthened its position in Sweden by establishing depots with equipment to reduce response time. In the UK, the Company has increased its market share of larger projects within Road Restraint Systems which provide scale advantages and improve profitability. In addition, the Group has increased its market share for Road Restraint Systems in Finland.

The profitability of the Road Safety Nordic business region has followed a sliding trend over the last years. The Company has identified some key factors that have driven the trend, and initiated improvement measures to counter this development. The majority of Saferoad's Road Marking contracts were up for renewal in 2015, and the Company experienced fewer renewed maintenance contracts and a lower volume due to fewer projects compared to 2014. The Company now sees a market that has stabilised at levels where Saferoad outperforms competitors though superior efficiency.

Saferoad also had a setback in the Swedish Road Restraint Systems area in 2015/2016 following lower project volumes in the market, combined with the loss of the majority of its management team. The temporary loss of management capacity and competence led to a loss of market share during this period. A new management team is now in place and has taken measures to get the business back on track in 2017.

The prices in the Signs area in Denmark have been under pressure due to weak market demand. The Company has taken measures to counter the effect through production and SG&A optimisation and by reducing costs. In addition, a new management team has been put in place to enhance project management capabilities and position the Company for total solutions deliveries.

Within Road Restraint Systems in Norway volumes fell in 2016, with subsequent price pressure in the maintenance and project market. Steel price increase in the second half of 2016 put additional pressure on margins. The Company has entered into several efficiency and cost measures and added products to the offering which will improve competitiveness. Prices are observed to increase from the beginning of 2017 and the volume is expected to recover during 2017.

Road Safety Europe

Road Safety Europe has shown increasing revenue and profitability from 2014 to 2016, with a slight dip in earnings in 2015. Among the key drivers behind the growth is the solid underlying market growth, particularly in the German Road Restraint Systems market. The performance is also partly driven by successful entry with Road Restraint Systems in the Czech Republic in the second half of 2015. Company specific drivers include expansion of the Noise Protection offering which increased the corresponding revenues by 65% over the period.

Margins were negatively impacted by declining volumes in the Polish market in 2015, which led to price pressure on maintenance work. The market retraction has now reversed, with strong market growth materialising on the back of public investments in new express roads.

The German Work Zone Protection rental business showed declining margins during the period coupled with substantial requirements for new investments to maintain its competitive position and customer proposition. This business was divested in January 2017, see Section 11.2.8 "Acquisitions and structural measures" below.

Road Infrastructure Nordic

The Road Infrastructure Nordic business area has grown steadily on revenue in the period from 2014 to 2016. EBITDA and EBITA greatly improved in 2016 after flat development from 2014 to 2015. The strong performance in Road Infrastructure Nordic is among other driven by strong performance in the Finnish market, where a more favourable mix of infrastructure spend has increased Saferoad's market. More of public infrastructure funds have been allocated to roads, and the focus has been on the smaller roads, where ViaCon products are particularly relevant. In Sweden, consolidation of the Water & Sewage and Steel Pipe markets caused a positive revenue effect in 2016. Positive effects from synergies were achieved already in 2016. Saferoad has re-entered Denmark with its Road Infrastructure offering in the period, adding to revenue growth. Margins have improved from 2016 following accretive acquisitions and a restructuring of the value chain.

Road Infrastructure Europe

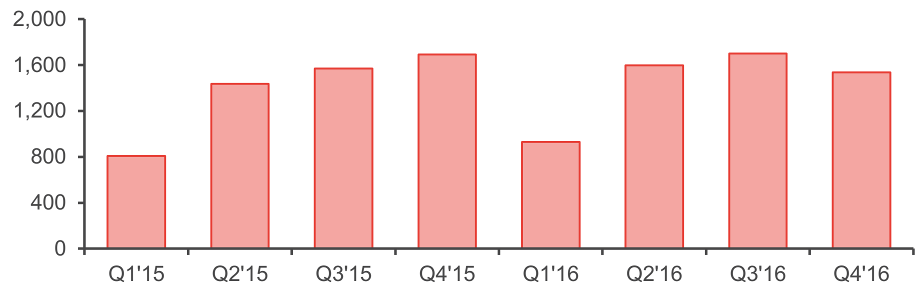
The Road Infrastructure Europe business area has shown high revenue growth and strong margin improvement over the period. The Polish road construction market was an important contributor to the revenue growth due to significant untapped demand and availability of EU financing. Substantial and successful sales of export projects, mainly from the newly established export hub in Turkey, also contributed positively to revenue in 2015 and 2016. The strong market growth and export projects added a significant EBITDA contribution from 2015. The phasing and impact of export projects on revenues is further discussed in Section 11.2.5 "Phasing of projects".

11.2.4 Seasonality

The Group's results of operations are impacted by seasons driven by weather. Winter conditions reduce both the activity related to construction of new roads and maintenance work. The first quarter of the year therefore returns lower revenues and lower results from the operations than the other quarters. Moreover, the Group's cash flow during the low season is negatively impacted by inventory build-up in preparation for the high season. The activity in the fourth quarter could be impacted by an early on-set of winter. Revenues in the first quarter constitute approximately 15% of the full year revenues, whereas revenues in the other three quarters stand for 25 – 30% of the full year revenues each. The third quarter normally yields highest revenues. In 2015 phasing of projects and favourable operating conditions gave high activity throughout the fourth quarter. The fourth quarter in 2015 thus became the highest revenue quarter in that financial year. The seasonal pattern in revenues imply corresponding swings in EBITDA and EBITA in absolute terms, but also the EBITDA and EBITA margins are impacted driven by varying capacity utilization of the fixed cost base. Approximately 75% of the operating costs are seen as fixed or semi-variable.

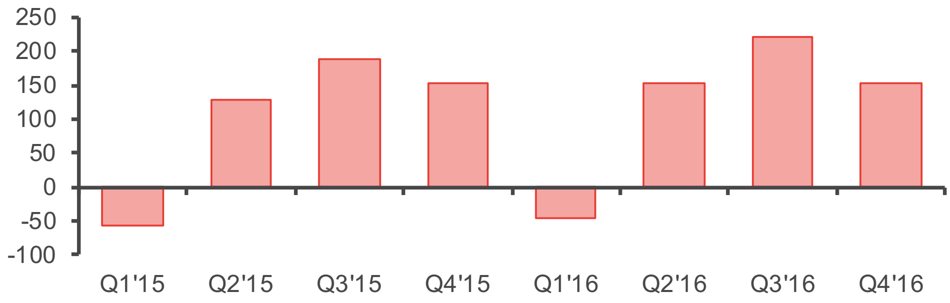
The following graphs demonstrate seasonality effects on Group revenue and EBITDA in the period 2015-2016.

Figure 11.2.4.1: Quarterly revenue 2015-2016, NOK million



Source: Company figures.

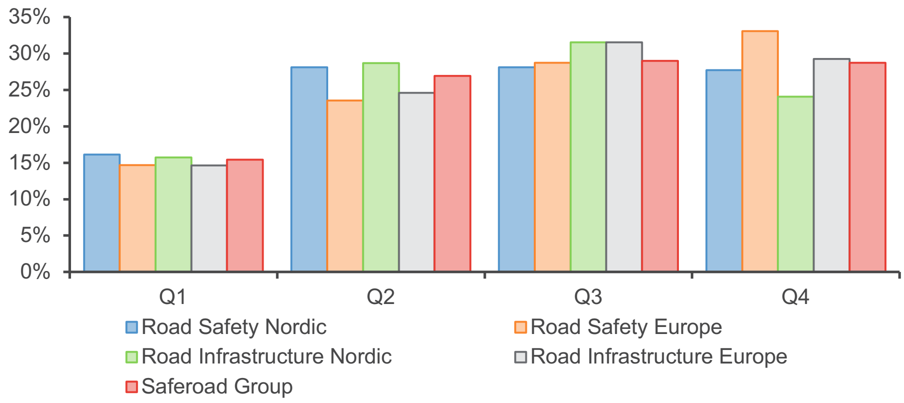
Figure 11.2.4.2: Quarterly Underlying EBITDA 2015-2016, NOK million



Source: Company figures.

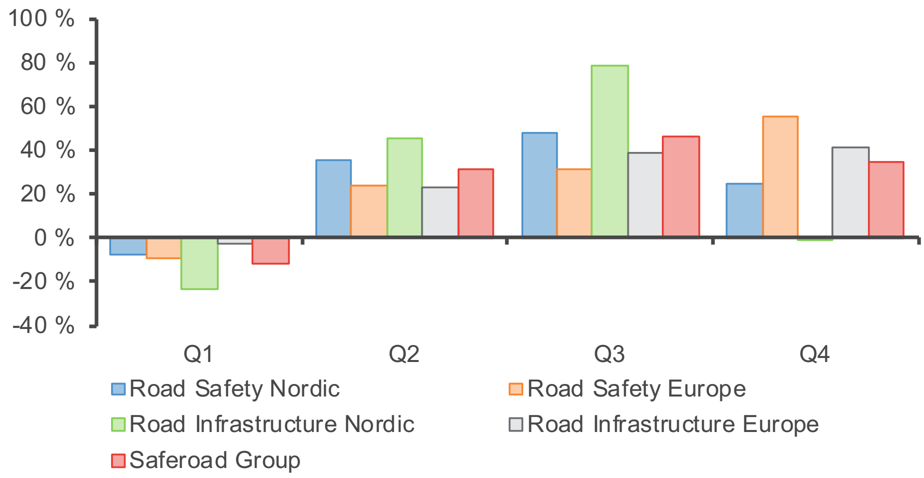
Seasonality effects within the Group's business regions follow the same overall pattern, while some differences can be seen. The following graphs show quarterly distribution of revenue and EBITDA per business region, based on average contribution in the period 2015 to 2016.

Figure 11.2.4.3: Revenue contribution (average 2015-2016, %)



Source: Company figures.

Figure 11.2.4.4: Underlying EBITDA contribution (average 2015-2016, %)



Source: Company figures.

11.2.5 Phasing of projects

The Group's results of operations could be impacted by phasing of larger projects including export projects. Export projects do normally not follow the weather/season driven cycle for the Group's operations in Europe which might impact comparable figures year over year or quarter over quarter.

11.2.6 Foreign exchange rates

The Group operates internationally and consequently it is exposed to foreign exchange rate risk. The reporting currency of the Group is in NOK, but several of its subsidiaries have other functional currencies primarily SEK, EUR, PLN and DKK. This currency fluctuation exposure affects the financial statements in different manners.

The Company's and its Norwegian subsidiaries' operational costs are primarily in NOK, whilst the Company's foreign subsidiaries' cost base primarily is in their local currencies. Although, the companies in the Group generate most of their income in the same currency as their operational costs, they will also from time to time generate income or costs under currencies which differ from the currency of their operational income or costs. Changes in currencies related to transactions (sales, purchase etc) can normally be reflected in the product price after a certain transition time. From time to time changes in currencies different from the functional currency in subsidiaries cannot be reflected in the product price. This is a situation which might arise if the competition is not impacted by these currency fluctuations.

To some extent the Group is exposed to currency exchange fluctuations in connection with conversion of the accounts from the subsidiaries in foreign currency into NOK.

The table below outlines how the effect of a 5% strengthening/weakening of the annual average NOK exchange rate against the main currencies would have impacted the 2016 results while keeping all other parameters constant.

Sensitivity analysis currency, 31 December 2016

In NOK thousands	**NOK stronger 5%**	**NOK weaker 5%**
Revenues	-205,543	205,543
Costs	188,746	-188,746
EBITDA	**-16,797**	**16,797**
Depreciation and amortisation	18,497	-18,497
EBIT	**1,700**	**-1,700**
Financial expenses	4,352	-4,352
EBT	**6,052**	**-6,052**

11.2.7 Changes in raw material prices

The Group produces and trades products that include raw materials such as steel, aluminium and zink. The prices on these raw materials have fluctuated. Generally, the Group is in a position where such changes can be reflected in product prices, but from time to time such fluctuations have impacted the earnings of the Group both negatively and positively short term.

11.2.8 Acquisitions and structural measures

The Group has made some acquisitions in recent years including:

- Tubosider Hungaria Kft (Road Infrastructure), acquired in February 2016, had full year revenues of NOK 17 million in 2016 (preliminary figures)
- FLA Geoprodukter AB (Road Infrastructure), acquired in October 2015, had full year revenues of NOK 117 million in 2015
- Nordic Culvert AB (Road Infrastructure), acquired in October 2015, had full year revenues of NOK 12 million in 2015
- ViaCon Technologies OOO (Road Infrastructure), increased ownership from 50% to 60% in October 2015, had full year revenues of NOK 33 million in 2015
- Stolper AS (Road Safety Nordic), acquired in December 2015, had full year revenues of NOK 11 million in 2015
- Antin Kaide Oy (Road Safety Nordic), acquired (80%) in January 2015, had full year revenues of NOK 25 million in 2015

Management believes that these acquisitions are value enhancing as they: (i) yield cost synergies; and (ii) strengthen the Group's position within key markets. For further information regarding the above-mentioned acquisitions, see Note 4 of the NOK Financial Statements, included in this Prospectus as Appendix B.

In addition to the above acquisitions, the Company decided to run a controlled shutdown process of the Road Restraint Systems business in Turkey in 2016. The Road Restraint Systems business in Turkey had a negative EBITDA impact following the market entry in 2014. The Road Restraint Systems business in Turkey had a revenue contribution of NOK 54.9 million, 98.1 million and 69.0 million, and a negative EBITDA contribution of NOK 4.0 million, 12.4 million and 3.5 million in 2014, 2015 and 2016, respectively.

Recent acquisitions/divestments completed or expected to be completed after 31 December 2016

In January 2017, Saferoad's subsidiary OY ViaCon AB acquired Solcon Oy in Finland from Pekka Salmenhaara, for a total estimated price of NOK 6.5 million for 100% of the shares. The acquisition is expected to give a wider product range and improve ViaCon's position in its niche within the Finnish market. The company was included in the Road Infrastructure Nordic business region from January 2017. Solcon Oy had in 2016 operating revenues of EUR 1.6 million and EBITDA of EUR 0.3 million.

In December 2016, Saferoad signed an agreement to acquire a company within Road Infrastructure Europe. The estimated total purchase price is approximately NOK 40 million. For 2016 estimated turnover for the company is NOK 104 million and estimated EBITDA NOK 7 million. The company operates in the geosynthetics market and is also active in the corrugated steel market. Final consummation of the agreement, planned within first half of 2017, is subject to satisfactory due diligence and approval from competition authorities.

In January 2017, the remaining shares in Saferoad Europe GmbH (5.6%) (the Road Safety Europe Segment) were transferred from the minority shareholder to the Group against a payment of EUR 1.3 million.

In January 2017, the Saferoad subsidiary Limes Mobil GmbH, a Work Zone Protection rental business part of the Road Safety Europe, was sold. The company had experienced declining margins. The initial sales price is calculated to EUR 2 million, and the gain from the sale is estimated to EUR 1.9 million. In addition to the sales price of EUR 2 million, the buyer repaid Limes Mobil GmbH's loan from Saferoad Group of EUR 5.2 million, at the transaction date. Thus, the total consideration was EUR 7.2 million, whereof EUR 0.4 million is an escrow amount. Limes Mobil GmbH's revenue was

NOK 66 million in 2016, with a corresponding EBITDA of NOK 12.8 million.

In March 2017, the Group sold its operations in ViaCon Georgia to the former minority owner at a price of NOK 4 thousand, as well repayment of intra-group debt of NOK 2.5 million. The company will remain a distributor for Saferoad Road Infrastructure in the Georgian market. This unit had revenues of NOK 4 million and an EBITDA of negative NOK 0.02 million in 2016.

In April 2017, the Group acquired the remaining shares (40%) of ViaCon Latvija for a total estimated price of NOK 4.4 million. Saferoad purchased the shares from the former minority owner in order to enable full operational and strategic integration of ViaCon Latvija into Saferoad Road Infrastructure. ViaCon Latvija had revenue of NOK 53 million and NOK 1 million of EBITDA in 2016.

In May 2017, the Group entered into an agreement to acquire the remaining shares (40%) of ViaCon Baltic. The shares will be transferred in three equal tranches in 2017, 2018 and 2019. The agreement is subject to approval from competition authorities. The estimated total purchase price is approximately NOK 30 million.

11.2.9 Impact of changes in the Group's capital structure

In connection with the Offering, the Existing Facilities of the Group will be refinanced by new Senior Facilities, as further outlined in Section 11.7 "Borrowings and other contractual obligations". As a result of the refinancing, the Group expects that the Group's interest expense going forward will be significantly reduced compared to the periods under review. The refinancing and reduced leverage of the Group is further believed to add flexibility in potential future acquisitions and investments.

11.2.10 Rules and regulations and public tender processes

All road safety products are subject to European and national technical standards. The products need to be tested according to these standards and approved by national road authorities before they can be marketed and sold in the respective country. An example of a such standard is EN 1317, which specifies technical requirements of guard rails and bridge parapets dependent on function and purpose. In some cases, the product is supposed to slow down the vehicle, while in other cases it is supposed to keep the vehicle on the road (for instance bridge rails). Another example is road markings with a requirement to wear resistance and reflection.

The Company from time to time enters agreements directly with public authorities. This is mainly related to maintenance work such as road marking, road maintenance (salting, snow clearing, grass cutting, replacement of damaged products, and replacement of guard rails. These contracts are based on public tender processes.

11.3 Recent developments and trends

This Section gives an overview of structural changes and financial trends in the Group's business since 31 December 2016.

Since 31 December 2016, the Group has made the following acquisitions/divestments:

- In January 2017, the Saferoad subsidiary OY ViaCon AB acquired Solcon Oy in Finland.
- In January 2017, the Group acquired the remaining shares in Saferoad Europe GmbH (the Road Safety Europe Segment) from the minority shareholder (5.6%).
- In January 2017, the Saferoad subsidiary Limes Mobil GmbH, a part of the Road Safety Europe, was divested.
- In March 2017, the Group's shares (60%) in ViaCon Georgia in Road Infrastructure Europe, was divested.
- In April 2017, the Group acquired the remaining shares (40%) of ViaCon Latvija.
- In May 2017, the Group entered into an agreement to acquire the remaining shares (40%) of ViaCon Baltic.

See Section 11.2.8 "Acquisitions and structural measures" for further information on the above-mentioned transactions.

In May 2017, the Group decided to utilize call options to acquire the minority interests in its subsidiaries Oy Viacon AB, ViaCon Sp. z.o.o and ViaCon Technologies z.o.o., given the contemplated Listing of the Shares on the Oslo Stock Exchange. The acquisitions will be completed at or shortly after the date of the Listing and the purchase price will be paid in cash. Two of the minority shareholders will re-invest a portion of their proceeds in the form of a loan to ViaCon International AB. See Section 16.2 "Legal structure" for a further description of these transactions.

On 17 February 2017, the Company entered into a new Senior Facilities Agreement. The new Senior Facilities under the Senior Facilities Agreement comprise three distinct multicurrency facilities; the Term Facility, the RCF and the Guarantee Facility. The Senior Facilities Agreement is contingent on and will only enter into force upon completion of the Offering, upon which a full refinancing of the Existing Facilities and equity is undertaken simultaneously. See Section 11.7.1 "Material borrowings" for a description of the new Senior Facilities Agreement.

On 7 April 2017, Saferoad Holding AB and Cidron Triangle Limited entered into a loan agreement regarding a subordinated shareholder loan in the principal amount of EUR 15,000,000 to be provided by Cidron Triangle Limited to Saferoad Holding AB. Said loan was waived by Cidron Triangle Limited on 5 May 2017. See Section 11.7.1 "Material borrowings" for a description of the subordinated shareholder loan.

With respect to the financial performance since 31 December 2016 the first quarter of the year is as usual characterized by winter conditions in most of Northern, Central and Eastern Europe. The overall performance in the quarter was in line with management expectations. In the first quarter of 2016 the Company had a large export project in Road Infrastructure Europe that was not repeated this year. Large export projects are lumpy and non-seasonal by nature. Aside from this, the performance of the Road Safety business area improved from the first quarter in 2016 on the back of lower cost and efficiencies in Europe.

The Group has increased its inventories since 31 December 2016 more than usual for the first three months of the year. Securing raw material at prices assumed in contracts with customers and a change in the invoicing regime for RRS products in Poland are the main drivers behind the increase.

Other than as described above there have been no significant changes in the financial or trading position of the Group since 31 December 2016.

11.4 Results of operations

11.4.1 Year ended 31 December 2016 compared with year ended 31 December 2015

The table below is extracted from the NOK Financial Statements for the years ended 31 December 2016 and 2015.

In NOK thousands	**Year ended 31 December**	
	2016 *(audited)*	**2015** *(unaudited)*
Total operating revenue	**5,763,878**	**5,523,303**
Cost of goods sold	3,337,360	3,218,885
Personnel costs	1,191,581	1,168,412
Depreciation and impairment	167,176	185,742
Amortisation and impairment	390,332	107,422
Other operating costs	787,692	857,456
Total operating cost	**5,874,141**	**5,537,917**
Operating profit/(loss)	**-110,263**	**-14,614**
Financial income	23,935	23,452
Financial expenses	256,491	293,875
Net exchange rate gain (loss)	-97,370	60,916
Share of profit/(loss) of associated companies	0	5,598
Net financial income/expenses	**-329,926**	**-203,909**
Profit/(loss) before tax	**-440,189**	**-218,523**
Tax	940	-45,158
Profit/(loss) for the year	**-439,249**	**-263,681**

Total operating revenue

Total operating revenue for the year ended 31 December 2016 was NOK 5,763,878 thousand compared to NOK 5,523,303 thousand for the year ended 31 December 2015, an increase of NOK 240,575 thousand or 4.4%. The increase was primarily attributable to higher sales of Road Restraint Systems products in Germany, Poland and UK, combined with expansion of the work zone protection product area in Norway and Sweden. In addition, currency translation effects and full year revenues from acquisitions made in the second half of 2015 and in the first half of 2016 contributed positively.

Cost of goods sold

Cost of goods sold for the year ended 31 December 2016 was NOK 3,337,360 thousand compared to NOK 3,218,885 thousand for the year ended 31 December 2015, an increase of NOK 118,475. The increase was primarily attributable to higher activity in terms of higher revenues both organically and by acquisitions and currency translation effects. Improved supply chain management in the Road Safety Europe region decreased the relative share of cost of goods sold.

Personnel costs

Personnel costs for the year ended 31 December 2016 were NOK 1,191,581 thousand compared to NOK 1,168,412 thousand for the year ended 31 December 2015, an increase of NOK 23,169 thousand. The increase was primarily attributable to higher number of employees driven by higher revenues both organically and by acquisitions and currency translation effects. Annual adjustment of salaries was also a driver. The relative share of personnel cost to revenue decreased as a result of better utilization of the fixed cost base, i.e. higher revenue per employee. Increased capacity for further growth off-set some of the positive effect from better utilization of the cost base.

Depreciation and impairment

Depreciation and impairment for the year ended 31 December 2016 was NOK 167,176 thousand compared to NOK 185,742 thousand for the year ended 31 December 2015, a decrease of NOK 18,566 thousand. The decrease was primarily attributable to decreased impairment of tangible assets. Impairment of tangible assets amounted to NOK 11,341 thousand in 2016 (related to Road Safety Europe and Turkey) compared to NOK 30,867 thousand in 2015 (mainly related to buildings in Rumtikli Oy).

Amortisation and impairment

Amortisation and impairment for the year ended 31 December 2016 was NOK 390,332 thousand compared to NOK 107,422 thousand for the year ended 31 December 2015, an increase of NOK 282,910 thousand. The increase was primarily attributable to increased impairment of intangible assets. Impairment of intangible assets amounted to NOK 308,907 thousand in 2016 (impairment of goodwill and excess values related to Road Safety Europe and goodwill in Denmark) compared to NOK 27,109 thousand in 2015 (mainly impairment of goodwill related to Road Safety Europe).

Other operating costs

Other operating costs for the year ended 31 December 2016 were NOK 787,692 thousand compared to NOK 857,456 thousand for the year ended 31 December 2015, a decrease of NOK 69,764 thousand. The decrease was primarily attributable to lower cost for external services in terms of transaction and closing processes, less distribution cost and lower bad debt.

Underlying EBITDA and Underlying EBITA

In this Prospectus, the Company has used certain basic alternative performance measures (APMs). Each of the following APMs has been defined by the Group as follows:

- "**EBITA**" is defined as operating profit (loss) before interests, income tax and amortisation.
- "**Underlying EBITA**" is defined as EBITA adjusted for material items which are not regarded as part of underlying business performance for the period, such as costs related to acquisitions and divestments, major restructuring costs and closure costs, major impairments of property, plant and equipment, depreciations of excess values of tangibles, effects of disposals of businesses and operating assets, , as well as other major effects of a special nature.
- "**EBITDA**" is defined as operating profit (loss) before interests, income tax, depreciation and amortisation; and

- "**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, effects of disposals of businesses and operating assets, as well as other major effects of a special nature.

Underlying EBITA and Underlying EBITDA are operational earnings measurements. Management believes that Underlying EBITA and Underlying EBITDA are relevant measures for assessing the Group's underlying business performance because they believe that these metrics offer a clearer reflection of the Group's operations by eliminating expenses that can obscure the Group's true performance.

A reconciliation of the Company's operating profit in 2016 and 2015 to the Group's Underlying EBITDA and Underlying EBITA in 2016 and 2015 is presented in the table below:

	2016	**2015**
Underlying EBITDA		
Segment Road Safety Nordic	236 962	269 946
Segment Road Safety Europe	136 635	71 308
Other/Eliminations	-	-
Road Safety	373 597	341 254
Road Infrastructure Nordic	53 829	23 404
Road Infrastructure Europe	93 154	96 758
Other/Eliminations	(4 684)	(8 319)
Segment Road Infrastructure	142 299	111 843
Other/Holding/Eliminations	(37 856)	(39 398)
Total Underlying EBITDA	478 040	413 699
Adjustments *	(30 794)	(135 148)
EBITDA Reported	**447 245**	**278 550**
Depreciation and impairment	(167 176)	(185 742)
Amortization and impairment	(390 332)	(107 422)
Operating profit/(loss) Reported	**(110 263)**	**(14 614)**

* Items which management believe to be non-recurring

	2016	**2015**
Underlying EBITA		
Segment Road Safety Nordic	155 168	190 839
Segment Road Safety Europe	103 697	40 766
Other/Eliminations	-	-
Road Safety	258 865	231 605
Road Infrastructure Nordic	49 961	18 254
Road Infrastructure Europe	69 780	73 756
Other/Eliminations	(3 514)	(8 885)
Segment Road Infrastructure	116 227	83 125
Other/Holding/Eliminations	(37 637)	(38 942)
Total Underlying EBITA	337 454	275 789
Unallocated depreciation **	(15 250)	(16 009)
Impairment other **	(11 341)	(30 867)
Adjustments *	(30 794)	(136 105)
EBITA Reported	**280 070**	**92 808**
Amortization and impairment	(390 332)	(107 422)
Operating profit/(loss) Reported	**(110 263)**	**(14 614)**

* Items which management believe to be non-recurring

** Excess values not allocated to underlying business

APMs are used by Saferoad for annual and periodic financial reporting to provide a better understanding of the Company's underlying financial performance for the period. Underlying revenue, Underlying EBITDA and Underlying EBITA is also used by Management to drive performance in terms of target setting. These measures are adjusted IFRS measures defined, calculated and used in a consistent and transparent manner over time and across the company where relevant.
Operational measures such as volumes, prices and currency effects are not defined as APMs. Saferoad focuses on Underlying EBITDA and Underlying EBITA in the discussions of periodic operating results for the segments and for the Group.

	2016	**2015**	**2014**
Restructuring charges and closure costs	8 207	45 761	15 501
(Gains)/losses on divestments		26 013	
Transaction cost	22 180	24 995	
Other effects	408	38 379	1 888
Items excluded from Underlying EBITDA	**30 794**	**135 148**	**17 389**
Other effects		957	
Unallocated depreciation	15 250	16 009	17 936
Impairment charges	11 341	30 867	21 039
Items excluded from Underlying EBITA	**57 385**	**182 981**	**56 364**

Underlying EBITA for the year ended 31 December 2016 was NOK 337,454 thousand compared to NOK 275,789 thousand for the year ended 31 December 2015, an increase of NOK 61,666 thousand. The increase was primarily attributable to higher sales volume and margins in Road Safety Europe and higher sales and margins in Road Infrastructure Nordic.

Underlying EBITDA for the year ended 31 December 2016 was NOK 478,040 thousand compared to NOK 413,699 thousand for the year ended 31 December 2015, an increase of NOK 64,341 thousand. The increase was primarily attributable to the same drivers as for Underlying EBITA.

Net financial expenses

Net financial expenses for the year ended 31 December 2016 were NOK 232,556 thousand compared to NOK 270,423 thousand for the year ended 31 December 2015, a decrease of NOK 37,867 thousand. The decrease was primarily attributable to the following factors: (i) financial income increased by NOK 483 thousand (ii) Interest expense on shareholder loans and facility loans increased by NOK 10,992 thousand; (iii) Bank fee expenses was reduced by NOK 7,316 thousand; and (iv) Increases in estimates related to payment for remaining shares and acquired shares was 41,060 thousand less in 2016 compared to 2015.

Net exchange rate gain (loss)

Net exchange rate gain (loss) for the year ended 31 December 2016 was NOK -97,370 thousand compared to NOK 60,916 thousand for the year ended 31 December 2015, an increase of NOK 158,286. The exchange gains and losses arise primarily from transactions in non-functional currencies and from entities holding monetary positions in currencies different from the entity's functional currency. The main driver of the difference in 2016 compared to 2015 is losses incurred on external loans denominated in NOK in Swedish entities, as a result of the strengthening of NOK in 2016.

Share of profit/(loss) of associated companies

Share of profit/(loss) of associated companies for the year ended 31 December 2016 was NOK 0 compared to NOK 5,598 thousand for the year ended 31 December 2015, a decrease of NOK 5,598 thousand. The decrease was primarily attributable to reduced profit in the associated companies.

Profit/(loss) before tax

For the reasons described above, profit/(loss) before tax for the year ended 31 December 2016 was NOK -440,189 thousand compared to a loss of NOK -218,523 thousand for the year ended 31 December 2015, a decrease of NOK 221,666 thousand.

Tax

Tax for the year ended 31 December 2016 was a tax income of NOK 940 thousand compared to a tax expense of NOK -45,158 thousand for the year ended 31 December 2015, a tax expense decrease of NOK 46,098 thousand. The effective tax rate changed from a negative 20.7 % in 2015 to 0.2 % in 2016. A negative tax rate implies that the Group, despite reporting a consolidated loss, reports a tax expense. The tax expense in 2015 and marginal tax income in 2016 is mainly attributable to non-deductible impairment and other non- deductible expenses and taxable losses in entities or jurisdictions that may not be utilised in the near future.

Profit/(loss) for the year

For the reasons described above, profit/(loss) for the year ended 31 December 2016 was NOK -439,249 thousand compared to NOK -263,681 thousand for the year ended 31 December 2015, a decrease of NOK 175,568 thousand.

11.4.2 Year ended 31 December 2015 compared with year ended 31 December 2014

The table below is extracted from the NOK Financial Statements for the year ended 31 December 2015 and the NOK 2014 Financial Information for the year ended 31 December 2014.

In NOK thousands	**Year ended 31 December**	
	2015 *(unaudited)*	**2014** *(unaudited)*
Total operating revenue	**5,523,303**	**4,977,492**
Cost of goods sold	3,218,885	2,826,378
Personnel costs	1,168,412	1,052,137
Depreciation and impairment	185,742	164,439
Amortisation and impairment	107,422	196,238
Other operating costs	857,456	714,148
Total operating cost	**5,537,917**	**4,953,341**
Operating profit/(loss)	**-14,614**	**24,151**
Financial income	23,452	12,645
Financial expenses	293,875	227,274
Net exchange rate gain (loss)	60,916	37,732
Share of profit/(loss) of associated companies	5,598	5,415
Net financial income/expenses	**-203,909**	**-171,482**
Profit/(loss) before tax	**-218,523**	**-147,330**
Tax	-45,158	-58,427
Profit/(loss) for the year	**-263,681**	**-205,757**

Total operating revenue

Total operating revenue for the year ended 31 December 2015 was NOK 5,523,303 thousand compared to NOK 4,977,492 thousand for the year ended 31 December 2014, an increase of NOK 545,811 thousand or 11.0%. The increase was primarily attributable to high activity in the Polish market, a successful establishment of an export hub for Infrastructure products in Turkey, broadening of the product offering in the Czech Republic, high sales in Norway and currency translation effects.

Cost of goods sold

Cost of goods sold for the year ended 31 December 2015 was NOK 3,218,885 thousand compared to NOK 2,826,378 thousand for the year ended 31 December 2014, an increase of NOK 392,507 thousand. The increase was primarily attributable to higher revenues, product mix effects increasing the relative share of cost of goods sold and currency translation effects.

Personnel costs

Personnel costs for the year ended 31 December 2015 were NOK 1,168,412 thousand compared to NOK 1,052,137 thousand for the year ended 31 December 2014, an increase of NOK 116,275 thousand. The increase was primarily attributable to higher activity, acquisitions in the second half of 2015 and annual adjustments of salaries, as well as one-off effects from redundancy payments adjusted for in APM and currency translation effects.

Depreciation and impairment

Depreciation and impairment for the year ended 31 December 2015 was NOK 185,742 thousand compared to NOK 164,439 thousand for the year ended 31 December 2014, an increase of NOK 21,303 thousand. The increase was primarily attributable to increased impairment of tangible assets. Impairment of tangible assets amounted to NOK 30,867 thousand in 2015 (mainly related to buildings in Rumtikli Oy) compared to NOK 21,039 thousand in 2014 (mainly related to buildings in Gävle Galvan AB). Depreciation of rental equipment increased as there were increased investments in this area.

Amortisation and impairment

Amortisation and impairment for the year ended 31 December 2015 was NOK 107,422 thousand compared to NOK 196,238 thousand for the year ended 31 December 2014, a decrease of NOK 88,816 thousand. The decrease was primarily attributable to decreased impairment of intangible assets. Impairment of intangible assets amounted to NOK 27,109 thousand in 2015 (mainly impairment of goodwill related to CGU Road Safety Europe) compared to NOK 119,927 thousand in 2014 (mainly impairment of goodwill related to CGU RRS Europe and CGU Balcony, including companies Montal Systems AS and Montal AB).

Other operating costs

Other operating costs for the year ended 31 December 2015 were NOK 857,456 thousand compared to NOK 714,148 thousand for the year ended 31 December 2014, an increase of NOK 143,308 thousand. The increase was primarily attributable to higher consultant cost for transaction and closing processes, higher distribution costs, rental and repair cost and higher bad debt.

Underlying EBITDA and Underlying EBITA

A reconciliation of the Company's operating profit in 2015 and 2014 to the Group's Underlying EBITDA and Underlying EBITA in 2015 and 2014 is presented in the table below:

	2015	**2014**
Underlying EBITDA		
Segment Road Safety Nordic	269 946	301 844
Segment Road Safety Europe	71 308	88 416
Other/Eliminations	-	(577)
Road Safety	341 254	389 683
Road Infrastructure Nordic	23 404	24 879
Road Infrastructure Europe	96 758	23 515
Other/Eliminations	(8 319)	(5 545)
Segment Road Infrastructure	111 843	42 849
Other/Holding/Eliminations	(39 398)	(30 315)
Total Underlying EBITDA	413 699	402 217
Adjustments *	(135 148)	(17 389)
EBITDA Reported	**278 550**	**384 828**
Depreciation and impairment	(185 742)	(164 439)
Amortization and impairment	(107 422)	(196 238)
Operating profit/(loss) Reported	**(14 614)**	**24 151**

	2015	**2014**
Underlying EBITA		
Segment Road Safety Nordic	190 839	230 302
Segment Road Safety Europe	40 766	59 969
Other/Eliminations	-	(577)
Road Safety	231 605	289 694
Road Infrastructure Nordic	18 254	19 341

Road Infrastructure Europe	73 756	3 307
Other/Eliminations	(8 885)	(5 637)
Segment Road Infrastructure	83 125	17 010
Other/Holding/Eliminations	(38 942)	(29 951)
Total Underlying EBITA	275 789	276 753
Unallocated depreciation **	(16 009)	(17 936)
Impairment other **	(30 867)	(21 039)
Adjustments *	(136 105)	(17 389)
EBITA Reported	**92 808**	**220 389**
Amortization and impairment	(107 422)	(196 238)
Operating profit/(loss) Reported	**(14 614)**	**24 151**

* Items which management believe to be non-recurring
** Excess values not allocated to underlying business

APMs are used by Saferoad for annual and periodic financial reporting to provide a better understanding of the Company's underlying financial performance for the period. Underlying revenue, Underlying EBITDA and Underlying EBITA is also used by Management to drive performance in terms of target setting. These measures are adjusted IFRS measures defined, calculated and used in a consistent and transparent manner over time and across the company where relevant.
Operational measures such as volumes, prices and currency effects are not defined as APMs. Saferoad focuses on Underlying EBITDA and Underlying EBITA in the discussions of periodic operating results for the segments and for the Group.

Underlying EBITA for the year ended 31 December 2015 was NOK 275,789 thousand compared to NOK 276,753 thousand for the year ended 31 December 2014, a decrease of NOK 964 thousand. The decrease was primarily attributable to higher depreciations following higher investments in rental equipment and expansion of capacity.

Underlying EBITDA for the year ended 31 December 2015 was NOK 413,699 thousand compared to NOK 402,217 thousand for the year ended 31 December 2014, an increase of NOK 11,481 thousand. The increase was primarily attributable to higher revenues due to high activity in the Polish market, a successful establishment of an export hub for Infrastructure products in Turkey, broadening of the product offering in the Czech Republic and high sales in Norway.

Financial income

Financial income for the year ended 31 December 2015 was NOK 23,452 thousand compared to NOK 12,645 thousand for the year ended 31 December 2014, an increase of NOK 10,807 thousand. The increase was primarily attributable to fair value gains on derivatives.

Financial expenses

Financial expenses for the year ended 31 December 2015 were NOK 293,875 thousand compared to NOK 227,274 thousand for the year ended 31 December 2014, an increase of NOK 66,601 thousand. The increase was primarily attributable to increases in estimated payment for remaining shares.

Net exchange rate gain (loss)

Net exchange rate gain (loss) for the year ended 31 December 2015 was NOK 60,916 thousand compared to NOK 37,732 thousand for the year ended 31 December 2014, an increase of NOK 23,184 thousand. The exchange gains and losses arise primarily from transactions in non-functional currencies and from entities holding monetary positions in currencies different from the entity's functional currency.

Share of profit/(loss) of associated companies

Share of profit/(loss) of associated companies for the year ended 31 December 2015 was NOK 5,598 thousand compared to NOK 5,415 thousand for the year ended 31 December 2014.

Profit/(loss) before tax

For the reasons described above, profit/(loss) before tax for the year ended 31 December 2015 was NOK -218,523 thousand compared to NOK -147,330 thousand for the year ended 31 December 2014, a decrease of NOK 71,193 thousand.

Tax

Tax for the year ended 31 December 2015 was NOK -45,158 thousand compared to NOK -58,427 thousand for the year ended 31 December 2014, a decrease of NOK 13,269 thousand. The effective tax rate changed from -39.7 % in 2014 to -20.7 % in 2015. A negative tax rate implies that the Group, despite reporting a consolidated loss, reports a tax expense. The negative tax rate is mainly attributable to non- deductible impairment and other non- deductible expenses and taxable losses in entities or jurisdictions that may not be utilised in the near future.

Profit/(loss) for the year

For the reasons described above, profit/(loss) for the year ended 31 December 2015 was NOK -263,681 thousand compared to NOK -205,757 thousand for the year ended 31 December 2014, a decrease of NOK 57,924 thousand.

11.5 Liquidity and capital resources

11.5.1 Sources and use of cash

As at 31 December 2016, the Group's principal sources of liquidity consisted of cash generated from operations and borrowings, primarily the Existing Facilities Agreement (as defined below) comprising multicurrency term loan facilities and a revolving credit facility.

The Existing Facilities Agreement will be refinanced by the new Senior Facilities in connection with the Listing, see Section 11.7.1 "Material indebtedness".

As of 31 December 2016, the Company had cash and cash equivalents of NOK 329 million. The cash and cash equivalents of the Company is held in a number of currencies, of which most is held in NOK, EUR, SEK, PLN and DKK. As of 31 December 2016, the Company had a total interest bearing debt of approximately NOK 2,377 million. The figure is NOK 32 million lower than amount given in Section 9.1 "Capitalisation" due to balance of amortized fees from refinancing.

The Group's solidity was 25.4% in 2016 and 18.8% in 2015. The Group's interest rate coverage was -72% in 2016 and 26% in 2015. The reason for the negative figure in 2016 was significant impairments of goodwill and excess values of NOK 309 million made by the Group in 2016, and the figure would have been 26% if such impairments had not been made.

The Group's operations reflect the general seasonal swings during the year. The revenue in the first quarter is significantly lower than the other quarters. Negative cash flow from operations, combined with payments related to investments and build-up of working capital by inventory in preparations for the high season has resulted in a reduction in cash and cash equivalents since 31 December 2016, which is normal for the Group's operations.

The Group primarily uses cash to fund its operations seasonal working capital swings, maintenance and expansion investments related to support and expand the business operations and for payment of interest and repayment of borrowings.

Saferoad's capital management and financing strategy secures funding for all its subsidiaries. The overriding goal is to provide the operating entities with sufficient financial capacity to perform their operational activities uninterrupted and to support Saferoad's business strategy. Capital resources are further utilized to provide optimal returns for shareholders and to maintain an optimal capital structure to reduce cost of capital, and remain in compliance with loan covenants. External borrowings are kept at a minimum by optimising the use of available liquidity, hereunder freeing up restricted cash positions. Saferoad maintains an efficient cash management structure and liquidity control through its multicurrency cash pools and by maintaining frequent short and long-term cash forecasting.

The following table sets forth the total assets and total liabilities of the Group as of 31 December 2016, 2015 and 2014.

In thousands		**As at 31 December**	
	2016	**2015**	**2014**
	NOK	**NOK**	**NOK**
	(audited)	*(unaudited)*	*(unaudited)*
Total intangible assets	1,524,000	1,968,237	1,872,627
Total fixed assets	934,258	987,754	1,002,875

In thousands		As at 31 December	
	2016	**2015**	**2014**
	NOK	**NOK**	**NOK**
	(audited)	*(unaudited)*	*(unaudited)*
Total financial assets	48,016	42,290	36,751
Deferred tax assets	8,984	14,982	20,002
Total non-current assets	**2,515,258**	**3,013,262**	**2,932,254**
Inventories	909,895	853,983	820,744
Total receivables	1,063,380	1,140,072	947,107
Total current assets	**2,302,253**	**2,501,711**	**2,200,919**
Total assets	**4,817,511**	**5,514,973**	**5,133,174**
Total equity	**1,221,918**	**1,035,753**	**1,383,717**
Total non-current liabilities	2,006,436	3,006,023	2,059,925
Total current liabilities	1,589,156	1,473,197	1,689,531
Total liabilities	**3,595,592**	**4,479,220**	**3,749,456**
Total shareholders' equity and liabilities	**4,817,511**	**5,514,973**	**5,133,174**

Year ended 31 December 2016 compared to year ended 31 December 2015

The Group's total assets decreased by NOK 697,462 thousand from NOK 5,514,973 thousand as of 31 December 2015, to NOK 4,817,511 thousand as of 31 December 2016, primarily as a result of a decrease of intangible assets of NOK 444,237 thousand and a decrease of cash and cash equivalents of NOK 178,678 thousand. The decrease of intangible assets results from amortisation and impairment of NOK 390,332 thousand in 2016, whereof NOK 183,274 thousand represents impairment of goodwill and excess values in Road Safety Europe and NOK 125,633 thousand represents goodwill in Denmark, Road Safety Nordic. The decrease of cash and cash equivalents relates to net cash outflow from investment activities of NOK -161,759 thousand, net cash outflow from financing activities of NOK -289,120 thousand and effect of exchange rate differences of NOK -34,428 thousand, exceeding the net cash inflow from operations which was NOK 243,369.

The Group's total liabilities decreased by NOK 883,628 thousand from NOK 4,479,220 thousand as of 31 December 2015, to NOK 3,595,592 thousand as of 31 December 2016, primarily as a result of a decrease of shareholder's loan from NOK 618,412 thousand as of 31 December 2015, included in other non-current liabilities, to zero as of 31 December 2016. The redemption of shareholder's loan mainly arose from a conversion of a shareholder's loan of NOK 611,875 thousand to new equity in December 2016. Net repayment of borrowings/Liabilities to credit institutions amounted to NOK 114,793 thousand in 2016, also reducing the Group's total liabilities at year end 2016 compared to year end 2015.

Year ended 31 December 2015 compared to year ended 31 December 2014

The Group's total assets increased by NOK 381,799 thousand from NOK 5,133,174 thousand as of 31 December 2014 to NOK 5,514,973 thousand as of 31 December 2015, primarily as a result of an increase of NOK 300,791 of Total current assets. Total receivables increased by NOK 192,965 and cash and cash equivalents increased by NOK 74,587 thousand, explaining the main increase of current assets.

The increase of cash and cash equivalents relates to net cash inflow from operations of NOK 216,979, net cash outflow from investment activities of NOK -215,551 thousand, net cash inflow from financing activities of NOK 19,602 thousand, and the effect of exchange rate differences of NOK 53,556 thousand.

In addition, intangible assets increased by NOK 95,610 thousand, mainly due to additions of goodwill and customer relationship from acquisition of subsidiaries in 2015, of NOK 89,952 thousand.

The Group's total liabilities increased by NOK 729,764 thousand from NOK 3,749,456 thousand as of 31 December 2014 to NOK 4,479,220 thousand as of 31 December 2015, primarily as a result of an increase of shareholder’s loan, included in other non-current liabilities, of NOK 325,510 thousand, from NOK 292,901 thousand as of 31 December 2014, to NOK 618,412 thousand as of 31 December 2015. Estimated future payments for the purchase of remaining shares in companies with non-controlling interests and where put options are issued, increased by NOK 130,232 thousand from NOK 95,533 thousand at year end 2014 to NOK 225 765 thousand at year end 2015, and accounts payable and other current liabilities increased by NOK 164,069 thousand, also explaining an increase of the Group's total liabilities.

11.5.2 Cash received from subsidiaries

The Company does not believe that there are significant obstacles or barriers to transfer funds to it from its subsidiaries that may affect its ability to meet or fulfil its financial or other obligations.

11.5.3 Cash flows

The table below summarises the Group's historical cash flows, and is extracted from the Financial Information, for each of the financial periods presented.

In NOK thousands	**Year ended 31 December**		
	2016 (audited)	**2015** (unaudited)	**2014** (unaudited)
Net cash flow from operations	243,369	216,979	256,957
Net cash flow from investment activities	-161,759	-215,551	-162,240
Net cash flows from financing activities	-289,120	19,602	-157,624
Net increase in cash and cash equivalents	-207,510	21,030	-62,907

Cash flow from operating activities

Year ended 31 December 2016 compared to year ended 31 December 2015

Net cash inflow from operations for the year ended 31 December 2016 was NOK 243,369 thousand compared to NOK 216,979 thousand for the financial year ended 31 December 2015, an increase of NOK 26,390 thousand. The increase was primarily attributable to improved EBITDA, partly off-set by an increase of NOK 73,243 thousand in operating working capital[13]. The increase was driven by higher revenue and additional raw material inventories purchased for orders scheduled for delivery in 2017.

Year ended 31 December 2015 compared to year ended 31 December 2014

Net cash inflow from operations for the year ended 31 December 2015 was NOK 216,979 thousand compared to NOK 256,957 thousand for the year ended 31 December 2014, a decrease of NOK 39,978 thousand. The decrease was primarily attributable to decreased EBITDA, partly off-set by a lower cash outflow of NOK 41,673 thousand compared to the year before related to operating working capital. The lower cash outflow related to operating working capital was primarily a result of improved terms related to supplier payments and increased inventory efficiency.

Cash flow from investment activities

Year ended 31 December 2016 compared to year ended 31 December 2015

Net cash outflow from investment activities for the year ended 31 December 2016 was NOK -161,759 thousand compared to NOK -215,551 thousand for the year ended 31 December 2015, a decrease of NOK 53,792 thousand. The decrease was primarily attributable to less net cash outflows related to acquisition of subsidiaries.

Year ended 31 December 2015 compared to year ended 31 December 2014

Net cash outflow from investment activities for the year ended 31 December 2015 was NOK -215,551 thousand compared to NOK -162,240 thousand for the year ended 31 December 2014, an increase of NOK 53,311 thousand. The increase was primarily attributable to acquisition of subsidiaries in 2015.

Cash flows from financing activities

Year ended 31 December 2016 compared to year ended 31 December 2015

Net cash outflow from financing activities for the year ended 31 December 2016 was NOK -289,120 thousand compared to NOK 19,602 thousand for the year ended 31 December 2015, an increase of NOK 308,722 thousand. The increase was primarily attributable to higher re-payment of interest bearing loans and reduced proceeds from borrowing in 2016 compared to 2015.

Year ended 31 December 2015 compared to year ended 31 December 2014

Net cash outflow from financing activities for the year ended 31 December 2015 was NOK 19,602 thousand compared to NOK -157,624 thousand for the year ended 31 December 2014, a decrease of NOK 177,226 thousand. The decrease

[13] Operating working capital consist of inventories, trade receivables and accounts payables.

was primarily attributable to increased proceeds from borrowing in 2015 compared to 2014 in addition to buy-out of non-controlling interests in 2014.

Net increase in cash and cash equivalents

Year ended 31 December 2016 compared to year ended 31 December 2015

The changes in cash flows from operating activities, investment activities and financing activities respectively, from 2015 to 2016, as described above, sum up in net decrease in cash and cash equivalents for the year ended 31 December 2016 of NOK -207,510 thousand compared to net increase of NOK 21,030 thousand for the year ended 31 December 2015, a decrease of NOK -228,540 thousand from 2015 to 2016.

Year ended 31 December 2015 compared to year ended 31 December 2014

The changes in cash flows from operating activities, investment activities and financing activities respectively, from 2014 to 2015, as described above, sum up to a net increase in cash and cash equivalents for the year ended 31 December 2015 of NOK 21,030 thousand compared to NOK -62,907 thousand for the year ended 31 December 2014, an increase of NOK 83,937 thousand from 2014 to 2015.

11.6 Investments

11.6.1 Principal historical investments

The Group has made regular investments during the years ended 31 December 2016, 2015 and 2014. The table below shows the Group's principal historical capital expenditures and investments for the years ended 31 December 2016, 2015 and 2014.

	Year ended 31 December		
In NOK thousands	**2016** *(unaudited)*	**2015** *(unaudited)*	**2014** *(unaudited)*
Rental equipment	28,021	25,859	23,019
Road Marking Equipment	16,215	7,448	13,229
R&D Investments	10,511	11,348	16,805
Acquisitions[1,2]	22,649	118,362	-
Equipment and machineries new production site Turkey	10,781	-	-
Expansion of roll former capacity	-	8,556	10,054
New light pole production line	-	-	17,872
Total	**88,178**	**126,998**	**80,979**

1 See Section 11.2.8 "Acquisitions and structural measures" for further details regarding the acquisitions.

2 The amounts for acquisitions shown in the table above represent the total consideration for the shares acquired. In 2016, 100% of the shares in Tubosider Hungaria Kft in Hungary were acquired for a total cash consideration of NOK 22.6 million. The purchase price was allocated into total identifiable net assets of NOK 11.8 million and goodwill of NOK 10.8 million. For 2015, the total consideration of NOK 118.4 million consists of cash consideration of NOK 73.5 million and estimated future payments of NOK 44.9 million. In 2015, goodwill and other intangibles recognised at the acquisitions amounted to NOK 92.0 million. For further details, see Note 4 of the NOK Financial Statements, included in this Prospectus as Appendix B.

The table below shows the Group's principal capital expenditures and investments since the date of the NOK Financial Statements as at, and for the year ended, 31 December 2016 and to the date of this Prospectus:

In NOK thousands (unaudited)	**Period from 31 December 2016 to the date of this Prospectus**
Rental equipment	1,787
Road Marking Equipment	4,647
R&D Investments	1,925
Acquisitions[1,2]	10,900
Total	**19,259**

1 See Section 11.2.8 "Acquisitions and structural measures" for further details regarding the acquisitions.

2 The amounts for acquisitions shown in the table above represent the total consideration for the shares acquired. In January 2017, 100% of the shares in Solcon Oy in Finland were acquired for a total estimated price of NOK 6.5 million. The initial accounting for the acquisition recognises a goodwill of NOK 3.3 million. In April 2017, the Group acquired the remaining shares of ViaCon Latvija for a total estimated price of NOK 4.4 million.

11.6.2 Principal investments in progress and planned principal investments

The table below sets forth information on the Group's principal capital expenditure committed for 2017:

In NOK thousands (unaudited)	**2017**
Temporary barriers (Road Safety Nordic)	20,000
R&D Investments	14,000
Acquisitions[1]	40,000
Ultracore production line (Road Infrastructure Europe)	13,000
Road Marketing Equipment (Road Safety Nordic)	8,000
Total	**95,000**

1 In December 2016, Saferoad signed an agreement to acquire a company within Road Infrastructure Europe. See Section 11.2.8 "Acquisitions and structural measures" for further details regarding the acquisition.

The principal investments that are in progress are, and the planned principal investments will be, financed through cash from operations, funds from bank loans, cash on balance sheet and financial lease.

Other than as described above, the Group has no principal committed future investments as of the date of this Prospectus.

11.7 Borrowings and other contractual obligations

11.7.1 Material borrowings

Existing Facilities Agreement

Saferoad Holding AB (corporate identity no 556753-5470) entered into an agreement dated 10 July 2008, as amended and restated pursuant to an amendment agreement from time to time, and made between, among others, Saferoad Holding AB as borrower and guarantor (as well as certain other subsidiaries of Saferoad Holding AB as borrowers and guarantors), and Nordea Bank AB (publ) as arrangers and agent (the "**Existing Facilities Agreement**"). The Existing Facilities Agreement comprises multicurrency term loan facilities and a revolving credit facility (together the "**Existing Facilities**"), as discussed in more detail below. An equity guarantee of NOK 300 million issued by Cidron Triangle Limited matures 1 July 2019, one day after the termination date of the Existing Facilities Agreement. Any breach of covenants may be cured by utilising the guarantee, and any utilised amount will remain within the Group.

Term loan facilities

The term loan facilities consist of NOK 1.9 billion multicurrency term loan facilities, with final termination date of 30 June 2019. The term loan facilities are currently used primarily for financing of acquisitions and fixed assets, and amount outstanding as per 31 December 2016 was NOK 1,867 million.

Revolving credit facility

The revolving credit facility from 2008 senior facility agreement consists of NOK 650 million in revolving credit facilities, with final termination date of 30 June 2019. During 2016 Saferoad entered into an additional bi-lateral guarantee agreement, which is also governed by the senior facility agreement as permitted financial indebtedness, with a total of total EUR 7 million. The revolving credit facilities are used primarily for working capital financing and ancillary facilities.

At the end of 2016 NOK 413 million was utilized as debt draw-downs used for working capital purposes and NOK 253 million for guarantee purposes.

The Existing Facilities under the Existing Facilities Agreement will be refinanced by the new Senior Facilities simultaneously to the Listing, see below.

New Senior Facilities Agreement

The Company has entered a new senior facilities agreement (the "**Senior Facilities Agreement**") dated 17 February 2017. The Company accedes the Senior Facilities Agreement as original borrower and guarantor with Danske Bank A/S and Nordea Bank AB (publ), filial i Norge as counterparties and arrangers, and Danske Bank A/S as agent in the new senior facilities (the "**Senior Facilities**") under the Senior Facilities Agreement. The Senior Facilities comprise three distinct and multicurrency facilities; term facility (the "**Term Facility**"), revolving credit facility (the "**RCF**") and guarantee facility (the "**Guarantee Facility**"). Saferoad can make voluntary prepayments against all facilities at any time, and they will be made in the individual currencies they are drawn.

The Senior Facilities Agreement is contingent on and will only enter into force upon completion of the Offering, upon which a full refinancing of debt and equity is undertaken simultaneously.

Term Facility

The Term Facility consists of a NOK 925 million term loan facility. The Term Facility will be utilized to refinance existing indebtedness and finance the Listing's transaction costs. The Term Facility shall be repaid in full on the termination date falling five years after completion of the Listing with no prior amortisation (bullet structure).

RCF

The RCF is a revolving credit facility in an aggregate amount of up to NOK 500 million with final termination date falling five years after completion of the Listing. The amounts borrowed under the RCF shall be applied towards working capital and general corporate purposes (including, but not limited to, ancillary facilities, dividends, capital expenditures and acquisitions).

Guarantee Facility

The Guarantee Facility consists of a guarantee facility in an aggregate amount of up to NOK 350 million with final termination date falling five years after completion of the Listing. The commitments under the Guarantee Facility shall be applied towards replacement of guarantees issued under the Existing Facilities Agreement and for operational and financial guarantees.

Draw-down

At the first day of Listing, NOK 925 million will be drawn on the Term Facility and NOK 350 million will be drawn on the RCF.

Interest and guarantee premium

Interest on the Term Facility and the RCF, and the guarantee premium for the Guarantee Facility, will accrue at a floating rate calculated as the sum of the applicable interbank market rate and a margin. The margin for the Term Facility and the RCF will be from 1.50% p.a. to 2.90% p.a., adjusted quarterly based on the leverage ratio of the Group. Interest will be payable at the end of each interest period, which may be of 1, 2, 3 or 6 months or otherwise as agreed, but in the case the interest period is longer than 6 months, interest shall be paid at the end of each 6 months' period. The margin for guarantee premiums applicable under the Guarantee Facility will be 0.75% p.a. for commercial guarantees and as separately agreed (but in no event higher than the margin for the Term and Revolving Facilities) for financial guarantees.

Applicable interbank market rates are NOK (NIBOR), SEK (STIBOR), EUR (EURIBOR) and PLN (WIBOR) or any other applicable currency with related IBOR. The applicable interbank market rates are not included as part of the margin for the Term Facility and the RCF mentioned above. The total payable interest rate will be the sum of the underlying IBOR and the applicable margin at any point in time. Zero floor will apply to IBOR floating rate. The guarantee premium is fixed at 0.75%. The margin on Guarantee RCF represents the total payable fee for guarantees (no underlying IBOR interest to be included).

The pre-agreed loan amounts under the Senior Facilities are stated in NOK. In addition to NOK, draw-downs can be made in SEK, EUR, DKK and PLN. Saferoad has operational cash flows in various currencies, and debt drawdowns will be made to mitigate the operational currency risk. As at the date of this Prospectus a final decision of this split of the drawdown has not been made, thus the relevant mix of IBOR rates cannot be stated.

Financial covenant

The Senior Facility includes a leverage ratio covenant calculated as the ratio of total net debt to EBITDA. The financial covenant shall be tested quarterly on a 12 months' rolling basis, the first time as of the end of the second full financial quarter following the completion of the Listing. The leverage ratio requirement will start at 4.5:1 and from and including the end of the eighth full financial quarter following completion of the Listing step down to 4.00:1. The Guarantee Facility will not be included in the net debt definition under the new Senior Facilities.

Change of control and de-listing provisions

The Senior Facilities contain certain provisions which stipulate that the Senior Facilities shall be prepaid or cancelled if either (i) a person or group of persons acting in concert (other than the major investors) acquire control over the Company or (ii) the Company ceases to be listed on a regulated market of the Oslo Stock Exchange and no agreement to settle on acceptable terms and conditions has been reached between the Company and the agent bank following a 30 days' negotiation period. For the purpose of the change of control provision, "control" is defined as direct or indirect control over 40% or more of the voting shares in the company or the right to appoint or remove the whole or a majority of the board of directors in the Company and the "major investors" is defined as certain funds in which Nordic Capital VII Limited is the general partner and its affiliates.

Maturity profile

The maturity profile and estimated interest costs for the Senior Facilities for each financial year until maturity are as follows.

In NOK millions	2017	2018	2019	2020	2021	2022
Repayment on Term Facility.............	0	0	0	0	0	925
Repayment on RCF	0	0	0	0	0	500
Repayment on the Guarantee Facility	0	0	0	0	0	350
Estimated interest on Term Loan	19	32	32	32	32	13
Estimated interest on RCF................	7	10	9	5	3	1
Estimated guarantee premium for the Guarantee Facility	1	2	2	2	2	2
Total estimated interest...................	27	44	43	39	37	16

Assumptions:
Interest costs are incurred based on prevailing, floating Inter Bank Offered Rate ("**IBOR**"), leverage ratio (dictates applicable margin), amount and currency of draw-downs. Undrawn amounts will incur commitment fees, based on relevant margin. The multi-currency optionality and corresponding draw-down levels will decide relevant IBOR levels for floating element of incurred interest cost.
The RCF is expected drawn and repaid in accordance with seasonal capital needs. Consequently, margin spread is expected to exhibit seasonal fluctuations. For interest estimates considers an average margin of 245 basis points (bps) and the floating component assumes 100 bps of floating rate (blended IBOR).
Estimated interest costs for 2017 is estimated for second half of 2017, e.g. after the Offering and the refinancing.
The RCF is expected to be drawn in accordance with seasonal capital needs.
Repayment in 2022 assumes termination of all facilities, drawn or undrawn; Term Facility of NOK 925 million, RCF of NOK 500 million and Guarantee Facility of NOK 350 million.

Subordinated shareholder loan

Saferoad Holding AB and Cidron Triangle Limited (the sole shareholder of the Existing Shareholder) entered into a loan agreement on 7 April 2017 regarding a subordinated shareholder loan in the principal amount of EUR 15,000,000 to be provided by Cidron Triangle Limited to Saferoad Holding AB. Interest on the loan accrues at an interest of 8% per annum. The loan was part of a pre-agreed restructuring of the Company's holding structure conducted by the Existing Shareholder. The loan was waived by Cidron Triangle Limited on 5 May 2017.

11.7.2 Off-balance sheet arrangements

Saferoad hold certain off-balance sheet arrangements, among these operational lease and rental agreements has been entered into for machinery, offices and other facilities. The lion share of these agreements contains an option for extension, minimum outstanding rental at year end 2016 was NOK 324 million. The table below gives details on aging structure and further information can be found in Note 26 of the NOK Financial Statements, included in this Prospectus as Appendix B.

Aging structure of operational lease agreements

In NOK thousands (unaudited)	2016	2015
Minimum rental	342,411	190,668
Within one year	92,929	66,926
After one year but no more than five years	203,206	118,136
More than five years	46,276	5,607

The Group also hold off-balance sheet arrangements in the form of guarantee obligations, entered into through the normal course of business, and amounting to NOK 253 million at year-end 2016. These consist of bank guarantees with recourse, mainly performance guarantees, bid-bonds, payment guarantees and letter of credit.

Parent company guarantees are infrequently issued and at year end 2016 this amount stood at to NOK 69 million. The outstanding parent company guarantees were issued, on behalf of Group companies, as payment guarantees for present and future obligations towards specific suppliers.

11.8 Financial risk management

11.8.1 General

Through its international operational and investment activity as well as its financing structure, Saferoad main risk exposures relate to volatile foreign exchange and interest rates, (re-)financing risk, liquidity and commodity risk. These risks can never be eliminated, but Saferoad has developed an appropriate financial risk mitigating strategy that aims at limiting impacts of volatile market price fluctuations to an acceptable level.

Significant risk exposures have been assessed and measured against an acceptable risk tolerance level. This tolerance level considered both risk willingness, but most importantly Saferoad's financial capacity to endure potentially, prolonged periods of increased market volatility the goal is to minimise the effects of short-term volatility in the financial markets on Saferoad's cash flow and its margins. The Group applies a combination of financial instruments and "natural hedging" to lower the impact of volatile financial markets affecting interest rate and foreign currency fluctuations. The group refers to the term "natural hedging" when the financial risk is reduced by investing in different financial instruments or other contracts whose performance tends to cancel each other out. A natural hedge is unlike other types of hedges in that it does not require the use of sophisticated financial products such as forwards or derivatives. The Group does not use financial instruments, including financial derivatives, for trading purposes or to undertake any speculative positions in the financial markets. As at 31 December 2016, the Group does not have any financial derivatives.

Financial risk management is handled from a centralised group function. The desired benefit is to increase transparency and enhanced control routines. Centralisation makes mitigation of the total net risks possible and at improved cost efficiency.

11.8.2 Liquidity risk

Liquidity risk is the risk that the Group will be unable to perform its financial obligations as they fall due. The Group's strategy is to manage the liquidity risk so that at any given point the Group will have sufficient liquidity to be able to satisfy its obligations. Sufficient liquidity shall be attained without risking unacceptable losses, or at the expense of the reputation of the Group. Saferoad maintains a liquidity reserve as a buffer for extraordinary events. The liquidity reserve is liquid assets, with the addition of any unutilised committed credit and overdraft facilities. Any committed facility shall only be included in the liquidity reserve if the time to maturity is at no point in time less than 12 months. Saferoad's goal is to have a liquidity reserve at any given time that amounts to at least 3-5% of Saferoad's revenues for the last twelve months, excluding restricted cash positions. See Section 11.5 "Liquidity and capital resources" for more information regarding Saferoad's liquidity and capital resources.

Overdraft facilities and RCFs ensures that the Group has sufficient financial capacity to sustain its seasonal net working capital fluctuations. See Section 11.2.4 "Seasonality" for impact on the Group's results of operations by seasonality. The liquidity demand increases throughout the spring, and peak is usually during the third quarter when the operational activity is at the highest. At the end of autumn and during winter time its commonly harsher weather conditions in the Group's main regions and naturally reduces the level of operational activities. This pattern is augmented by the annual budget cycles of the authorities which are the ultimate customers of Saferoad. Reduced operational activity reduces net working capital requirements. Furthermore, Saferoad's strategy is to continue its strong revenue growth, which necessitates expansionary capital investments (Capex) in addition to regular maintenance capex investments.

Saferoad's two centralised cash pooling systems are key to allow swift capital flow amongst all parts of the Group at any given time. Excess and deficits at different bank accounts and companies should be pooled to utilise the credit facilities as little as possible. Wherever possible, bank accounts shall be incorporated into either of the two cash pools or be eliminated. Restricted cash positions shall actively and continuously be eliminated. Where guarantee arrangements can release liquidity at a cost-effective manner at the same time such undertakings should be done. To achieve a controlled and transparent cash management structure, relevant cash flow forecasting routines is a prerequisite. The effective utilisation of these liquidity management tools enables Saferoad to lower transaction costs and to actively manage account payables and receivables.

11.8.3 Credit risk

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

Saferoad is also exposed to counterparty risk its financial intermediaries if they are not able to fulfil their commitments towards Saferoad. It is important that Saferoad operates with support from stable and reliable financial counterparts. Good banking relations from a group of core relationship banks must be maintained to secure future funding and can rely on qualitative services. Besides choosing well-established counterparties with high long-term credit ratings, the settlement risk is managed by efficient administrative routines within Saferoad. The counterparties to the cash management arrangements, bank debt and credit derivatives are from reputable banks and any counterparty risk in connection to these contracts is deemed negligibly. The Group has not provided any guarantees for third parties liabilities, except for its subsidiaries. The maximum risk exposure is represented by the carrying amount of the financial assets, including derivatives, in the statement of financial position.

11.8.4 Interest rate risk

The Group's Existing Facilities debt is affected by floating market rates. During 2016 there were interest rate swaps in place, effectively converting parts of this floating interest exposure to fixed rates. Interest rate markets have remained low during 2016 and the preceding years from initiation of the contracts. This has caused Saferoad to be a payer on both the floating and fixed leg of the swap contracts. There has of course been an insurance effect present which was the reason they were put in place.

As at 31 December 2016, the Group does not hold any interest rate swap contracts. This means that the Group is fully exposed to changes in IBOR-curves on all outstanding Existing Facilities. Policy principle pertaining to interest rate risk is currently being evaluated and whether to hedge part of this exposure is continuously considered.

11.8.5 Commodity risk

Saferoad is reliant on certain commodities as input factors to offer its products and services. Saferoad's main commodity price volatility exposure comes from purchases of raw materials in particular steel, but also aluminum, zinc, plastics, as well as fluctuations in the price of electricity and oil. It is not common market practice that customers accepts sharing this price volatility risk through sales contracts. On the back of this, Saferoad aims to minimise its margin volatility from commodity price fluctuations by spreading its purchases over time and in smaller volumes and through natural hedges. This lowers the risk of purchasing large quantities at period price peaks and averages out the price movements over time. This arrangement also lower the potential for an inventory build-up increasing the working capital demand.

11.8.6 Foreign exchange risk

The Group operates internationally and consequently it is exposed to foreign exchange rate risk. The reporting currency of the Group is in NOK, but several of its subsidiaries have other functional currencies primarily SEK, EUR, PLN and DKK. This currency fluctuation exposure affects the financial statements in different manners.

1) Transaction exposure from transactions in currencies different from the functional currency: Saferoad's policy for transaction exposure is to minimise the impact of short-term changes in foreign exchange rates on costs and revenues by firstly creating natural hedges and secondly by hedging Saferoad's contracted transaction exposure. Interest payments and amortisation of foreign debt, capital expenditure, divestments, dividends, tax and financial transactions, and in foreign currencies should be considered.

2) Translation exposure: This accounting risk can arise in two distinct and potentially opposing manners. Furthermore, they are reported in different parts of the group consolidated financial statements:

   a) Subsidiary level

   Monetary assets and liabilities that are expressed in non-functional currencies are reported on the balance sheet date, translated to the functional currency at the rate in effect on that date. Non-monetary assets and liabilities that are reported at their fair value in non-functional currency are translated at the rate in effect on the balance sheet date. All other non-monetary items are translated at historical foreign exchange rates. All exchange rate differences are reported in profit or loss.

   b) Consolidated accounts

   The statement of financial position of subsidiaries with a different functional currency, including goodwill and adjustments for fair value made in connection with consolidation, is translated at the exchange rate at the end of the reporting period, while the profit or loss is translated at an average of the year’s exchange rates. The exchange rate differences that arise as a result of the translation are reported directly in other comprehensive income. In the event of a sale or other disposal of a foreign company, the accrued accumulated translation difference is recognised in profit or loss together with the gain or loss resulting from the sale or disposal.

12 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

12.1 Introduction

The General Meeting is the highest authority of the Company. All shareholders in the Company are entitled to attend and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Group is vested in the Company's Board of Directors and the Group's Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Group's business ensuring proper organisation, preparing plans and budgets for its activities ensuring that the Group's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Board of Directors has two sub-committees: an audit committee and a remuneration committee. In addition, the Company has established a nomination committee.

The Management is responsible for the day-to-day management of the Group's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Group's chief executive officer ("**CEO**") is responsible for keeping the Group's accounts in accordance with prevailing Norwegian legislation and regulations and for managing the Group's assets in a responsible manner. In addition, the CEO must according to Norwegian law brief the Board of Directors about the Group's activities, financial position and operating results at a minimum of one time per month.

12.2 Board of Directors

12.2.1 Overview of the Board of Directors

The Company's Articles of Association provide that the Board of Directors shall consist of a minimum of three and a maximum of ten Board Members. The current Board of Directors consist of nine Board Members, as listed in the table below.

The composition of the Board of Directors is in compliance with the independence requirements of the Norwegian Code of Practice for Corporate Governance, dated 30 October 2014 (the "**Corporate Governance Code**"), meaning that (i) the majority of the shareholder-elected Board Members is independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder-elected Board Members are independent of the Company's main shareholders (shareholders holding more than 10% of the Shares in the Company), and (iii) no members of the Company's Management serves on the Board of Directors. Currently, the Company does not have an arrangement in place for the employees to appoint members to the Board of Directors.

The Company is in the process of entering into an agreement with the employees of the Group to establish an arrangement for the employees of the Group to appoint employee representatives directly to the Board of Directors. Further, the Company will apply to the Norwegian Corporate Democracy Committee (*Nw.: Bedriftsdemokratinemnda*) to establish an arrangement where the Norwegian employee representatives in the Group shall be appointed as employee representatives in the Company. Pending the application to the Norwegian Corporate Democracy Committee, the Existing Shareholder has, in a General Meeting, appointed Jan Torgeir Hovden, Britt Sandvik and Knut Brevik to represent the employees of the Group on the Board of Directors.

The Company's registered business address, Enebakkveien 150, N-0680 Oslo, Norway, serves as the business address for the Board Members in relation to their directorship of the Company. As of the date of this Prospectus, none of the Board Members holds any Shares, options or other rights to acquire Shares.

12.2.2 The Board of Directors

The names and positions and current term of office of the Board Members as at the date of this Prospectus are set out in the table below.

Name	Position	Served since	Term expires	Shares
Johan Ek	Chairman	7 December 2016[1]	2019	0
Bård Mikkelsen	Vice Chairman	15 February 2017[2]	2019	0
Olof Faxander	Board Member	7 December 2016[3]	2019	0
Annika Poutiainen	Board Member	15 February 2017[4]	2019	0
Synnøve Lyssand Sandberg	Board Member	15 February 2017[5]	2019	0
Gry Hege Sølsnes	Board Member	15 February 2017[6]	2019	0
Jan Torgeir Hovden	Board Member	15 February 2017[7]	2019	0
Britt Sandvik	Board Member	15 February 2017[8]	2019	0
Knut Brevik	Board Member	15 February 2017[9]	2019	0

1 Johan Ek was the chairman of the board of directors in Saferoad AS from 2012 to 15 February 2017.
2 Bård Mikkelsen was a member of the board of directors in Saferoad AS from 2010 to 15 February 2017.
3 Olof Faxander was a member of the board of directors in Saferoad AS from 2016 to 15 February 2017.
4 Annika Poutiainen was a member of the board of directors in Saferoad AS from 2015 to 15 February 2017.
5 Synnøve Lyssand Sandberg was a member of the board of directors in Saferoad AS from 2015 to 15 February 2017.
6 Gry Hege Sølsnes was a member of the board of directors in Saferoad AS from 2015 to 15 February 2017.
7 Jan Torgeir Hovden was an employee representative on the board of directors in Saferoad AS from 1995 to 15 February 2017.
8 Britt Sandvik was an employee representative on the board of directors in Saferoad AS from 2008 to 15 February 2017.
9 Knut Brevik was an employee representative on the board of directors in Saferoad AS from 2008 to 15 February 2017.

12.2.3 Brief biographies of the Board Members

Set out below are brief biographies of the Board Members, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Board Members is or has been a member of the administrative, management or supervisory bodies or partner in the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Johan Ek, Chairman

Johan Ek has been the Chairman of the Board of Directors in the Company since December 2016. He was the Chairman of the board of directors in Saferoad AS from the fall of 2012 until February 2017. Johan Ek has worked as an Industrial Advisor to Nordic Capital since July 2012. He also works as an investor through his own business. Johan holds an MSc in Economics from the Swedish School of Economics in Helsinki, Finland. Johan started his career at McKinsey & Company as a management consultant. He then joined LGP Allgon AB and served in various positions including President, and later became President of Business Unit Europe at Powerwave Technologies Inc. Between 2005-2012, Johan worked as President and CEO of the Relacom Group. Johan Ek is currently chairman of Saferoad and Sunrise Medical and vice chairman in Handicare Group. He is also a board member in Acino. Mr Ek is a Swedish and Finnish citizen, and resides in Sweden.

Current directorships and senior management positions	*Sunrise Medical (chairman), Handicare Group (vice chairman) and Acino (board member).*
Previous directorships and senior management positions last five years	*CPS Color (chairman), Corob (chairman), Ramirent (plc) (board member) and Relacom Group (President and CEO).*

Bård Mikkelsen, Vice Chairman

Bård Mikkelsen has been a Board Member in the Company since February 2017. He was a member of the board of directors in Saferoad AS from 2010 until February 2017. He graduated from the Norwegian Military Army Academy in 1972, Norwegian School of Management 81 and INSEAD Executive Program 86. He has been the President and CEO in Widerøe, Ulstein Group, Oslo Energy Group and Statkraft, and has former supervisory mandates in E.ON, Cermaq (chairman), Store Norske Spitsbergen Kulkompani (chairman), Powel (chairman) and Avinor (vice chairman). He is currently chairman of Clean Energy Group/Invest, Havyard ASA, Infratek and Rudskogen Motorsenter, vice chairman in Steinsvik Group and board member in Quantafuel. Mr Mikkelsen is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions	*Clean Energy Group (chairman), Clean Energy Invest (chairman), Havyard ASA (chairman), Infratek (chairman), Rudskogen*

	Motorsenter AS (chairman), Adjaristsqvali BV (board member), Steinvik AS (vice chairman) and Quantafuel (board member).
Previous directorships and senior management positions last five years	*Cermaq ASA (chairman), Store Norske Spitsbergen Kulkompani (chairman), EON AG (board member) and Powel AS (chairman).*

Olof Faxander, Board Member

Olof Faxander has been a Board Member in the Company since December 2016. He was a member of the board of directors in Saferoad AS from the fall of 2016 until February 2017. Mr Faxander joined Nordic Capital Operations Advisory AB, advisor to Nordic Capital in January 2016. Olof holds an M.Sc. in Engineering from the Swedish Royal Institute of Technology and a B.A. Econ. from the Stockholm University. Olof has a long career in Swedish industry as CEO of Sandvik Group 2011 to 2015 and SSAB 2006 to 2011. Prior to that he was Executive Vice President in Outokompu Group. Olof is currently a board member of Nordic Capital portfolio companies Britax and Saferoad. Mr Faxander is a Swedish citizen, and resides in Sweden.

Current directorships and senior management positions	*CC1/Britax Ltd (board member) and Nordic Capital Operations Advisory AB (partner).*
Previous directorships and senior management positions last five years	*Sandvik AB (and subsidiaries) (CEO and board member), Industriarbetsgivarna AB (chairman) and Svenskt Näringsliv AB (board member).*

Annika Poutiainen, Board Member

Annika Poutiainen has been a Board Member in the Company since February 2017. She was a member of the board of directors in Saferoad AS from the fall of 2015 until February 2017. Annika holds a Master of Laws degree (LL.M) from the University of Helsinki and a postgraduate Master of Laws degree (LL.M) in Banking and Finance from the University of London (King's College). Annika has a long career within the finance industry working as an English Solicitor with Linklaters London from 2000 to 2006, working with the Swedish Financial Supervisory Authority from 2006 to 2009 and heading the Nordic market surveillance department of Nasdaq from 2009 to 2014. Her areas of expertise are financial markets regulation, corporate governance and compliance. Annika is currently a board member of Swedbank AB, eQ Oyj and Fredrikshovs Slott Skola AB. Ms Poutiainen is a Finnish citizen, and resides in Sweden.

Current directorships and senior management positions	*Swedbank AB (board member), eQ Oyj (board member), Alpha Leon AB (founder and owner) and Carpe Diem Foundation/Fredrikshovs Slott AB (board member).*
Previous directorships and senior management positions last five years	*Hoist Finance AB (board member, chair of risk and audit committee) and Hoist Finance UK Limited/Robinson Way Limited (chair).*

Synnøve Lyssand Sandberg, Board Member

Synnøve Lyssand Sandberg has been a Board Member in the Company since February 2017. She was a member of the board of directors in Saferoad AS from the fall of 2015 until February 2017. Sandberg holds a M.Sc. in Engineering from the Norwegian Institute of Technology (now NTNU). Sandberg has a long career in both public and private sector. She has headed urban planning departments in the municipalities of Kongsberg (1998-99) and Skien (2000-2005). She has also been regional manager in JM AB (2005-2008), and in Skanska in Norway (2011-2014). Sandberg has since 2014 held the position as director for project development and construction in Statsbygg and is a member of the top management team in Statsbygg. Mrs Sandberg is a Norwegian citizen, and resides in Norway.

Current directorships and senior management positions	-
Previous directorships and senior management positions last five years	*Lake Property Development SA (board member) and Skanska Bolig AS (director, Residential development Oslo and East Norway region).*

Gry Hege Sølsnes, Board Member

Gry Hege Sølsnes has been a Board Member in the Company since February 2017. She was a member of the board of directors in Saferoad AS from the fall of 2015 until February 2017. Mrs Sølsnes holds a bachelor degree from BI Norwegian Business School. She has previously been 15 years with the Kwintet Group where she served in positions as managing director of Fristads Norge, managing director of Adolphe Lafont SAS in France and chief operating officer of the Kwintet Group. Gry Hege worked as an independent advisor and consultant for three years before she became chief executive officer of Almedahls in 2013. She has formerly served as board member of Helse Midt-Norge RHF, Ekornes (plc) and Ramirent (plc). Mrs Sølsnes is a Norwegian citizen, and resides in Sweden.

Current directorships and senior management positions	*Almedahls Invest AB (chair, CEO and owner) and Market Place Borås (board member).*
Previous directorships and senior management positions last five years	*Ramirent (plc) (board member), Ekornes (plc) (board member and chair of audit committee) and Bfr Pauli (board member).*

Jan Torgeir Hovden, Board Member

Jan Torgeir Hovden has been a Board Member in the Company since February 2017. He was an employee representative of the board of directors in Saferoad AS from 1995 until February 2017. He has been employed in Vik Ørsta AS as responsible for outdoor furniture warehouse. Mr Hovden is a Norwegian citizen, and resides in Norway

Current directorships and senior management positions	-
Previous directorships and senior management positions last five years	*Vik Ørsta AS (board member employees' representatives).*

Britt Sandvik, Board Member

Britt Sandvik has been a Board Member in the Company since February 2017. She was an employee representative of the board of directors in Saferoad AS from 2008 until February 2017. She has been employeed in Vik Ørsta AS since 1977 as sales consultant lightning columns. Mrs Sandvik is a Norwegian citizen, and resides in Norway.

Current directorships and senior management positions	-
Previous directorships and senior management positions last five years	-

Knut Brevik, Board Member

Knut Brevik has been a Board Member in the Company since February 2017. He was an employee representative of the board of directors in Saferoad AS from 2008 until February 2017. He has been employed in Euroskilt AS since 1986 as foreman for mechanical production. Mr Brevik is a Norwegian citizen, and resides in Norway.

Current directorships and senior management positions	-
Previous directorships and senior management positions last five years	-

12.3 Management

12.3.1 Overview

The Company's senior management team consists of five individuals. As at the date of this Prospectus, no member of Management holds any Shares, options or other rights to acquire Shares, except as set out in Section 12.4.3 "Long term incentive program".

The names of the members of Management as at the date of this Prospectus, and their respective positions, are presented in the table below:

Name	Current position within the Group	Employed with the Group since
Morten Holum	Chief Executive Officer	2009
Svein Vestermo	Chief Financial Officer	1999
Terje Myhre	Senior Vice President, Saferoad Nordic	2006
Peter Lind	Senior Vice President, Saferoad Europe	2010
Henrik Perbeck	Chief Executive Officer, ViaCon Group	2014

The Company's registered business address, Enebakkveien 150, N-0680 Oslo, Norway, serves as the business address for the members of the Management in relation to their employment with the Group.

12.3.2 Brief biographies of the members of Management

Set out below are brief biographies of the members of Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Morten Holum, Chief Executive Officer

Morten Holum holds the position as Chief Executive Officer and has been employed by the Group since 2009, serving as Chief Financial Officer until 2015. Morten has an undergraduate degree in Finance and Psychology from Østfold College and the University of Oslo, and a graduate degree (MBA) from the University of North Carolina. He previously held various management positions in Norske Skogindustrier from 2000 to 2009, as well as analyst positions in Norsk Hydro from 1999-2000 and American Airlines from 1997 to 1999. Mr Holum is a Norwegian citizen, and resides in Norway.

Current directorships and senior management positions	-
Previous directorships and senior management positions last five years	*Goose Hill AS (chairman).*

Svein Vestermo, Chief Financial Officer

Svein Vestermo holds the position as Chief Financial Officer and has been employed by the Group since 1999. Svein holds a Master's degree in Business Administration and Management from Nord University (Siviløkonomutdanningen i Bodø) as well as a bachelor degree in Business Administration and Management from Norwegian University of Science and Technology (former Trondheim Økonomiske Høyskole). Prior to the CFO role, Vestermo held the position of Chief Group Controller and VP Risk Management from 2012 to 2015 and the position as SVP M&A from 2006 to 2012. He has also held other key positions in Saferoad Group-merged entities, including Ørsta Rekkverksystemer and Lade Metall AS since 1994. Mr Vestermo is a Norwegian citizen, and resides in Norway.

Current directorships and senior management positions	*Rinde Rekon AS (chairman), Bjartmar Rinde AS (chairman), Vela Eiendom AS (board member) and Vestermo Holding AS (board member).*
Previous directorships and senior management positions last five years	*Lade Metall AS (chairman) and Cornelias Hus (chairman).*

Terje Myhre, Senior Vice President, Saferoad Nordic

Terje Myhre holds the position as Senior Vice President Road Safety Nordic, and has been employed by the Group since 2006. Terje has a Master of Business and Marketing from BI Norwegian Business School. Prior to his current role, Mr Myhre has held various other positions as Senior Vice President in Saferoad. He has previously been Managing Director of Kitron Oslo AS from 2003 to 2006, and Managing Director of Ecotron AS from 1996 to 2003. Mr Myhre is a Norwegian citizen, and resides in Norway.

Current directorships and senior management positions	-
Previous directorships and senior management positions last five years	-

Peter Lind, Senior Vice President, Saferoad Europe

Peter Lind holds the position as Senior Vice President Saferoad Europe and has been employed by the Group since 2010. Peter holds a Master of Science in Economics (Diplom Kaufmann) from the University of Trier. Lind started in road safety business in 1997 and joined Saferoad in 2010 after the German road restraint system company named Lind Verkehrstechnik, which he founded in 2006, merged with competitor to Bongard & Lind and later was acquired by the Saferoad Group. Mr Lind is a German citizen, and resides in Germany.

Current directorships and senior management positions	-
Previous directorships and senior management positions last five years	-

Henrik Perbeck, Chief Executive Officer, ViaCon Group

Henrik Perbeck holds the position as Chief Executive Officer ViaCon Group and has been employed by the Group since 2014. Henrik holds a MSc Engineering Physics and BA Economics from Lund University. He has previously been Managing Director of Dometic Emerging Europe from 2009 to 2014, Nordic Sales Director of Codan/Trygg-Hansa from 2006 to 2009, Trade commissioner in the UK & Russia of Swedish Trade Council from 2001 to 2005, and management consultant at McKinsey&Company from 1999 to 2001. Mr Perbeck is a Swedish citizen, and resides in Sweden.

Current directorships and senior management positions	*Svensk-Ryska Handelskammaren Service AB (board member).*
Previous directorships and senior management positions last five years	*Dometic Poland Sp.z o.o (managing director).*

12.4 Remuneration and benefits

12.4.1 Remuneration of the Board of Directors

The total remuneration paid to the current Board Members, for serving as board members in Saferoad AS, in 2016 was NOK 1,275,000. The table below sets out the remuneration paid to the Board Members in such period.

Name and position	Remuneration in 2016
Johan Ek (Chairman)	NOK 300,000
Bård Mikkelsen (Vice Chairman)	NOK 150,000
Olof Faxander (Board Member)	NOK 150,000
Annika Poutiainen (Board Member)	NOK 150,000
Synnøve Lyssand Sandberg (Board Member)	NOK 150,000
Gry Hege Sølsnes (Board Member)	NOK 150,000
Jan Torgeir Hovden (Board Member)	NOK 75,000
Britt Sandvik (Board Member)	NOK 75,000
Knut Brevik (Board Member)	NOK 75,000

At an Extraordinary General Meeting of the Company held on 9 May 2017, it was resolved that the Board Members shall receive the following remuneration for 2017: NOK 500,000 to the Chairman of the Board, NOK 350,000 to the Vice Chairman of the Board and NOK 250,000 to the other Board Members. In addition, it was resolved that the chair and the other member of the audit committee shall receive NOK 80,000 and NOK 40,000, respectively, and the chairman and the other member of the remuneration committee shall receive NOK 40,000 and NOK 20,000, respectively.

12.4.2 Remuneration of Management

The Board of Directors has established guidelines for the remuneration of the members of the Management. It is a policy of the Company to offer the Management competitive remuneration based on current market standards, company and individual performance. The remuneration consists of the basic salary element as set out below, combined with a performance based bonus program and participation in the long term incentive program described in Section 12.4.3 "Long term incentive program". The Management participates in the Company's insurances and medical coverage, and is entitled to certain fringe benefits, such as telephone and newspaper. The Company may, in the future, make individual agreements for early retirement for individuals in the Management.

The remuneration paid to the members of the current Management in 2016 was NOK 18,484 thousand. The table below sets out the remuneration of the current Management in 2016 (in NOK).

Name	Salary	Bonus	Other benefits	Pension benefits	Total remuneration
Morten Holum (Chief Executive Officer)	4,046	1,067	148	74	5,334
Svein Vestermo (Chief Financial Officer)	1,772	250	121	75	2,218
Terje Myhre (Senior Vice President, Saferoad Nordic)	2,027	464	138	76	2,704
Peter Lind (Senior Vice President, Saferoad Europe)	3,252	1,626	212	-	5,091
Henrik Perbeck (Chief Executive Officer, ViaCon Group)	1,857	575	99	607	3,138

1 Salary consist of base salary and holiday payment.

2 Bonus earned in 2015, paid in 2016.

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

12.4.3 Long term incentive program

On 2 May 2017, an Extraordinary General Meeting of the Company resolved to implement a long term incentive program, conditional upon the Shares being admitted to trading on the Oslo Stock Exchange before 15 July 2017 (the "**LTIP 2017**"). The overall objective of the LTIP 2017 is to align the participants' interests with those of the shareholders and to create a long-term commitment to Saferoad.

The LTIP 2017 will be implemented in connection with the Offering and is made available to 44 permanent employees of the Group divided into two categories (Group 1 and 2). The LTIP 2017 allows participants to receive matching shares and potentially performance shares, provided that they invest in Shares in the Offering (so-called saving Shares). For each such saving Share the participant invests in, the participant may potentially be allocated a number of performance Shares free of charge depending on the degree of fulfilment of a performance target established by the Board of Directors related to the growth of earnings per Share (EPS) for the financial years 2016-2019. Furthermore, a participant will be allocated one matching Share for each saving Share he or she invests in, provided that the participant remains employed by the Group throughout the vesting period and retains one or more saving Shares throughout the entire vesting period descried below.

Matching Shares and performance Shares will be allocated after the expiration of a vesting period, starting on the first day of trading on the Oslo Stock Exchange and ending on the day of announcement of Saferoad's interim report for the first quarter of 2020 (provided that the above-mentioned conditions are satisfied).

For the members of Management, participation in the LTIP 2017 is also conditional upon acceptance of a lock-up obligation for Shares owned by the relevant member of Management for a period of 12 months from completion of the Offering.

Category	Participants	Number of employees	Maximum own invest	Number of saving shares[1, 3]	Number of matching shares and performance shares[2, 3]
Group 1	Management	5	NOK 750,000-1,250,000	81,000	371,000
Group 2	Country Managing Team members and Key Employees	39	Approximately 10% of base salary	78,000	163,000

1 Assuming an Offer Price corresponding to the midpoint of the Indicative Price Range.

2 Assuming (i) maximum investment of each participant, (ii) an Offer Price corresponding to the midpoint of the Indicative Price Range, (iii) 100% fulfilment of the performance condition and (iv) that all participants remain employed at the expiration of the vesting period and retain their saving Shares.

3 The number of shares is rounded.

Assuming that the Offer Price is set at the mid-range of the Indicative Price Range, full participation in the LTIP 2017, a fulfilment rate of the performance condition of 50%, an expected annual employee turnover of 10%, stable share price and average social security contributions at 14%, the Company's annual cost of the LTIP 2017 during the program is expected to amount to approximately NOK 5 million.

The Board of Directors intends to propose that future annual general meetings of Saferoad approve similar programs, with the intention that future plans also shall contain an additional requirement that total shareholder return (TSR) must exceed 0% during the vesting period in order for matching shares to be allocated. All Shares awarded pursuant to the LTIP 2017 will be ordinary Shares.

12.5 Benefits upon termination

No employee, including any member of Management, has entered into employment agreements which provide for any special benefits upon termination, except for Morten Holum (Chief Executive Officer) and Svein Vestermo (Chief Financial Officer) who are entitled to severance pay of six months' base salary after termination of employment. None of the Board Members or the members of the nomination committee has a service contract and none will be entitled to any benefits upon termination of office.

12.6 Pensions and retirement benefits

The Group policy is to offer pension contribution plans to its employees. The Norwegian companies in the Group are required by law to have a pension scheme. This requirement is fulfilled by the Norwegian entities. The main characteristic of a defined contribution plan is that the employer's obligation is limited to the amount it agrees to contribute to the plan. For such plans the contribution is expensed as they are incurred. In line with the Group policy, most defined benefit plans was terminated in 2008 or earlier. For historical reasons there are still a limited number of such plans in place in Sweden, Norway and in Germany. For the year ended 31 December 2016, the costs of pensions were NOK 55,396,000.

For more information regarding pension and retirement benefits, see Note 11 to the NOK Financial Statements for the year ended 31 December 2016, included as Appendix B.

12.7 Loans and guarantees

The Company has granted Morten Holum (Chief Executive Officer) and Terje Myhre (Senior Vice President, Saferoad Nordic) car related loans of NOK 503,992 and NOK 501,600, respectively. Except for this, the Company has not granted any loans, guarantees or other commitments to any of its Board Members or to any other member of Management.

12.8 Employees

As at 31 March 2017, the Group had 2,601 full-time employees.

The table below shows the development in the numbers of full-time employees for the years ended 31 December 2016, 2015 and 2014.

	As at 31 December		
	2016	**2015**	**2014**
Total employees Group	**2,715**	**2,644**	**2,580**
By country:			
- Norway	506	503	515
- Sweden	561	541	534
- Denmark	110	108	109
- Poland	645	622	668
- England	69	62	63
- Germany	241	237	251
- Baltics (Estonia, Latvia and Lithuania)	245	225	200
- Holland	10	9	8
- Others	328	337	232

12.9 Nomination committee

The Company's Articles of Association provide for a nomination committee composed of two to three members who are shareholders or representatives of shareholders. The current members of the nomination committee are Ingar Solheim (chairman) and Robert Furuhjelm. The nomination committee will be responsible for nominating the shareholder-elected Board Members and members of the nomination committee and making recommendations for remuneration to the Board Members and members of the nomination committee.

12.10 Audit committee

The Board of Directors has established an audit committee composed of two Board Members. The current members of the audit committee are Annika Poutiainen (chair) and Olof Faxander.

The primary purposes of the audit committee are to:

- assist the Board of Directors in discharging its duties relating to the safeguarding of assets; the operation of adequate system and internal controls; control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards; and
- provide support to the Board of Directors on the risk profile and risk management of the Company.

The audit committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

12.11 Remuneration committee

The Board of Directors has established a remuneration committee amongst the Board Members. The remuneration committee comprises Johan Ek (chairman) and Bård Mikkelsen.

The primary purpose of the remuneration committee is to assist the Board of Directors in discharging its duty relating to determining Management's compensation. The remuneration committee shall report and make recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

12.12 Corporate governance

The Company has adopted and implemented a corporate governance regime which complies with the Corporate Governance Code.

12.13 Conflicts of interests etc.

During the last five years preceding the date of this Prospectus, none of the Board Members and members of the Management has, or had:

- any convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, director or senior manager of a company, other than Morten Holum who was the chairman of the board of directors of Goose Hill AS when it went bankrupt in July 2016 and Svein Vestermo who was the chairman of the board of directors of Lade Metall AS when it went bankrupt in July 2015.

The Existing Shareholder is indirectly controlled by Nordic Capital Fund VII[14]. The Chairman of the Board of Directors, Johan Ek, is engaged as an Industrial Advisor by Nordic Capital and the Board Member, Olof Faxander, is Partner, Nordic Capital Operations Advisory AB, advisor to Nordic Capital. Annika Poutiainen serves on the board of directors of Swedbank AB which is from time to time conducting financial transactions with the Group. To the Company's knowledge, there are currently no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the Board Members and members of the Management, including any family relationships between such persons.

[14] "Nordic Capital Fund VII" refers to Nordic Capital VII Limited, acting in its capacity as general partner of Nordic Capital VII Alpha, L.P. and Nordic Capital VII Beta, L.P., together with associated co-investment vehicles. "Nordic Capital" refers to Nordic Capital Fund VII and/or funds preceding and/or succeeding Nordic Capital Fund VII (depending on the context).

13 THE EXISTING SHAREHOLDER

The Existing Shareholder is Cidron Triangle S.à r.l., a société à responsabilité limitée governed by the laws of the Grand Duchy of Luxembourg, with registered address at 7 Rue Lou Hemmer, L-1748 Findel, Luxembourg.

As of the date of this Prospectus, the Existing Shareholder holds 20,000,000 Shares in the Company, corresponding to 100% of the issued and outstanding Shares.

Assuming that the maximum number of New Shares are issued in the Offering, and that no Additional Shares are sold, the Existing Shareholder will retain a shareholding in the Company of approximately 42.9% (based on a price of NOK 52.50 – which is the mid-point of the Indicative Price Range). If the Over-Allotment Option is exercised in full, and the maximum number of Additional Shares which may be purchased pursuant to the Over-Allotment Option is sold, the Existing Shareholder's shareholding in the Company following such sale will amount to approximately 34.3% (based on a price of NOK 52.50 – which is the mid-point of the Indicative Price Range).

The Existing Shareholder is indirectly controlled by Nordic Capital Fund VII. The Chairman of the Board of Directors, Johan Ek, is engaged as an Industrial Advisor by Nordic Capital and the Board Member, Olof Faxander, is Partner, Nordic Capital Operations Advisory AB, advisor to Nordic Capital.

Pursuant to a lock-up agreement, the Existing Shareholder will give an undertaking that will restrict its ability to offer, sell or transfer Shares, as applicable, during the period up to and including the date on which the Company releases the second quarterly report after the first day of Listing of the Shares on the Oslo Stock Exchange. See Section 19.16 "Lock-up".

14 THE REORGANISATION

In connection with the Listing, a reorganisation (the "**Reorganisation**") of the corporate structure of the Group has been implemented, resulting in inter alia the Company becoming the ultimate holding parent company of the Group. The Reorganisation was completed on 3 May 2017 (upon registration with the Norwegian Register of Business Enterprises of the conversion of the Company to a public limited company and the subsequent change of name from Cidron Triangle AS to Saferoad Holding ASA) and comprised inter alia of the following steps:

(i) the Existing Shareholder acquired the Company from Advokatfirmaet Thommessen AS;

(ii) the Existing Shareholder acquired shares in Saferoad Holding AB from minority shareholders in the company, resulting in the Existing Shareholder holding 100% of the shares in Saferoad Holding AB;

(iii) the Existing Shareholder contributed the entire share capital of Saferoad Holding AB to the Company in exchange for the Company issuing new Shares in the Company to the Existing Shareholder, with the result that the Company was inserted as the new intermediate company between the Existing Shareholder and Saferoad Holding AB;

(iv) the Existing Shareholder contributed shareholder loans which the Existing Shareholder had against Saferoad Holding AB to the Company in exchange for the Company increasing the nominal value of the Shares held by the Existing Shareholder;

(v) conversion of the Company to a public limited company and change of name from Cidron Triangle AS to Saferoad Holding ASA; and

(vi) the Company entering into a new facilities agreement relating to the Senior Facilities, and thus securing post-Listing financing for the Group.

15 RELATED PARTY TRANSACTIONS

15.1 Introduction

Below is a summary of the Group's related party transaction for the periods covered by the historical financial information included in this Prospectus as Appendices B and up to the date of this Prospectus. For further information on related party transactions of the Group, see Note 29 of the NOK Financial Statements, included in Appendix B to this Prospectus. All related party transactions have been concluded at arm's length principles.

15.2 Transactions carried out with related parties in the years ended 31 December 2016, 2015 and 2014

The below table gives an overview of the transactions with related parties in the years ended 31 December 2016, 2015 and 2014:

In NOK thousands	**Year ended 31 December**		
Transaction	**2016**	**2015** *(unaudited)*	**2014** *(unaudited)*
Profit and loss:			
Sales to related parties	328	14,910	41,296
Purchases from related parties	8,980	12,318	34,464
Interest expense shareholder loans	66,170	44,730	-
Balance sheet:			
Loans to related parties	127	-	511
Prepayments	-	-	2,609
Receivables	11,145	17,701	13,713
Payables	77	1,262	2,193
Shareholder loan	-	547,259	-
Loans from other related parties	11,277	5,771	-

15.3 Transactions carried out with related parties in the period subsequent to 31 December 2016

In the period subsequent to 31 December 2016, the Group has not entered into any new related party agreements, except for the loan agreement entered into by Saferoad Holding AB and Cidron Triangle Limited on 7 April 2017 regarding a subordinated shareholder loan in the principal amount of EUR 15,000,000 to be provided by Cidron Triangle Limited to Saferoad Holding AB. Said loan was waived by Cidron Triangle Limited on 5 May 2017. See Section 11.7.1 "Material borrowings" for a description of the subordinated shareholder loan.

16 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

The following is a summary of certain corporate information and material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Company's Articles of Association and applicable Norwegian law in effect as at the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Company's Articles of Association, included in Appendix A to this Prospectus, and applicable law.

16.1 Company corporate information

The Company's registered and commercial name is Saferoad Holding ASA. The Company is a public limited company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company's registered office is in the municipality of Oslo, Norway. The Company was incorporated as a private limited company in Norway on 14 September 2016 by Advokatfirmaet Thommessen AS and sold to the Existing Shareholder on 15 November 2016 for the purpose of being the listing holding company for the Group. It was resolved to convert the Company into a public limited company at the General Meeting held on 15 February 2017 and it was resolved to change the Company's name to Saferoad Holding ASA on 2 May 2017. The Company's registration number in the Norwegian Register of Business Enterprises is 917 763 909, and the Shares are registered in book-entry form with the VPS under ISIN NO 001 0781743. The Company's register of shareholders in the VPS is administrated by Danske Bank. The Company's registered office is located at Enebakkveien 150, N-0680 Oslo, Norway and the Company's main telephone number at that address is +47 70 06 40 00, and its email address is mail@saferoad.com. The Company's website can be found at www.saferoad.com. The content of www.saferoad.com is not incorporated by reference into and does not otherwise form a part of this Prospectus.

16.2 Legal structure

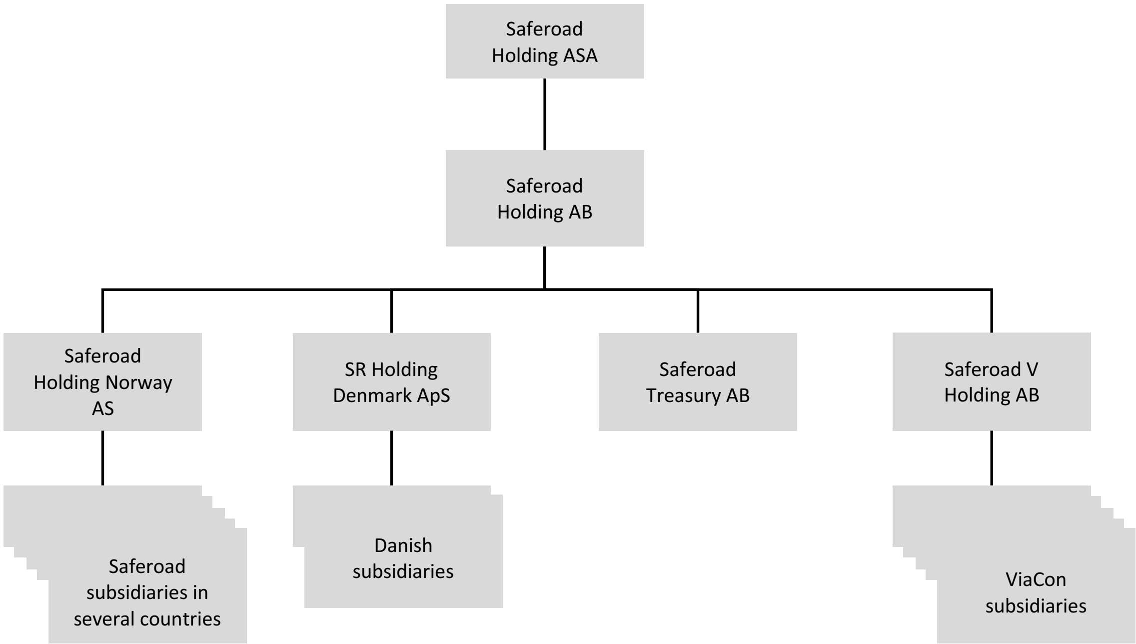
The Company, the parent company of the Group, is a holding company and the operations of the Group are carried out through the operating subsidiaries of the Company.

As of the date of this Prospectus, the Company has a total of 82 subsidiaries, of which 16 subsidiaries are partly owned, in 19 jurisdictions. The following table sets out information about the Company's significant subsidiaries:

Company	Country of incorporation	Field of activity	Holding (%):
Saferoad Holding AB	Sweden	Holding company	100
SafeRoad V Holding AB	Sweden	Holding company	100
Saferoad Treasury AB	Sweden	Treasury company	100
Saferoad Sp. z o.o.	Poland	Road Safety Europe	100
SafeRoad AS	Norway	Holding company	100
Saferoad Holding Germany GmbH	Germany	Holding company	100
Saferoad Traffic AB	Sweden	Road Safety Nordic	100
Saferoad Birsta AB	Sweden	Road Safety Nordic	100
Saferoad Smekab AB	Sweden	Road Safety Nordic	100
Mora Mast AB	Sweden	Road Safety Nordic	100
Saferoad Vägbelysning AB	Sweden	Road Safety Nordic	100
Vik Ørsta AS	Norway	Road Safety Nordic	100
Euroskilt AS	Norway	Road Safety Nordic	100
Brødrene Berntsen AS	Norway	Road Safety Nordic	100
Saferoad Dalusio A/S	Denmark	Road Safety Nordic	100
Saferoad Europe GmbH	Germany	Road Safety Europe	100
Saferoad RRS GmbH	Germany	Road Safety Europe	100
Inter Metal Sp. z.o.o Poland	Poland	Road Safety Europe	100
OY ViaCon AB	Finland	Road Infrastructure	100
ViaCon Sp.zo o	Poland	Road Infrastructure	100
ViaCon International AB	Sweden	Road Infrastructure	100
ViaCon AB	Sweden	Road Infrastructure	100

As at the date of this Prospectus the Group is of the opinion that its holdings in all of the entities specified above are likely to have a significant effect on the assessment of its own assets and liabilities, financial condition or profits and losses.

The following chart sets out the Group's (simplified) legal group structure as at the date of this Prospectus:



As of the date of this Prospectus, the Company has options to acquire the shares held by minority shareholders in four of the Company's partly owned subsidiaries (Oy ViaCon Ab (Finland), ViaCon Sp. z.o.o (Poland), ViaCon Technologies z.o.o (Belarus) and Antin Kaide Oy (Finland)). Shareholder agreements have been entered into between the shareholders of Oy ViaCon Ab (Finland), ViaCon Sp. z.o.o (Poland), ViaCon Technologies z.o.o (Belarus) and Antin Kaide Oy (Finland). The shareholder agreements govern the shareholders' shareholder rights in the respective subsidiaries and contain customary regulations with respect to the transfer of shares in the subsidiaries, including but not limited to tag-along and drag-along provisions. In addition, the three first-mentioned shareholder agreements contain put and call options giving (i) the minority shareholders the right to require that the majority shareholder (ViaCon International AB in all three subsidiaries) acquire the minority shareholders' shares in the respective subsidiaries and (ii) ViaCon International AB the right to acquire the minority shareholders' shares in the respective subsidiaries. The put and call options will be triggered by, and may be exercised following, completion of the Offering and in certain other instances governed by the respective shareholder agreements, including but not limited to (i) if a majority of the shares in ViaCon International AB or in any direct or indirect majority owner of ViaCon International AB are transferred to a third party purchaser and (ii) if the relevant minority shareholders die, retire or, subject to certain conditions, have their employment with the relevant subsidiaries terminated. If the put and call options are exercised, the minority shareholders' shares shall be acquired for a price equal to the fair market value of the shares determined in accordance with specific valuation principles set out in the shareholder agreements.

ViaCon International AB has entered into agreements with the minority shareholders of Oy ViaCon Ab and ViaCon Sp. z.o.o respectively, pursuant to which ViaCon International AB will acquire all of the minority shareholders' shares in the respective subsidiaries with effect from the completion of the Offering. The purchase price to be paid for such shares will be a fixed price of EUR 11.861 million for the minority shares in Oy ViaCon Ab and a preliminary purchase price of EUR 11.339 million for the minority shares in ViaCon Sp. z.o.o, which will be adjusted for the actual results of the Group's Central and Eastern European ViaCon subsidiaries in 2017 (including if the no-named company agreed to be acquired by Saferoad in December 2016 is acquired during 2017). For both of the acquisitions, a part of the purchase price will be settled as a subordinated loan to ViaCon International AB from the relevant minority shareholder. The shareholders agreements for Oy ViaCon Ab and ViaCon Sp. z.o.o will be terminated with effect from the completion of said acquisitions.

If the put or call options under the shareholder agreement for ViaCon Technologies z.o.o is exercised as a result of the completion of the Offering, the Company expects, based on current estimates, that ViaCon International AB will have an obligation to pay a purchase price for the relevant minority shareholders' shares of approximately NOK 10.1 million.

The shareholder agreement for Antin Kaide Oy contains put and call options giving (i) the minority shareholders the right to require that the majority shareholder (Saferoad Finland Oy) acquire the minority shareholders' shares in Antin Kaide Oy and (ii) Saferoad Finland Oy the right to acquire the minority shareholders' shares in Antin Kaide Oy in the event that the relevant minority shareholders die, retire or, subject to certain conditions, have their employment with Antin Kaide Oy terminated. The purchase price shall be set to fair market value with a defined minimum and maximum. The estimated value for the shares is NOK 2.5 million.

Following the Offering, the minority share of the Group's EBITDA and EBITA 2016 represents 3.4% and 3.9%, respectively, and 1.3% of net interest bearing debt.

16.3 Share capital and share capital history

As at the date of this Prospectus, the Company's share capital is NOK 2,000,000 divided into 20,000,000 Shares, with each Share having a nominal value of NOK 0.10. All the Shares have been created under the Norwegian Public Limited Companies Act, and are validly issued and fully paid.

The Company has one class of shares. Except as set out in Section 12.4.3 "Long term incentive program", there are no share options or other rights to subscribe or acquire Shares issued by the Company. Neither the Company nor any of its subsidiaries directly or indirectly owns shares in the Company.

The table below shows the development in the Company's share capital for the period from its incorporation to the date hereof:

Date of resolution	Type of change	Change in share capital (NOK)	Nominal value (NOK)	New number of Shares	New share capital (NOK)
14 September 2016	Incorporation[1]	-	42	2,400	100,800
12 December 2016	Share capital reduction	100,800	-	0	0
12 December 2016	Share capital increase[2]	1,000,000	1	1,000,000	1,000,000
21 December 2016	Share capital increase[3]	1,000,000	2	-	2,000,000
2 May 2017	Share split	-	0.10	20,000,000	-

1 The Shares were subscribed at a price of NOK 51 each.
2 The Shares were subscribed at a price of NOK 550 each.
3 The Shares were subscribed at a price of NOK 611.8748 each.

In the period from the Company's incorporation to the date of this Prospectus, NOK 2,000,000 of the share capital has been paid with assets other than cash (corresponding to approximately 100% of the current share capital).

16.4 Admission to trading

The Company will on or about 10 May 2017 apply for admission to trading of its Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange will approve the listing application of the Company on 15 May 2017, subject to certain condition being met. See Section 19.13 "Conditions for completion of the Offering—Listing and trading of the Offer Shares".

The Company currently expects commencement of trading in the Shares on the Oslo Stock Exchange on or around 24 May 2017. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

16.5 Ownership structure

As at the date of this Prospectus, the Company has one shareholder, the Existing Shareholder, holding 100% of the issued and outstanding Shares in the Company.

There are no differences in voting rights between the shareholders.

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 17.7 "Disclosure obligations" for a description of the disclosure obligations under the Norwegian Securities Trading Act.

Following the completion of the Offering, the Company is not aware of any persons or entities who, directly or indirectly, jointly or severally, will exercise or could exercise over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

The Shares have not been subject to any public takeover bids.

16.6 Authorisation to increase the share capital and to issue Shares

In the General Meeting held on 9 May 2017, the Board of Directors was granted authorisations to increase the share capital of the Company by a maximum of NOK 500,000. The authorisation is valid until the Company's Annual General Meeting in 2018, but no longer than to 30 June 2018.

16.7 Authorisation to acquire treasury shares

The Board of Directors has been granted authorisation to repurchase the Company's own shares within a total nominal value of NOK 200,000. The maximum amount that can be paid for each share is NOK 100 and the minimum is NOK 0.10. The authorisation is valid until the Company's Annual General Meeting in 2018, but no longer than to 30 June 2018. The authorisation can be used to acquire shares as the Board of Directors deem appropriate, provided, however, that acquisition of shares shall not be by subscription.

16.8 Other financial instruments

Neither the Company nor any of its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any Shares or any shares in subsidiaries of the Company. Further, neither the Company nor any of its subsidiaries has issued subordinated debt or transferable securities other than the Shares and the shares in its subsidiaries which will be held, directly or indirectly, by the Company.

16.9 Shareholder rights

The Company has one class of Shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide equal rights in the Company, including the right to any dividends. Each of the Shares carries one vote. The rights attaching to the Shares are described in Section 16.10 "The Articles of Association and certain aspects of Norwegian law".

16.10 The Articles of Association and certain aspects of Norwegian law

16.10.1 The Articles of Association

The Company's Articles of Association are set out in Appendix A to this Prospectus. Below is a summary of provisions of the Articles of Association.

16.10.1.1 Objective of the Company

The objective of the Company is to conduct business related to products and services for roads or which improve road safety, as well as other business operations that are naturally related therewith. The business can also be conducted through participation in or in cooperation with other companies.

16.10.1.2 Registered office

The Company's registered office is in the municipality of Oslo, Norway.

16.10.1.3 Share capital and nominal value

The Company's share capital is NOK 2,000,000 divided into 20,000,000 Shares, each with a nominal value of NOK 0.10.

16.10.1.4 Board of Directors

The Company's Board of Directors shall consist of three to ten members to be elected for a period of up to two years at a time. The Chairman of the Board of Directors shall be appointed by the General Meeting.

16.10.1.5 Restrictions on transfer of Shares

The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Company. Share transfers are not subject to approval by the Board of Directors.

16.10.1.6 General Meetings

Documents relating to matters to be dealt with by the Company's General Meeting, including documents which by law shall be included in or attached to the notice of the General Meeting, do not need to be sent to the shareholders if such documents have been made available on the Company's website. A shareholder may nevertheless request that documents which relate to matters to be dealt with at the General Meeting are sent to him/her. The shareholders may cast their votes in writing, including through electronic communication (provided that a satisfactory method to authenticate the sender is available), in a period prior to the General Meeting. The Board of Directors can establish specific guidelines for such advance voting. The notice of the General Meeting shall describe the adopted guidelines. The Board of Directors may decide that shareholders who want to participate in the General Meeting must notify the Company thereof within a specific deadline that cannot expire earlier than three days prior to the General Meeting.

16.10.1.7 Nomination committee

The Company shall have a nomination committee. See Section 12 "Board of Directors, Management, Employees and Corporate Governance".

16.10.2 Certain aspects of Norwegian corporate law

16.10.2.1 General meetings

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than 21 days before the annual general meeting of a Norwegian public limited company listed on a stock exchange or a regulated market shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the General Meeting either in person or by proxy appointed at their own discretion. In accordance with the requirements of the Norwegian Securities Trading Act, the Company the Company will include a proxy form with notices of General Meetings. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the General Meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at General Meetings. The Company's Articles of Association do, however, state that the Board of Directors may decide that shareholders who want to participate in the General Meeting must notify the Company thereof within a specific deadline that cannot expire earlier than three days prior to the General Meeting.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the Board of Directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of a Norwegian public limited company may with a majority of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a 14 days' notice period until the next annual general meeting provided the company has procedures in place allowing shareholders to vote electronically.

16.10.2.2 Voting rights – amendments to the Articles of Association

Each of the Company's Shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Company's Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants by the Company or to authorise the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a General Meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the General Meeting in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association.

In general, only a shareholder registered in the VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares. In the Company's view, a nominee may not meet or vote for Shares registered on a nominee account ("**NOM-account**"). A shareholder must, in order to be eligible to register, meet and vote for such Shares at the General Meeting, transfer the Shares from such NOM-account to an account in the shareholder's name.

There are no quorum requirements that apply to the General Meetings.

16.10.2.3 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Company's Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be deviated from by resolution in a General Meeting passed by the same vote required to amend the Articles of Association. A deviation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The General Meeting may, by the same vote as is required for amending the Articles of Association, authorise the Board of Directors to issue new Shares, and to deviate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorisation is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company.

16.10.2.4 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including, but not limited to, those described in this section and the description of General Meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the General Meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Board of Directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any General Meeting as long as the Board of Directors is notified within seven days before the deadline for convening the General Meeting and the demand is accompanied with a proposed resolution or a reason for why the item shall be on the agenda. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the General Meeting has not expired.

16.10.2.5 Rights of redemption and repurchase of Shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a General Meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorisation to do so by a General Meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the General Meeting cannot be granted for a period exceeding two years.

16.10.2.6 Shareholder vote on certain reorganisations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the General Meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the Articles of Association stipulate that, made available to the shareholders on the company's website, at least one month prior to the General Meeting to pass upon the matter.

16.10.2.7 Liability of Board Members

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company. A Board Member may not participate in the discussion or decision of any matter which is of such particular importance to him-/herself or any related parties that he/she must be deemed to have a special or prominent personal or financial interest in the matter.

Board Members may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the General Meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the General Meeting passing upon the matter. If a resolution to discharge the Board Members from liability or not to pursue claims against such a person has been passed by a General Meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Board Members from liability or not to pursue claims against the Board Members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

16.10.2.8 Indemnification of Board Members

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the Board Members against certain liabilities that they may incur in their capacity as such.

16.10.2.9 Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

16.10.3 Shareholders' agreement

There are no shareholders' agreements related to the Shares.

17 SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway. The summary is based on the rules and regulations in force in Norway as at the date of this Prospectus, which may be subject to changes occurring after such date. The summary does not purport to be a comprehensive description of securities trading in Norway. Shareholders who wish to clarify the aspects of securities trading in Norway should consult with and rely upon their own advisors.

17.1 Introduction

The Oslo Stock Exchange was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway. As of 31 December 2016, the total capitalisation of companies listed on the Oslo Stock Exchange amounted to approximately NOK 2,121 billion. Shareholdings of non-Norwegian investors as a percentage of total market capitalisation as at 31 December 2016 amounted to approximately 36.6%.

The Oslo Stock Exchange has entered into a strategic cooperation with the London Stock Exchange group with regards to, *inter alia*, trading systems for equities, fixed income and derivatives.

17.2 Trading and settlement

Trading of equities on the Oslo Stock Exchange is carried out in the electronic trading system Millennium Exchange. This trading system is in use by all markets operated by the London Stock Exchange, including the Borsa Italiana, as well as by the Johannesburg Stock Exchange.

Official trading on the Oslo Stock Exchange takes place between 09:00 hours (CET) and 16:20 hours (CET) each trading day, with pre-trade period between 08:15 hours (CET) and 09:00 hours (CET), closing auction from 16:20 hours (CET) to 16:25 hours (CET) and a post-trade period from 16:25 hours (CET) to 17:30 hours (CET). Reporting of after exchange trades can be done until 17:30 hours (CET).

The settlement period for trading on the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in the VPS two days after the transaction, and that the seller will receive payment after two days.

Oslo Clearing ASA, a wholly-owned subsidiary of SIX x-clear AG, a company in the SIX group, has a license from the Norwegian FSA to act as a central clearing service, and has from 18 June 2010 offered clearing and counterparty services for equity trading on the Oslo Stock Exchange.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange, except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

17.3 Information, control and surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company. Inside information means precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market. A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

17.4 The VPS and transfer of Shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralised securities register. It is a computerised book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and the Oslo Stock Exchange are both wholly-owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerised book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, Norway's central bank), authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is *prima facie* evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's articles of association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

17.5 Shareholder register

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in the VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners.

17.6 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

17.7 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

17.8 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

17.9 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered. The settlement must be guaranteed by a financial institution authorized to provide such guarantees in Norway.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above-mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

17.10 Compulsory acquisition

Pursuant to the Norwegian Public Limited Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition, the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Norwegian Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorised to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders will be deemed to have accepted the offered price after the expiry of the specified deadline.

17.11 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

18 TAXATION

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation are based on the laws in force in Norway as of the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of Shares. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisors with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

18.1 Norwegian taxation

18.1.1 Taxation of dividends

Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable in Norway for such shareholders at an effective tax rate of 29.76% to the extent the dividend exceeds a tax-free allowance; i.e. dividends received, less the tax free allowance, shall be multiplied by 1.24 which are then included as ordinary income taxable at a flat rate of 24%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 29.76%.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a risk free interest rate based on the effective rate after tax of interest on treasury bills (*Nw.: statskasseveksler*) with three months' maturity. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realisation of, the same share. Any excess allowance will also be included in the basis for calculating the allowance on the same share in the following years.

Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are effectively taxed at rate of 0.72% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of 24%).

Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please refer to "Taxation of dividends – Norwegian Personal Shareholders" above). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian Tax Directorate for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is required to file a summary to the tax authorities including all beneficial owners that are subject to withholding tax at a reduced rate.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

18.1.2 Taxation of capital gains on realisation of shares

Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. The effective tax rate on gain or loss related to shares realised by Norwegian Personal Shareholders is currently 29.76%; i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.24 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 24%, increasing the effective tax rate on gains/losses realised by Norwegian Personal Shareholders to 29.76%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realisation of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to "Taxation of dividends — Norwegian Personal Shareholders" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realisation of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realisation of shares qualifying for participation exemption, including shares in the Company. Losses upon the realisation and costs incurred in connection with the purchase and realisation of such shares are not deductible for tax purposes.

Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholder holds the shares in connection with business activities carried out or managed from Norway.

Non-Norwegian Corporate Shareholders

Capital gains derived by the sale or other realisation of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway.

18.1.3 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for listed shares is currently equal to ninety percent of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year). The value of debt allocated to the listed shares is reduced correspondingly (i.e. to ninety percent) for assessment purposes.

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

18.1.4 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

18.1.5 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

19 THE TERMS OF THE OFFERING

19.1 Overview of the Offering

The Offering consists of an offer of up to 31,111,112 New Shares, each with a nominal value of NOK 0.10, to raise gross proceeds of approximately NOK 1,400 million. In addition, the Managers may elect to over-allot up to approximately 15% of the final number of New Shares sold in the Offering. The Existing Shareholder is expected to grant Carnegie, on behalf of the Managers, an Over-Allotment Option to purchase a corresponding number of Additional Shares to cover any such over-allotments. Assuming the Offer Price is set at the mid-point of the Indicative Price Range and the Over-Allotment Option is exercised in full, the Offering will amount to up to 30,666,667 Offer Shares, representing up to 65.7% of the Shares in issue following the Offering.

The Offering consists of:

- an Institutional Offering, in which Offer Shares are being offered to (a) investors in Norway, (b) investors outside Norway and the United States, subject to applicable exemptions from the prospectus requirements, and (c) investors in the United States who are QIBs. The Institutional Offering is subject to a lower limit per application of NOK 2,000,000.

- a Retail Offering, in which Offer Shares are being offered to the public in Norway subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit.

The Retail Offering will also comprise an offer of Offer Shares to the participants in the LTIP 2017 as further described in Section 12.4.3 "Long term incentive programme". Further, the Company and the Existing Shareholder, in consultation with the Managers, reserve the right to, at their sole discretion, offer Offer Shares to individual employees of the Group outside Norway in the Retail Offering, provided that such offer will not be unlawful or require registration, publication of a prospectus or other measures to be taken in the relevant jurisdiction.

All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in compliance with Regulation S.

This Prospectus does not constitute an offer of, or an invitation to purchase, the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. For further details, see "Important information" and Section 20 "Selling and transfer restrictions".

The Bookbuilding Period for the Institutional Offering is expected to take place from 11 May 2017 at 09:00 hours (CET) to 22 May 2017 at 14:00 hours (CET). The Application Period for the Retail Offering is expected to take place from 11 May 2017 at 09:00 hours (CET) to 22 May 2017 at 12:00 hours (CET). The Company and the Existing Shareholder, in consultation with the Managers, reserve the right to shorten or extend the Bookbuilding Period and/or the Application Period at any time at their sole discretion. Any shortening of the Bookbuilding Period and/or the Application Period will be announced through the Oslo Stock Exchange's information system on or before 09:00 hours (CET) on the prevailing expiration date of the Bookbuilding Period and/or the Application Period, provided, however, that in no event will the Bookbuilding Period and/or the Application Period be shortened to expire prior to 16:30 hours (CET) on 19 May 2017. Any extension of the Bookbuilding Period and/or the Application Period will be announced through the Oslo Stock Exchange's information system on or before 09:00 hours (CET) on the first business day following the then prevailing expiration date of the Bookbuilding Period and/or the Application Period. An extension of the Bookbuilding Period and/or the Application Period can be made one or several times provided, however, that in no event will the Bookbuilding Period and/or the Application Period be extended beyond 14:00 hours (CET) on 2 June 2017. In the event of a shortening or an extension of the Bookbuilding Period and/or the Application Period, the allocation date, the payment due dates and the dates of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

The Company and the Existing Shareholder have, together with the Managers, set an Indicative Price Range for the Offering from NOK 45 to NOK 60 per Offer Share. The Indicative Price Range may change during the course of the Offering, and the Offer Price may be set within, above or below the Indicative Price Range. The Company and the Existing Shareholder, in consultation with the Managers, will determine the number of Offer Shares and the Offer Price on the basis of the bookbuilding process in the Institutional Offering and the number of applications received in the

Retail Offering. The bookbuilding process, which will form the basis for the final determination of the number of Offer Shares and the Offer Price, will be conducted only in connection with the Institutional Offering. The Indicative Price Range may be amended during the Bookbuilding Period. Any change to the Indicative Price Range will be communicated by way of a press release distributed through the Oslo Stock Exchange's information system.

The Company expects that it will, on or about 22 May 2017, together with the Existing Shareholder, enter into a placement agreement (the "**Placement Agreement**") with the Managers with respect to the Offering of the Offer Shares. On the terms and subject to the conditions set forth in the Placement Agreement, the Managers are on 23 May 2017 expected to, in order to provide for prompt registration of the New Shares with the Norwegian Register of Business Enterprises, pre-fund payment for the New Shares allotted in the Offering at a total subscription price equal to the Offer Price multiplied by the number of New Shares. In addition, the Existing Shareholder is expected to grant the Stabilisation Manager (Carnegie), on behalf of the Managers, the Over-Allotment Option to purchase up to approximately 15% of the final number of New Shares at the Offer Price, exercisable, in whole or in part, within a 30-day period commencing at the time at which trading in the Shares commences on the Oslo Stock Exchange, expected to be on 24 May 2017. The Over-Allotment Option is granted to cover over-allotments, if any, made in connection with the Offering on the terms and subject to the conditions described in this Prospectus. In order to permit delivery in respect of over-allotments made, if any, the Existing Shareholder will grant to the Stabilisation Manager an option (the "**Lending Option**") to require the Existing Shareholder to lend to the Stabilisation Manager, on behalf of the Managers, up to a number of Shares equal to the number of Additional Shares. See Section 19.9 "Over-allotment and stabilisation activities" for further details.

The Placement Agreement is expected to contain termination rights for the Managers from the time of entry into of the Placement Agreement (expected to take place on or about 22 May 2017) until 09:00 hours (CET) on the day of the Managers' pre-funding (expected to take place on or about 23 May 2017) in the event of (i) trading generally having been suspended or materially limited on, or by, as the case may be, any of the Oslo Stock Exchange, the London Stock Exchange, the New York Stock Exchange, or the NASDAQ Global Market, (ii) a material disruption in commercial banking or securities settlement, payment or clearance services in Norway, the United States, any member of the European Union or the United Kingdom having occurred or (iii) any moratorium on commercial banking activities having been declared by Norwegian, European Union, British or U.S. Federal or New York State authorities, and certain other customary termination events.

The Offer Shares allocated in the Offering are expected to be traded on the Oslo Stock Exchange from and including 24 May 2017.

The cornerstone investors, Nordea Investment Management and Handelsbanken Fonder, have committed to acquire shares in the Offering for a total of NOK 250 million, equivalent to approximately 18% of the number of Offer Shares in the Offering (approximately 16% of the number of Offer Shares in the Offering assuming that the Over-allotment Option is utilized in full). Nordea Investment Management and Handelsbanken Fonder have agreed to acquire Offer Shares throughout the Indicative Price Range for an amount of NOK 150 million and NOK 100 million, respectively, subject to, among other things: (i) the Listing is completed so that the first day of trading in the Company's Shares occurs no later than 7 June 2017; (ii) the Offer Price will be within the Indicative Price Range; and (iii) such Cornerstone Investor receives full allocation of its commitment. If such conditions are not satisfied, the Cornerstone Investors will not be required to acquire any Offer Shares. The Cornerstone Investors will not receive any compensation for their respective undertakings. The Cornerstone Investors will not be subject to a lock-up in respect to their allocations. Following the Offering, based on the Offer Price being set within the Indicative Price Range, Nordea Investment Management will hold between 5.8% and 6.5% of the outstanding Shares in the Company, while Handelsbanken Fonder will hold between 3.8% and 4.3% of the outstanding Shares in the Company.

Completion of the Offering is conditional upon, among other conditions, the Company satisfying the listing conditions and being listed on the Oslo Stock Exchange, see Section 19.13 "Conditions for completion of the Offering — Listing and trading of the Offer Shares".

The Company has made certain representations and warranties in favour of, and agreed to certain undertakings with, the Managers in the mandate agreements, the Placement Agreement and ancillary agreements and documents entered into in connection with the Offering and the Listing. The Company has undertaken, subject to certain conditions and limitations, to indemnify the Managers against certain liabilities arising out of or in connection with the Offering.

See Section 19.15 "Expenses of the Offering and the Listing" for information regarding fees expected to be paid to the Managers and costs expected to be paid by the Company in connection with the Offering.

19.2 Timetable

The timetable set out below provides certain indicative key dates for the Offering (subject to shortening or extension):

Bookbuilding Period commences	11 May 2017 at 09:00 hours (CET)
Bookbuilding Period ends	22 May 2017 at 14:00 hours (CET)
Application Period commences	11 May 2017 at 09:00 hours (CET)
Application Period ends	22 May 2017 at 12:00 hours (CET)
Allocation of the Offer Shares	On or about 23 May 2017
Publication of the results of the Offering	On or about 23 May 2017
Issuance of allocation notes	On or about 23 May 2017
Accounts from which payment will be debited in the Retail Offering to be sufficiently funded	On or about 23 May 2017
Payment date in the Retail Offering	On or about 24 May 2017
Delivery of the Offer Shares in the Retail Offering (subject to timely payment)	On or about 26 May 2017
Payment date in the Institutional Offering	On or about 24 May 2017
Delivery of the Offer Shares in the Institutional Offering	On or about 24 May 2017
Listing and commencement of trading in the Shares	On or about 24 May 2017

Note that the Company and the Existing Shareholder, together with the Managers, reserve the right to shorten or extend the Bookbuilding Period and/or the Application Period. In the event of a shortening or an extension of the Bookbuilding Period and/or the Application Period, the allocation date, the payment due date and the dates of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

19.3 Resolution relating to the Offering and the issue of the New Shares

In the Extraordinary General Meeting of the Company held on 9 May 2017 it was resolved to increase the share capital of the Company by minimum NOK 1,400,000 and maximum NOK 14,000,000 in connection with the Offering of the New Shares as follows (translated from Norwegian):

(i) The share capital is increased by minimum NOK 1,400,000 and maximum NOK 14,000,000, through the issue of minimum 14,000,000 and maximum 140,000,000 new shares, each with a nominal value of NOK 0.10, as resolved by the board of directors.

(ii) The subscription price shall be from NOK 10 to NOK 100 per share, as resolved by the board of directors.

(iii) The new shares shall be subscribed for by Carnegie AS, Nordea Bank AB (publ), filial i Norge or Danske Bank A/S, Norwegian branch, on behalf of investors having ordered and been allocated shares in the offering which is carried out in connection with the contemplated listing of the shares in the Company on the Oslo Stock Exchange (the "Offering"). The shareholders of the Company shall accordingly not have preferential rights to the new shares, cf. Sections 10-4 and 10-5 of the Norwegian Public Limited Companies Act.

(iv) The new shares shall be subscribed for in a separate subscription form no later than 1 July 2017.

(v) Payment shall be made to the Company's share issue account within 5 July 2017.

(vi) The new shares will carry rights to dividends and other shareholder rights in the Company from the registration of the share capital increase in the Norwegian Register of Business Enterprises.

(vii) The Company's expenses in relation to the share capital increase and the listing of the Company's shares on the Oslo Stock Exchange are estimated to be approximately NOK 70,000,000.

(viii) Section 4 of the Articles of Association shall be amended to state the Company's share capital and number of shares following the share capital increase.

(ix) Completion of the share capital increase is conditional upon (a) the application for listing of the shares in the Company on the Oslo Stock Exchange being approved, (b) any conditions for such listing being satisfied and (c) the managers of the Offering not prior to the registration of the share capital increase having terminated their commitment to pre-pay the subscription amount pursuant to the agreement regarding such pre-payment.

Following the end of the Bookbuilding Period and the Application Period, the Board of Directors and the Existing Shareholder will on or about 22 May 2017 consider and, if thought fit, approve the completion of the Offering and determine the final Offer Price, the number of Offer Shares to be issued and the allocation of the Offer Shares.

19.4 The Institutional Offering

19.4.1 Determination of the number of Offer Shares and the Offer Price

The Company and the Existing Shareholder have, together with the Managers, set an Indicative Price Range for the Offering from NOK 45 to NOK 60 per Offer Share. The Company and the Existing Shareholder will, in consultation with the Managers, determine the number of Offer Shares and the Offer Price on the basis of the applications received and not withdrawn in the Institutional Offering during the Bookbuilding Period and the number of applications received in the Retail Offering. The Offer Price will be determined on or about 22 May 2017. The Offer Price may be set within, below or above the Indicative Price Range. Investors' applications for Offer Shares in the Institutional Offering will, after the end of the Bookbuilding Period, be irrevocable and binding regardless of whether the Offer Price is set within, below or above the Indicative Price Range. The final Offer Price is expected to be announced by the Company through the Oslo Stock Exchange's information system on or about 22 May 2017 under the ticker code "SAFE".

19.4.2 Bookbuilding Period

The Bookbuilding Period for the Institutional Offering will last from 11 May 2017 at 09:00 hours (CET) to 22 May 2017 at 14:00 hours (CET), unless shortened or extended.

The Company and the Existing Shareholder, in consultation with the Managers, may shorten or extend the Bookbuilding Period at any time, and extension may be made on one or several occasions. The Bookbuilding Period may in no event expire prior to 16:30 hours (CET) on 19 May 2017 or be extended beyond 14:00 hours (CET) on 2 June 2017. In the event of a shortening or an extension of the Bookbuilding Period, the allocation date, the payment due date and the date of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

19.4.3 Minimum application

The Institutional Offering is subject to a minimum application of NOK 2,000,000 per application. Investors in Norway who intend to place an application for less than NOK 2,000,000 must do so in the Retail Offering.

19.4.4 Application procedure

Applications for Offer Shares in the Institutional Offering must be made during the Bookbuilding Period by informing one of the Managers shown below of the number of Offer Shares that the investor wishes to order, and the price per share that the investor is offering to pay for such Offer Shares.

Carnegie	Nordea	Danske Bank
Fjordalléen 16, Aker Brygge	Essendropsgate 7	Bryggetorget 4
P.O. Box 684 Sentrum	P.O. Box 1166 Sentrum	P.O. Box 1170 Sentrum
N-0106 Oslo	N-0107 Oslo	N-0107 Oslo
Norway	Norway	Norway

All applications in the Institutional Offering will be treated in the same manner regardless of which Manager the applicant chooses to place the application with. Any orally placed application in the Institutional Offering will be binding upon the investor and subject to the same terms and conditions as a written application. The Managers may, at any time and in their sole discretion, require the investor to confirm any orally placed application in writing. Applications made may be withdrawn or amended by the investor at any time up to the end of the Bookbuilding Period. At the close of the Bookbuilding Period, all applications in the Institutional Offering that have not been withdrawn or amended are irrevocable and binding upon the investor.

19.4.5 Allocation, payment for and delivery of Offer Shares

The Managers expect to issue notifications of allocation of Offer Shares in the Institutional Offering on or about 23 May 2017, by issuing contract notes to the applicants by mail or otherwise.

Payment by applicants in the Institutional Offering will take place against delivery of Offer Shares. Delivery and payment for Offer Shares is expected to take place on or about 24 May 2017 (the "**Institutional Closing Date**").

For late payment, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Overdue Payment of 17 December 1976 no. 100 (the "**Norwegian Act on Overdue Payment**"), which, at the date of this Prospectus, is 8.50% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicants, and the Managers reserve the right, at the risk and cost of the applicant, to cancel the application and to re-allot or, from the third day after the payment due date, otherwise dispose of or assume ownership to the allocated Offer Shares on such terms and in such manner as the Managers may decide (and the applicant will not be entitled to any profit). The original applicant remains liable for payment for the Offer Shares allocated to the applicant, together with any interest, cost, charges and expenses accrued, and the Company, the Existing Shareholder and/or the Managers may enforce payment of any such amount outstanding.

In order to provide for prompt registration of the New Shares with the Norwegian Register of Business Enterprises, the Managers are expected to, on behalf of the applicants, subscribe for and pre-fund payment for the New Shares allotted in the Offering at a total subscription price equal to the Offer Price multiplied by the number of New Shares; and by placing an application, the applicant irrevocably authorises and instructs the Managers, or someone appointed by any of them, to do so on its behalf. Irrespectively of any such pre-funding of payment for New Shares, the original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company, the Existing Shareholder and/or the Managers may enforce payment of any such amount outstanding. The subscription and pre-funding by the Managers of New Shares as described above constitute an integrated sales process where the investors purchase New Shares from the Company based on this Prospectus, which has been prepared by the Company. The investors will not have any rights or claims against the Managers.

19.5 The Retail Offering

19.5.1 Offer Price

The price for the Offer Shares offered in the Retail Offering will be the same as in the Institutional Offering, see Section 19.4.1 "Determination of the number of Offer Shares and the Offer Price".

Each applicant in the Retail Offering will be permitted, but not required, to indicate when ordering through the VPS online application system or on the application form to be used to apply for Offer Shares in the Retail Offering, attached to this Prospectus as Appendix C (the "**Retail Application Form**"), that the applicant does not wish to be allocated Offer Shares should the Offer Price be set higher than the highest price in the Indicative Price Range (i.e. NOK 60 per Offer Share). If the applicant does so, the applicant will not be allocated any Offer Shares in the event that the Offer Price is set higher than the highest price in the Indicative Price Range. If the applicant does not expressly stipulate such reservation when ordering through the VPS online application system or on the Retail Application Form, the application will be binding regardless of whether the Offer Price is set within or above (or below) the Indicative Price Range, as long as the Offer Price has been determined on the basis of orders placed during the bookbuilding process described above.

19.5.2 Application Period

The Application Period during which applications for Offer Shares in the Retail Offering will be accepted will last from 11 May 2017 at 09:00 hours (CET) to 22 May 2017 at 12:00 hours (CET), unless shortened or extended. The Company and the Existing Shareholder, in consultation with the Managers, may shorten or extend the Application Period at any time, and extension may be made on one or several occasions. The Application Period may in no event expire prior to 16:30 hours (CET) on 19 May 2017 or be extended beyond 14:00 hours (CET) on 2 June 2017. In the event of a shortening or an extension of the Application Period, the allocation date, the payment due date and the date of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

19.5.3 Minimum and maximum application

The Retail Offering is subject to a minimum application amount of NOK 10,500 and a maximum application amount of NOK 1,999,999 for each applicant, provided, however, that such limitations do not apply to the participants in the LTIP 2017.

Multiple applications are allowed. One or multiple applications from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999. If two or more identical application forms are received from the same investor, the application form will only be counted once unless otherwise explicitly stated on one of the application forms. In the case of multiple applications through the VPS online application system or applications made both on a physical application form and through the VPS online application system, all applications will be counted. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering.

19.5.4 Application procedures and application offices

Norwegian applicants in the Retail Offering who are residents of Norway with a Norwegian personal identification number are recommended to apply for Offer Shares through the VPS online application system by following the link to such online application system on the following websites: www.carnegie.no, www.nordea.no/saferoad and www.danskebank.no/saferoad. Applicants in the Retail Offering not having access to the VPS online application system must apply using the Retail Application Form attached to this Prospectus as Appendix C "Application Form for the Retail Offering". Retail Application Forms, together with this Prospectus, can be obtained from the Company, the Company's website www.saferoad.com, the Managers' websites listed above or the application offices set out below. Applications made through the VPS online application system must be duly registered during the Application Period.

The application offices for physical applications in the Retail Offering are:

Carnegie	Nordea	Danske Bank
Fjordalléen 16, Aker Brygge	Essendropsgate 7	Bryggetorget 4
P.O. Box 684 Sentrum	P.O. Box 1166 Sentrum	P.O. Box 1170 Sentrum
N-0106 Oslo	N-0107 Oslo	N-0107 Oslo
Norway	Norway	Norway
Tel: +47 22 00 93 60	Tel: +47 24 01 34 62	Tel: +47 85 40 69 41
	Fax: +47 22 36 97 03	Fax: +47 85 40 79 92
E-mail: subscriptions@carnegie.no	E-mail: nis@nordea.com	E-mail: emisjoner@danskebank.com
www.carnegie.no	www.nordea.no/saferoad	www.danskebank.no/saferoad

All applications in the Retail Offering will be treated in the same manner regardless of which of the above Managers the applications are placed with. Further, all applications in the Retail Offering will be treated in the same manner regardless of whether they are submitted by delivery of a Retail Application Form or through the VPS online application system.

Retail Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after the expiry of the Application Period, may be disregarded without further notice to the applicant. Properly completed Retail Application Forms must be received by one of the application offices listed above or registered electronically through the VPS application system by 12:00 hours (CET) on 22 May 2017, unless the Application Period is being shortened or extended. None of the Company, the Existing Shareholder or any of the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any application office.

Subject to Section 19.5.1 "Offer Price" above, all applications made in the Retail Offering will be irrevocable and binding upon receipt of a duly completed Retail Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online application system, upon registration of the application.

Nordnet Bank NUF is acting as placing agent for the Retail Offering on behalf of the Managers.

19.5.5 Allocation, payment and delivery of Offer Shares

Nordea, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 23 May 2017, by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Offer Shares allocated to it may contact one of the application offices listed above on or about 23 May 2017 during business hours. Applicants who have access to investor services through an institution that operates the applicant's account with the VPS for the registration of holdings of securities ("**VPS account**") should be able to see how many Offer Shares they have been allocated from on or about 23 May 2017.

In registering an application through the VPS online application system or completing a Retail Application Form, each applicant in the Retail Offering will authorise Nordea (on behalf of the Managers) to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. The applicant's bank account number must be stipulated on the VPS online application or on the Retail Application Form. Accounts will be debited on or about 24 May 2017 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 23 May 2017. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date (expected to be 24 May 2017).

Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 23 May 2017, or can be obtained by contacting Nordea at +47 24 01 34 62.

Should any applicant have insufficient funds on his or her account, or should payment be delayed for any reason, or if it is not possible to debit the account, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments, which at the date of this Prospectus is 8.50% per annum. Nordea (on behalf of the Managers) reserves the right (but has no obligation) to make up to three debit attempts through 1 June 2017 if there are insufficient funds on the account on the Payment Date. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or, from the third day after the Payment Date, otherwise dispose of or assume ownership to the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and the applicant will not be entitled to any profit there from). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company, the Existing Shareholder and/or the Managers may enforce payment of any such amount outstanding.

In order to provide for prompt registration of the New Shares with the Norwegian Register of Business Enterprises, the Managers are expected to, on behalf of the applicants, subscribe for and pre-fund payment for the New Shares allotted in the Offering at a total subscription price equal to the Offer Price multiplied by the number of New Shares; and by placing an application, the applicant irrevocably authorise and instructs the Managers, or someone appointed by any of them, to do so on its behalf. Irrespectively of any such pre-funding of payment for New Shares, the original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company, the Existing Shareholder and/or the Managers may enforce payment of any such amount outstanding. The subscription and pre-funding by the Managers of New Shares as described above constitute an integrated sales process where the investors purchase New Shares from the Company based on this Prospectus, which has been prepared by the Company. The investors will not have any rights or claims against the Managers.

Subject to timely payment by the applicant, delivery of the Offer Shares in the Retail Offering is expected to take place on or about 26 May 2017.

19.6 Mechanism of allocation

It has been provisionally assumed that approximately 95% of the Offering will be allocated in the Institutional Offering and that approximately 5% of the Offering will be allocated in the Retail Offering. The final determination of the number of Offer Shares allocated to the Institutional Offering and the Retail Offering will only be decided, however, by the Company and the Existing Shareholder, in consultation with the Managers, following the completion of the bookbuilding process for the Institutional Offering, based on among other things the level of orders or applications received from each of the categories of investors. The Company, the Existing Shareholder and Managers reserve the right to deviate from the provisionally assumed allocation between tranches without further notice and at their sole discretion.

No Offer Shares have been reserved for any specific national market.

In the Institutional Offering, the Company and the Existing Shareholder, together with the Managers, will determine the allocation of Offer Shares. An important aspect of the allocation principles is the desire to create an appropriate long-term shareholder structure for the Company. The allocation principles will, in accordance with normal practice for institutional placements, include factors such as premarketing and management road-show participation and feedback, timeliness of the order, price level, relative order size, sector knowledge, investment history, perceived investor quality and investment horizon. The Company, the Existing Shareholder and the Managers further reserve the right, at their sole discretion, to take into account the creditworthiness of any applicant. The Company, the Existing Shareholder and the Managers may also set a maximum allocation, or decide to make no allocation to any applicant.

In the Retail Offering, no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 10,500 per applicant provided, however, that all allocations will be rounded down to the nearest number of whole Offer Shares and the payable amount will hence be adjusted accordingly. One or multiple orders from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999. Said limitations do not apply to allocations to the participants in the LTIP 2017. In the Retail Offering, allocation will be made on a pro rata basis using the VPS automated simulation procedures, provided, however, that (i) employees of the Group who are participants in the LTIP 2017 (as further described in Section 12.4.3 "Long term incentive program") will be guaranteed allocation for saving Shares ordered in accordance with the terms and conditions of the LTIP 2017 and (ii) the Company, the Existing Shareholder and the Managers reserve the right, at their sole discretion, to give full allocation to employees having applied for Offer Shares.

Further, the two Cornerstone Investors (Nordea Investment Management and Handelsbanken Fonder) will receive full allocation for Offer Shares acquired through their respective commitments.

The Company, the Existing Shareholder and the Managers reserve the right to limit the total number of applicants to whom Offer Shares are allocated if the Company, the Existing Shareholder and the Managers deem this to be necessary in order to keep the number of shareholders in the Company at an appropriate level and such limitation does not have the effect that any conditions for the Listing regarding the number of shareholders will not be satisfied. If the Company, the Existing Shareholder and the Managers should decide to limit the total number of applicants to whom Offer Shares are allocated, the applicants to whom Offer Shares are allocated will be determined on a random basis by using the VPS automated simulation procedures and/or other random allocation mechanism.

19.7 VPS account

To participate in the Offering, each applicant must have a VPS account. The VPS account number must be stated when registering an application through the VPS online application system or on the Retail Application Form for the Retail Offering. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised investment firms in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian Ministry of Finance. Establishment of VPS accounts requires verification of identification by the relevant VPS registrar in accordance with Norwegian anti-money laundering legislation (see Section 19.8 "Mandatory anti-money laundering procedures").

19.8 Mandatory anti-money laundering procedures

The Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulations of 13 March 2009 no. 302 (collectively, the "**Anti-Money Laundering Legislation**").

Applicants who are not registered as existing customers of any of the Managers must verify their identity to the Manager in which the order is placed in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Retail Application Form, or when registering an application through the VPS online application system, are exempted, unless verification of identity is requested by any of the Managers. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period may not be allocated Offer Shares.

19.9 Over-allotment and stabilisation activities

19.9.1 Over-allotment of Additional Shares

In connection with the Offering, the Managers may elect to over-allot up to approximately 15% of the number of New Shares sold in the Offering and, in order to permit the delivery in respect of over-allotments made, the Stabilisation Manager may, pursuant to the Lending Option, require the Existing Shareholder to lend to the Stabilisation Manager, on behalf of the Managers, up to a number of Shares equal to the number of Additional Shares. Further, pursuant to the Over-Allotment Option, the Existing Shareholder will grant the Stabilisation Manager, on behalf of the Managers, an option to purchase a corresponding number of Additional Shares, exercisable within 30 days after the commencement of trading in the Offer Shares, equalling up to approximately 15% of the number of New Shares (representing up to 8.6% of the Shares in issue in the Company following the Offering assuming that the Offer Price is set at the mid-point of the Indicative Price Range) at a price equal to the final Offer Price in the Offering, as may be necessary to cover over-allotments and short positions, if any, made in connection with the Offering. To the extent that the Managers have over-allotted Shares in the Offering, the Managers have created a short position in the Shares.

The Stabilisation Manager may close out this short position by buying Shares in the open market through stabilisation activities and/or by exercising the Over-Allotment Option.

A stock exchange notice will be made on 24 May 2017 announcing whether the Managers have over-allotted Shares in connection with the Offering. Any exercise of the Over-Allotment Option will be promptly announced by the Stabilisation Manager through the Oslo Stock Exchange's information system.

19.9.2 Price stabilisation

The Stabilisation Manager (Carnegie), or its agents, on behalf of the Managers, may, upon exercise of the Lending Option, from the first day of the Listing effect transactions with a view to supporting the market price of the Shares at a level higher than what might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilisation Manager and its agents to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilisation activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the first day of the Listing. It should be noted that stabilisation activities might result in market prices that are higher than would otherwise prevail.

Any stabilisation activities will be conducted in accordance with Section 3-12 of the Norwegian Securities Trading Act and the EC Commission Regulation 2273/2003 regarding buy-back programmes and stabilisation of financial instruments.

The Company/the Existing Shareholder and the Managers have agreed that any profit resulting from stabilisation activities conducted by the Stabilisation Manager, on behalf of the Managers, will be for the account of the Existing Shareholder.

Within one week after the expiry of the 30 calendar day period of price stabilisation, the Stabilisation Manager will publish information as to whether or not price stabilisation activities were undertaken. If stabilisation activities were undertaken, the statement will also include information about: (i) the total amount of Shares sold and purchased; (ii) the dates on which the stabilisation period began and ended; (iii) the price range between which stabilisation was carried out, as well as the highest, lowest and average price paid during the stabilisation period; and (iv) the date at which stabilisation activities last occurred.

It should be noted that stabilisation activities might result in market prices that are higher than would otherwise prevail. Stabilisation may be undertaken, but there is no assurance that it will be undertaken and it may be stopped at any time.

19.10 Publication of information in respect of the Offering

In addition to press releases which will be posted on the Company's website, the Company will use the Oslo Stock Exchange's information system to publish information relating to the Offering, such as amendments to the Bookbuilding Period and the Application Period (if any), the final Offer Price, the number of Offer Shares and the total amount of the Offering, allotment percentages, and first day of trading.

The final determination of the Offer Price, the number of Offer Shares and the total amount of the Offering is expected to be published on or about 22 May 2017.

19.11 The rights conferred by the Offer Shares

The Offer Shares will in all respects carry full shareholders' rights in the Company on an equal basis as any other Shares in the Company, including the right to any dividends. For a description of rights attached to the Shares, see Section 16 "Corporate Information and description of the share capital".

19.12 VPS registration

Any Additional Shares have been, and the New Shares will be, created under the Norwegian Public Limited Companies Act. Any Additional Shares are, and the New Shares will be, registered in book-entry form with the VPS and have ISIN NO 001 0781743. The Company's register of shareholders with the VPS is administrated by Danske Bank, Søndre Gate 15, N-7011 Trondheim, Norway.

19.13 Conditions for completion of the Offering – Listing and trading of the Offer Shares

The Company will on or about 10 May 2017 apply for Listing of its Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange will approve the listing application of the Company on or about 15 May 2017, conditional upon the Company obtaining a minimum of 500 shareholders, each holding Shares with a value of more than NOK 10,000, there being a minimum free float of the Shares of 25% and the proceeds to the Company from the sale of New Shares being at least NOK 1,400 million. The Company expects that these conditions will be fulfilled through the Offering.

Completion of the Offering on the terms set forth in this Prospectus is expressly conditioned upon the board of directors of the Oslo Stock Exchange approving the application for Listing of the Shares in its meeting to be held on or about 15 May 2017, on conditions acceptable to the Company and that any such conditions are satisfied by the Company. The Offering will be cancelled in the event that the conditions are not satisfied. There can be no assurance that the board of directors of the Oslo Stock Exchange will give such approval or that the Company will satisfy these conditions.

Completion of the Offering on the terms set forth in this Prospectus is otherwise only conditional on (i) the Board of Directors resolving to proceed with the Offering, (ii) the Company and the Existing Shareholder, in consultation with the Managers, having approved the Offer Price and the allocation of the Offer Shares to eligible investors following the bookbuilding process and (iii) the Managers, not prior to the registration of the share capital increase pertaining to the issuance of the New Shares having terminated their commitment to pre-pay the subscription amount for the New Shares. There can be no assurance that these conditions will be satisfied. If the conditions are not satisfied, the Offering may be revoked or suspended.

Assuming that the conditions are satisfied, the first day of trading of the Shares, including the Offer Shares, on the Oslo Stock Exchange is expected to be on or about 24 May 2017. The Shares are expected to trade under the ticker code "SAFE".

Applicants in the Retail Offering selling Offer Shares prior to delivery must ensure that payment for such Offer Shares is made on or prior to the Payment Date, by ensuring that the stated bank account is sufficiently funded on 23 May 2017. Applicants in the Institutional Offering selling Offer Shares prior to delivery must ensure that payment for such Offer Shares is made on or prior to the Institutional Closing Date. Accordingly, an applicant who wishes to sell his/her Offer Shares, following confirmed allocation of Offer Shares, but before delivery, must ensure that timely payment is made in order for such Offer Shares to be delivered in time to the applicant.

Prior to the Listing and the Offering, the Shares are not listed on any stock exchange or authorised market place, and no application has been filed for listing on any other stock exchanges or regulated market places than the Oslo Stock Exchange.

19.14 Dilution

Following completion of the Offering (excluding any over-allotments), the immediate dilution for the Existing Shareholder is estimated to be between approximately 53.8% and 60.9% assuming issuance of all the New Shares.

19.15 Expenses of the Offering and the Listing

Upon completion of the Offering, the Managers shall be entitled to a transaction fee equal to 2.00% of the gross proceeds of the Offering (being the number of Offer Shares multiplied by the Offer Price). In addition, the Existing Shareholder may, at its sole discretion (both in relation to amount and allocation between the Managers), pay to the Managers a discretionary fee of up to 1.25% of the total gross proceeds of the Offering.

The total costs and expenses of, and incidental to, the Listing and the Offering payable by the Company are estimated to amount to approximately NOK 70 million (including VAT) if all New Shares are issued by the Company and the discretionary fee is paid in full.

No expenses or taxes will be charged by the Company or the Managers to the applicants in the Offering.

19.16 Lock-up

19.16.1 The Company

Pursuant to a lock-up undertaking, the Company will undertake that it shall not, during the period up to and including the day falling 12 months after the first day of Listing of the Shares on the Oslo Stock Exchange, without the prior written consent of the Joint Global Coordinators, (i) issue or sell any Shares or any instruments which are convertible or exchangeable into Shares or gives the right to acquire Shares; (ii) offer or agree to issue or sell any Shares or any instruments which convertible or exchangeable into Shares or gives the right to acquire Shares; (iii) establish any security interest over any Shares; (iv) enter into any transaction (including a derivative transaction) having an effect on the market in the Shares similar to an issue or sale of Shares; or (v) publicly announce any intention of doing any of the above; provided, however, that the foregoing shall not apply to (A) the sale and issue of the New Shares in the Offering, (B) granting of options or subscription rights or issuance of Shares under ordinary employee stock option plans or (C) issue of consideration Shares against contribution in kind in connection with acquisitions.

19.16.2 The Existing Shareholder

Pursuant to a lock-up undertaking, the Existing Shareholder will undertake that is shall not, during the period up to and including the date on which the Company releases the second quarterly report after the first day of Listing of the Shares on the Oslo Stock Exchange, without the prior written consent of the Joint Global Coordinators, (i) sell any Shares or any instruments which are convertible or exchangeable into Shares or gives the right to acquire Shares, (ii) offer or agree to sell any Shares or any instruments which are convertible or exchangeable into Shares or gives the right to acquire Shares, (iii) establish any security interest over any Shares; (iv) enter into any transaction (including a derivative transaction) having an effect on the market in the Shares similar to an issue or sale of Shares, or (v) publicly announce any intention of doing any of the above, provided, however, that the foregoing shall not apply to (A) a possible sale of Shares pursuant to the Over-Allotment Option or (B) selling Shares under any public takeover offer for the Company made in accordance with the rules of Chapter 6 of the Norwegian Securities Trading Act.

19.17 Interest of natural and legal persons involved in the Offering

The Managers or their affiliates have provided from time to time, and may provide in the future, financial advisory, investment and commercial banking services, as well as providing financing, to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Managers will receive a fee in connection with the Offering and, as such, have an interest in the Offering. In addition, the Company and the Existing Shareholder may, at their sole and absolute discretion, pay to the Managers an additional discretionary fee in connection with the Offering. See Section 19.15 "Expenses of the Offering and the Listing" for information on fees to the Managers in connection with the Offering.

Nordea Bank and Danske Bank are lenders to the Company under the Existing Facilities Agreement and will become lenders to the Company under the Senior Facilities Agreement. Part of the proceeds raised in the Offering will be used to repay the existing debt under the Existing Facilities Agreement.

Nordnet AB, the ultimate holding company of Nordnet Bank NUF, which is acting as placing agent for the Retail Offering on behalf of the Managers, is controlled by Nordic Capital.

The Existing Shareholder will receive the proceeds from the sale of any Additional Shares.

In total 13 members of the Company's management, and certain other employees, are entitled to bonuses in connection with the Offering. Total estimated cost for the bonuses (including employer's contribution tax and social costs) is approximately NOK 40 million. The transaction bonus is payable by the Company upon completion of the Offering. The members of Management have undertaken to reinvest a portion of their transaction bonus in Offer Shares in the Offering. In total, the members of Management are entitled to a transaction bonus of approximately NOK 25.7 million. The total reinvestment obligation of the members of Management is NOK 8.1 million, corresponding to an estimated pre-tax reinvestment amount of NOK 16.2 million (which constitutes approximately 63% of the transaction bonus payable to the members of Management).

Beyond the above-mentioned, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Offering.

19.18 Participation of major existing shareholders and members of the Management, supervisory and administrative bodies in the Offering

Other than Morten Holum (Chief Executive Officer), Svein Vestermo (Chief Financial Officer), Terje Myhre (Senior Vice President, Saferoad Nordic), Peter Lind (Senior Vice President, Saferoad Europe) and Henrik Perbeck (Chief Executive Officer, ViaCon Group), who all will subscribe for Offer Shares in connection with LTIP 2017, and Nordea Investment Management who will acquire Offer Shares through its commitment as Cornerstone Investor, the Company is not aware of whether any major shareholders of the Company or members of the Management, supervisory or administrative bodies intend to apply for Offer Shares in the Offering, or whether any person intends to apply for more than 5% of the Offer Shares.

19.19 Governing law and jurisdiction

This Prospectus, the Retail Application Form and the terms and conditions of the Offering shall be governed by and construed in accordance with Norwegian law. Any dispute arising out of, or in connection with, this Prospectus, the Retail Application Form or the Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with the Oslo District Court as the legal venue.

20 SELLING AND TRANSFER RESTRICTIONS

20.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares offered hereby.

Other than in Norway, the Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

20.2 Selling restrictions

20.2.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; or (ii) to certain persons outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in each case, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, each Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Offer Shares as part of its allocation at any time other than to those it reasonably believes to be QIBs in the United States in accordance with Rule 144A or outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Offer Shares will be restricted and each purchaser of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 20.3.1 "United States".

Any offer or sale in the United States will be made by affiliates of the Managers who are broker-dealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of Offer Shares within the United States by a dealer, whether or not participating in the Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from the registration requirements of the U.S. Securities Act and in connection with any applicable state securities laws.

Nordea is not an SEC registered broker dealer and will only participate in the Offering outside of the United States.

20.2.2 United Kingdom

This Prospectus and any other material in relation to the Offering described herein is only being distributed to, and is only directed at persons in the United Kingdom who are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive ("qualified investors") that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order); (ii) high net worth entities or other persons falling within Article 49(2)(a) to (d) of the Order; or (iii) persons to whom distributions may otherwise lawfully be made (all such persons together being referred to as "Relevant Persons"). The Offer Shares are only available to, and any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with, Relevant Persons). This Prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person in the United Kingdom. Persons who are not Relevant Persons should not take any action on the basis of this Prospectus and should not rely on it.

20.2.3 European Economic Area

In relation to each Relevant Member State, with effect from and including the date on which the EU Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), an offer to the public of any Offer Shares which are the subject of the offering contemplated by this Prospectus may not be made in that Relevant Member State, other than the offering in Norway as described in this Prospectus, once the Prospectus has been approved by the competent authority in Norway and published in accordance with the EU Prospectus

Directive (as implemented in Norway), except that an offer to the public in that Relevant Member State of any Offer Shares may be made at any time with effect from and including the Relevant Implementation Date under the following exemptions under the EU Prospectus Directive, if they have been implemented in that Relevant Member State:

a) to legal entities which are qualified investors as defined in the EU Prospectus Directive;

b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive), as permitted under the EU Prospectus Directive, subject to obtaining the prior consent of the Managers for any such offer, or

c) in any other circumstances falling within Article 3(2) of the EU Prospectus Directive;

provided that no such offer of Offer Shares shall require the Company, the Existing Shareholder or any Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Directive or supplement a prospectus pursuant to Article 16 of the EU Prospectus Directive. Each person in a Relevant Member State who initially acquires any Offer Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and the Managers that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the EU Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase any Offer Shares, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

20.2.4 Additional jurisdictions

20.2.4.1 Switzerland

The Offer Shares may not be publicly offered in Switzerland and will not be listed on the Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under article 652a or article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under article 27 ff of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Offer Shares or the Offering may be publicly distributed or otherwise made publicly available in Switzerland. Neither this document nor any other offering or marketing material relating to the Offering, the Company or our Shares has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Offering will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the Offering has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirors of interests in collective investment schemes under the CISA does not extend to acquirors of shares.

20.2.4.2 Canada

This Prospectus is not, and under no circumstance is to be construed as, a prospectus, an advertisement or a public offering of the Offer Shares in Canada or any province or territory thereof. Any offer or sale of the Offer Shares in Canada will be made only pursuant to an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable provincial securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made.

20.2.4.3 Hong Kong

The Offer Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the Offer Shares may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

20.2.4.4 Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may they be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

20.2.4.5 Other jurisdictions

The Offer Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia or any other jurisdiction in which it would not be permissible to offer the Offer Shares.

In jurisdictions outside the United States and the EEA where the Offering would be permissible, the Offer Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

20.3 Transfer restrictions

20.3.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Offer Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and are subject to significant restrictions on transfer.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.

- The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.
- The purchaser acknowledges that the Company, the Existing Shareholder, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States pursuant to Rule 144A will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Offer Shares, as the case may be.
- The purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The Offer Shares are "restricted securities" within the meaning of Rule 144(a) (3) of the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares, as the case may be.
- The Company shall not recognise any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.
- The purchaser acknowledges that the Company, the Existing Shareholder, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

20.3.2 European Economic Area

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway) who receives any communication in respect of, or who acquires any Offer

Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with each Manager and the Company that:

a) it is a qualified investor as defined in the EU Prospectus Directive; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this representation, the expression an "offer" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State and the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

21 ADDITIONAL INFORMATION

21.1 Auditor and advisors

The Company's independent auditor is Ernst & Young AS with registration number 976 389 387, and business address at Dronning Eufemias gate 6, N-0191 Oslo, Norway. The partners of Ernst & Young AS are members of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants).

Carnegie AS (Fjordalléen 16, P.O. Box 684 Sentrum, N-0106 Oslo, Norway) and Nordea (Essendropsgate 7, P.O. Box 1166 Sentrum, N-0107 Oslo, Norway) are acting as Joint Global Coordinators and Joint Bookrunners for the Offering. Danske Bank A/S, Norwegian branch (Bryggetorget 4, P.O. Box 1170 Sentrum N-0107 Oslo, Norway) is acting as Joint Bookrunner for the Offering.

Advokatfirmaet Thommessen AS (Haakon VIIs gate 10, N-0161 Oslo, Norway) is acting as Norwegian legal counsel to the Company.

Advokatfirmaet Wiersholm AS (Dokkveien 1, N-0250 Oslo, Norway) is acting as Norwegian counsel to the Joint Global Coordinators and the Joint Bookrunners.

21.2 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Enebakkveien 150, N-0680 Oslo, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- The Company's certificate of incorporation and Articles of Association;
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus;
- The historical financial information of the Company and its subsidiary undertakings for each of the two financial years preceding the publication of this Prospectus; and
- This Prospectus.

22 DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

2010 PD Amending Directive	Directive 2010/73/EU amending the EU Prospectus Directive.
Additional Shares	Up to 4,666,666 additional Shares sold pursuant to the over-allotment by the Stabilisation Manager, equalling up to approximately 15% of the number of New Shares to be sold in the Offering.
Anti-Money Laundering Legislation	The Norwegian Money Laundering Act no. 11 of 6 March 2009 and the Norwegian Money Laundering Regulations no. 302 of 13 March 2009, collectively.
APMs	Alternative performance measures.
Application Period	The application period for the Retail Offering which will take place from 09:00 hours (CET) on 11 May 2017 to 12:00 hours (CET) on 22 May 2017, unless shortened or extended.
Articles of Association	The Company's articles of association.
Board Members	The members of the Board of Directors.
Board of Directors	The Board of Directors of the Company.
Bookbuilding Period	The bookbuilding period for the Institutional Offering which will take place from 09:00 hours (CET) on 11 May 2017 to 14:00 hours (CET) on 22 May 2017, unless shortened or extended.
CAGR	Compound annual growth rate; the average annual growth rate calculated over a given period.
Carnegie	Carnegie AS.
CEE	Central and Eastern Europe.
CEO	The Group's chief executive officer.
CET	Central European Time.
Company	Saferoad Holding ASA.
Company Market Study	Market studies commissioned from Bain & Company, Inc. and information otherwise obtained from Euroconstruct, Business Monitor International and national road authorities.
Cornerstone Investors	Nordea Investment Management and Handelsbanken Fonder, collectively.
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance, dated 30 October 2014.
Danske Bank	Danske Bank A/S, Norwegian branch.
DKK	Danish Kroner, the lawful currency of Denmark.
D&O	Directors' and officers'.
EBITA	Operating profit (loss) before interests, income tax and amortisation.
EBITDA	Operating profit (loss) before interests, income tax, depreciation and amortisation.
EEA	The European Economic Area.
EU	The European Union.
EUR	The lawful common currency of the EU member states who have adopted the Euro as their sole national currency.
EU Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Relevant Member State.
Existing Facilities	The facilities under the Existing Facilities Agreement comprised by the multicurrency term loan facilities and a revolving credit facility.
Existing Facilities Agreement	The agreement dated 10 July 2008, as amended and restated pursuant to an amendment agreement from time to time, and made between, among others, Saferoad Holding AB as borrower and guarantor (as well as certain other subsidiaries of Saferoad Holding AB as borrowers and guarantors), and Nordea Bank AB (publ) as arrangers and agent.
Existing Shareholder	Cidron Triangle S.à r.l., indirectly controlled by Nordic Capital Fund VII.
Financial Information	The SEK Financial Statements, the NOK Financial Statements and the NOK 2014 Financial Information, collectively.
FSMA	UK Financial Services and Markets Act 2000.
General Meeting	The Company's general meeting of shareholders.
Group	The Company and its consolidated subsidiaries.
Guarantee Facility	The guarantee facility comprised by the Senior Facility.

HSE	Health, safety and environment.
IBOR	Inter Bank Offered Rate.
IFRS	International Financial Reporting Standards.
Indicative Price Range	The indicative price range in the Offering of NOK 45 to NOK 60 per Offer Share.
Institutional Closing Date	Delivery and payment for the Offer Shares by the applicants in the Institutional Offering is expected to take place on or about 24 May 2017.
Institutional Offering	An institutional offering, in which Offer Shares are being offered (a) to investors in Norway, (b) investors outside Norway and the United States, subject to applicable exemptions from the prospectus requirements, and (c) in the United States to QIBs, as defined in, and in reliance on, Rule 144A of the U.S. Securities Act; subject to a lower limit per application of NOK 2,000,000.
Joint Bookrunner	Danske Bank.
Joint Global Coordinators and Joint Bookrunners	Carnegie and Nordea, collectively.
LCC	Low cost country.
Lending Option	A lending option to be granted to the Stabilisation Manager by the Existing Shareholder, pursuant to which the Stabilisation Manager may require the Existing Shareholder to lend to the Stabilisation Manager, on behalf of the Managers, up to a number of Shares equal to the number of Additional Shares.
Listing	The listing of the Shares on the Oslo Stock Exchange.
LTIP 2017	The long term incentive program in the Company resolved implemented by an Extraordinary General Meeting of the Company on 2 May 2017, conditional upon the Shares being admitted to trading on the Oslo Stock Exchange during 2017.
Management	The senior management team of the Group.
Managers	The Joint Global Coordinators and the Joint Bookrunners, collectively.
Megatrend	A major trend or movement related to demographic, political, technological, economic, social or cultural shifts.
New Shares	Up to 31,111,112 new common shares of the Company offered pursuant to the Offering.
NOK	Norwegian Kroner, the lawful currency of Norway.
NOK Financial Information	The Saferoad Holding AB Group's unaudited financial information for the year ended 31 December 2014, converted from SEK to NOK (using an exchange rate at 31 December 2014 for the balance sheet and the average exchange rate for the year for the profit and loss and cash flow), prepared for prospectus purposes.
NOK Financial Statements	The Group's audited consolidated financial statements as at, and for the year ended, 31 December 2016, prepared in accordance with IFRS and with NOK as the presentation currency (and with unaudited comparative figures for the year ended 31 December 2015), with the Company as the ultimate parent company of the Group.
NOM-account	Nominee account.
Non-Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes.
Non-Norwegian Personal Shareholders	Shareholders who are individuals not resident in Norway for tax purposes.
Nordea	Nordea Bank AB (publ), filial i Norge.
Nordic Capital	"Nordic Capital" refers to Nordic Capital Fund VII and/or funds preceding and/or succeeding Nordic Capital Fund VII (depending on the context).
Nordic Capital Fund VII	Nordic Capital VII Limited, acting in its capacity as general partner of Nordic Capital VII Alpha, L.P. and Nordic Capital VII Beta, L.P., together with associated co-investment vehicles.
Norwegian Act on Overdue Payment	The Norwegian Act on Overdue Payment of 17 December 1976 no. 100 (*Nw.: forsinkelsesrenteloven*).
Norwegian Corporate Shareholders	Norwegian shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes.
Norwegian FSA	The Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*).
Norwegian Personal Shareholders	Shareholders who are individuals resident in Norway for tax purposes.
Norwegian Public Limited Companies Act	The Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (*Nw: allmennaksjeloven*)
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 28 June 2007 no. 75 (*Nw.: verdipapirhandelloven*).

NTP	The new Norwegian National Transport Plan for the period 2018-2029 that will be released in 2017.
Offering...	The initial public offering of the Shares.
Offer Price	The final offering price for the Offer Shares in the Offering. The Offer Price may be set within, below or above the Indicative Price Range.
Offer Shares	The New Shares together with any Additional Shares – the Shares offered pursuant to the Offering.
Order	The UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
Oslo Stock Exchange..........................	Oslo Børs ASA, or, as the context may require, Oslo Børs, a Norwegian regulated stock exchange operated by Oslo Børs ASA.
Over-Allotment Option	Option expected to be granted by the Existing Shareholder to the Stabilisation Manager, on behalf of the Managers, to purchase up to 4,666,666 Additional Shares, equalling up to approximately 15% of the number of New Shares sold in the Offering, exercisable, in whole or in part, within a 30-day period commencing at the time at which trading in the Shares commences on the Oslo Stock Exchange, expected to be on or about 24 May 2017, to cover any over-allotments made in connection with the Offering.
Payment Date	The payment date for the Offer Shares under the Retail Offering, expected to be on 24 May 2017.
Placement Agreement	The placement agreement expected to be entered into by the Company, the Existing Shareholder and the Managers on or about 22 May 2017 with respect to the Offering of the Offer Shares.
PPP	Public-private partnerships.
Prospectus.......................................	This Prospectus, dated 10 May 2017.
PPA...	Public-private partnerships.
QIBs	Qualified institutional buyers as defined in Rule 144A.
RCF	The revolving credit facility comprised by the Senior Facility.
Regulation S	Regulation S under the U.S. Securities Act.
Relevant Implementation Date	In relation to each Relevant Member State, with effect from and including the date on which the EU Prospectus Directive is implemented in that Relevant Member State.
Relevant Member State	Each Member State of the EEA which has implemented the EU Prospectus Directive.
Relevant Persons	Persons in the UK that are (i) investment professionals falling within Article 19(5) of the Order or (ii) high net worth entities, and other persons to whom the Prospectus may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order.
Reorganisation	The reorganisation of the corporate structure of the Group that has been implemented in connection with the Listing.
Retail Application Form......................	Application form to be used to apply for Offer Shares in the Retail Offering, attached to this Prospectus as Appendix C.
Retail Offering..................................	A retail offering, in which Offer Shares are being offered to the public in Norway subject to a lower limit per application of an amount of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor.
Rule 144A..	Rule 144A under the U.S. Securities Act.
Saferoad	The Company and its consolidated subsidiaries.
SEC	U.S. Securities and Exchange Commission.
SEK	Swedish Kroner, the lawful currency of Sweden.
SEK Financial Statements	The Saferoad Holding AB Group's audited consolidated financial statements as at, and for the years ended, 31 December 2015 and 2014 prepared in accordance with IFRS and with SEK as the presentation currency, with Saferoad Holding AB as the ultimate parent company of the Saferoad Holding AB Group.
Senior Facilities	The senior facilities under the Senior Facilities Agreement (SFA) comprised of the three distinct and multicurrency facilities; the Term Facility, the RCF and the Guarantee Facility.
Senior Facilities Agreement................	The new senior facilities agreement dated 17 February 2017 entered into by the Company as original borrower and guarantor with Danske Bank A/S and Nordea Bank AB (publ), filial i Norge as counterparties and arrangers, and Danske Bank A/S as agent.
Share(s)..	Shares in the share capital of the Company, each with a nominal value of NOK 0.10, or any one of them.
Stabilisation Manager........................	Carnegie.
Term Facility	The term facility comprised by the Senior Facility.

UK	The United Kingdom.
Underlying EBITA	EBITA adjusted for material items which are not regarded as part of underlying business performance for the period, such as major restructuring costs and closure costs, major impairments of property, plant and equipment, effects of disposals of businesses and operating assets, as well as other major effects of a special nature.
Underlying EBITDA	EBITDA adjusted for material items which are not regarded as part of underlying business performance for the period, such as major restructuring costs and closure costs, major impairments of property, plant and equipment, effects of disposals of businesses and operating assets, as well as other major effects of a special nature.
U.S. or United States	The United States of America.
U.S. Exchange Act	The U.S. Securities Exchange Act of 1934, as amended.
U.S. Securities Act	The U.S. Securities Act of 1933, as amended.
USD	United States Dollars, the lawful currency in the United States.
VPS	The Norwegian Central Securities Depository (*Nw.: Verdipapirsentralen*).
VPS account....................................	An account with VPS for the registration of holdings of securities.

APPENDIX A:

ARTICLES OF ASSOCIATION OF SAFEROAD HOLDING ASA

OFFICE TRANSLATION

VEDTEKTER

FOR

SAFEROAD HOLDING ASA

Pr 2. mai 2017

§ 1 - Foretaksnavn

Selskapets navn er Saferoad Holding ASA. Selskapet er et allmennaksjeselskap.

§ 2 - Forretningskontor

Selskapets forretningskontor er i Oslo kommune.

§ 3 - Formål

Selskapets formål er å drive virksomhet tilknyttet produkter og tjenester for veier eller som forbedrer veisikkerheten, og annen virksomhet som står i naturlig forbindelse med dette. Virksomheten kan også drives gjennom deltakelse i eller i samarbeid med andre selskaper.

§ 4 - Aksjekapital

Aksjekapitalen er NOK 2.000.000, fordelt på 20.000.000 aksjer, hver pålydende NOK 0,10. Aksjene skal være registrert i et verdipapirregister.

§ 5 - Styre

Selskapets styre skal ha fra tre til ti medlemmer, etter generalforsamlingens nærmere beslutning.

§ 6 - Signatur

Selskapets firma tegnes av daglig leder og styreleder i fellesskap eller styreleder og et styremedlem i fellesskap. Styret kan meddele prokura.

§ 7 - Generalforsamling

Dokumenter som gjelder saker som skal behandles i selskapets generalforsamling, herunder dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen, trenger ikke sendes til aksjonærene dersom dokumentene er

ARTICLES OF ASSOCIATION

FOR

SAFEROAD HOLDING ASA

Per 2 May 2017

Section 1 - Company name

The company's name is Saferoad Holding ASA. The company is a public limited company.

Section 2 - Registered office

The company's registered office is in the municipality of Oslo, Norway.

Section 3 - Objective

The company's objective is to conduct business related to products and services for roads or which improve road safety, as well as other business operations that are naturally related therewith. The business can also be conducted through participation in or in cooperation with other companies.

Section 4 - Share capital

The share capital is NOK 2,000,000, divided into 20,000,000 shares, each with a nominal value of NOK 0,10. The shares shall be registered with a register of securities.

Section 5 - Board of directors

The company's board of directors shall consist of three to ten members according to the decision of the general meeting.

Section 6 - Signatory rights

The managing director and the chairman jointly or the chairman and one board member jointly may sign for and on behalf of the company. The board of directors may grant powers of procuration.

Section 7 - General meeting

Documents relating to matters to be dealt with by the company's general meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the tilgjengelige på selskapets hjemmeside. En aksjonær kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen.

På den ordinære generalforsamling skal følgende spørsmål behandles og avgjøres:

- Godkjennelse av årsregnskapet og årsberetningen, herunder utdeling av utbytte.
- Andre saker som etter loven eller vedtektene hører under generalforsamlingen.

Aksjonærer kan avgi sin stemme skriftlig, herunder ved bruk av elektronisk kommunikasjon, i en periode før generalforsamlingen. Styret kan fastsette nærmere retningslinjer for slik forhåndsstemming. Det skal fremgå av generalforsamlingsinnkallingen hvilke retningslinjer som er fastsatt.

Styret kan beslutte at aksjonærer som vil delta på generalforsamlingen må melde dette til selskapet innen en bestemt frist som ikke kan utløpe tidligere enn tre dager før generalforsamlingen.

§ 8 - Valgkomité

Selskapet skal ha en valgkomité. Valgkomiteen skal bestå av to til tre medlemmer, etter generalforsamlingens beslutning, som skal være uavhengige av styret og den daglige ledelse. Valgkomiteens medlemmer, herunder valgkomiteens leder, velges av generalforsamlingen for to år av gangen.

Valgkomiteen avgir innstilling til generalforsamlingen til valg av aksjonærvalgte medlemmer til styret og medlemmer til valgkomiteen, samt godtgjørelse til styrets medlemmer og valgkomiteens medlemmer. Godtgjørelse til medlemmene av valgkomiteen fastsettes av generalforsamlingen. Generalforsamlingen kan fastsette instruks for valgkomiteen.

company's website. A shareholder may nevertheless request that documents relating to matters to be dealt with at the general meeting, is sent to him/her.

The annual general meeting shall address and decide upon the following matters:

- Approval of the annual accounts and the annual report, including distribution of dividend.
- Any other matters which are referred to the general meeting by law or the articles of association.

The shareholders may cast their votes in writing, including through electronic communication, in a period prior to the general meeting. The board of directors can establish specific guidelines for such advance voting. It must be stated in the notice of the general meeting which guidelines have been set.

The board of directors may decide that shareholders who want to participate in the general meeting must notify the company thereof within a specific deadline that cannot expire earlier than three days prior to the general meeting.

Section 8 - Nomination committee

The company shall have a nomination committee. The nomination committee shall consist of two to three members, as resolved by the general meeting, who shall be independent of the board of directors and the management. The members of the nomination committee, including the chairman, will be elected by the general meeting for a term of two years.

The nomination committee shall give recommendations for the election of shareholder elected members of the board of directors and the members of the nomination committee, and remuneration to the members of the board of directors and the members of the nomination committee. The remuneration to the members of the nomination committee is determined by the general meeting. The general meeting may adopt instructions for the nomination committee.

APPENDIX B:

FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2016, 2015 AND 2014

2016
ANNUAL REPORT

SAFEROAD®

Content

Key figures Saferoad Group

NOK million	2016	2015	Change %
Underlying Revenue [1]	5 764	5 506	+ 5
Road Safety	4 015	3 814	+ 5
Road Infrastructure	1 787	1 693	+ 6
Underlying EBITDA [1]	478	414	+ 15
Underlying EBITDA margin %	8.3 %	7.5 %	+ 0.8pp
Underlying EBITA [1]	337	276	+ 22
Underlying EBITA margin %	5.9 %	5.0 %	+ 0.9pp
Road Safety	259	232	+ 12
Road Infrastructure	116	83	+ 40
Underlying EBITA [1]	337	276	+ 22
Items excluded from EBITA [1]	57	183	
Reported EBITA	280	93	+ 201

Underlying Revenue 2016:

5 764

NOK million

Underlying EBITDA 2016:

478

NOK million

Underlying EBITA 2016:

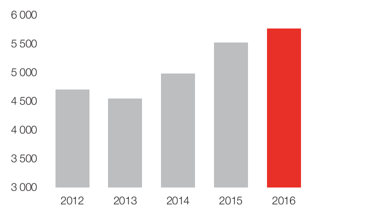
337

NOK million

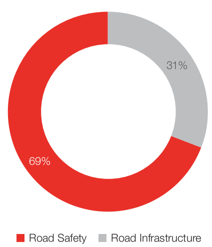
Number of employees:

2 715

Reported revenue development (NOK million)



Reported revenue by business area 2016



1) Items excluded from Underlying Revenue, EBITDA and EBITA are specified in Alternative performance measures page 21

Saferoad operates in attractive markets with a positive outlook for the future. Public spending for road infrastructure in our markets is expected to show healthy growth rates in the coming years.

Morten Holum
CEO Saferoad

Message from the CEO

Every year, more than 2 700 service-minded Saferoad employees deliver products and solutions to a substantial number of our customers´ projects across more than 20 European countries.

I am extremely proud of the effort and dedication that our employees display in their service of the customers. It is only by adding value to customers in ways that make them successful that we secure our own success. This is our everyday task – and our commitment.

The Group had a strong year in 2016, further developing our leading positions in several European markets. The operating performance improved significantly from 2015, with an Underlying Revenue growth of 5 per cent and an underlying EBITA growth of 22 per cent. I am particularly satisfied with the performance improvement achieved in the Road Safety business in Europe following a reorganisation at the end of 2015. We also strengthened our Road Infrastructure business in the Nordics, where we achieved synergies from bolt-on acquisitions and streamlined the production setup in Sweden. In the Road Safety Nordic region, we experienced softer trading in 2016 when lower project volume in the second half of the year led to reduced margins and lower operating leverage compared to 2015. However, we expect higher project volume in 2017 and have also launched a series of operational measures that will positively impact performance of this business in 2017. In addition to our strength in home markets, we saw further evidence that our product portfolio is competitive also in export markets. In 2016, we successfully delivered our solutions within both business areas to projects in several countries in Northern Africa and the Middle East.

Our purpose in Saferoad is to make life on the road safer. Around 25 000 people are killed in traffic accidents on European roads every year, and each one of these fatalities is devastating to those that are impacted – family members, friends and colleagues. In addition, traffic accidents represent a tremendous cost to society. Consequently, the EU and its member states have targeted to reduce the number of road fatalities by 50 per cent by 2020. Saferoad plays an important role in achieving that target. Our products and services can help both to reduce the number of accidents and to lessen the impact of accidents that occur. With our broad portfolio of road safety products, we will actively contribute to reduce the number of road fatalities. This makes what we do truly meaningful.

We take great pride in delivering high quality products and solutions that improves road safety. Similarly, we also want our employees to come home safe from work. As a result, we are executing a Group-internal program to raise the health and safety standard in all our businesses, engaging the same vision zero mind-set towards worker safety as we have towards road safety.

Saferoad operates in attractive markets with a positive outlook for the future. Public spending for road infrastructure in our markets is expected to show healthy growth rates in the coming years. This is driven by a need to build new roads and to improve the maintenance and safety standards of existing roads. Saferoad is well positioned to capitalise on this development. With our strong market positions, leading expertise, cost effective supply chain and extensive local presence, we are confident that we will be able to develop the company further and drive profitability. Together with an experienced and engaged team of Saferoad employees, I am looking forward to pursuing these exciting opportunities in 2017 and beyond.

Saferoad in brief

Saferoad is a leading road safety and road infrastructure solutions provider in Northern, Central and Eastern Europe. The Group's business is to design, manufacture and deliver products and solutions that improve the road safety and road infrastructure standards. Saferoad plays an important role in various stages throughout new road construction projects and within maintenance and upgrades of existing roads. The Group operates in an attractive and growing infrastructure market, driven by increased traffic volumes, strong political commitment to reduce the maintenance lag on existing roads and favourable public and political attitudes towards improving road safety standards.

The Group has leading positions in several markets across Europe, combining strong responsiveness to customer needs through an extensive local presence and a cost effective supply chain. The Group serves the most product-intensive parts of the road construction value chain, delivering products and solution to those that own, build and maintain roads. The Group is organised in two main business areas, Road Safety and Road Infrastructure.

European footprint

Comprehensive product offering

ROAD SAFETY

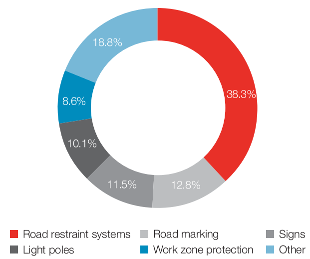
ROAD INFRASTRUCTURE

Road Safety

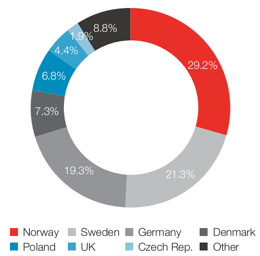
Road Safety is Saferoad's largest business area, representing around 70 per cent of total revenue. The customer offering comprises products and solutions designed to improve road safety, the majority of which are developed and manufactured within the Group. In addition, certain complimentary products are traded from renowned international partners. The product portfolio consists mainly of road restraint systems (guard rails, bridge parapets and crash cushions), light poles, signs, work zone protection and road marking. Saferoad is an integrated solutions provider with capabilities to deliver the full spectrum of services, from design to installation, to its customers. The products are engineered and tailored to fit different customer needs, fulfilling both the safety and aesthetic requirements in each specific project.

The business area is split in two geographical business regions, Road Safety Nordic and Road Safety Europe. The Nordic business region consists of Norway and Sweden as the two largest markets, in addition to smaller businesses in Denmark, Finland and the UK. Saferoad operates in the region as a full-suit supplier with a strong presence in all main product categories and offers products from 45 locations. The Europe business region consists of Germany and Poland as the two largest markets, in addition to smaller businesses in other countries in Western, Central and Eastern Europe. In this region, Saferoad is focused on selected product niches and offers its products from 17 locations, including an export office in Berlin, Germany and a central manufacturing site in Poland.

Revenue by product category 2016



Revenue by geographical area 2016

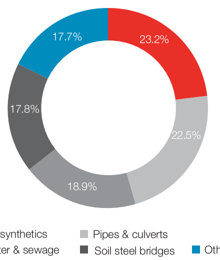


Road infrastructure

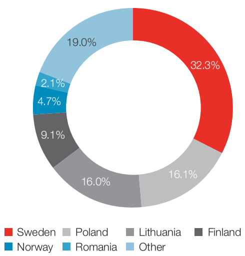
The Road Infrastructure business area represents around 30 per cent of total revenue and operates under the ViaCon brand. The customer offering comprises products and solutions for subgrade construction, which refers to the process of stabilising and reinforcing the terrain, including structural subgrade work related to bridges and ensuring sufficient drainage of water. Similar to the Road Safety area, the majority of products are designed and manufactured within the Group, while complimentary products are traded from renowned international partners. The product portfolio consists of soil steel bridges, pipes and culverts (both steel and plastic), geosynthetics and water and sewage. As for the Road Safety area, the Group is an integrated solutions provider with capabilities to deliver the full spectrum of services, from design to installation, to fulfil the needs of its customers. Technical expertise and skilled employees are particularly important for the engineering-intensive products areas, in particular soil steel bridges and geotechnical solutions. The markets are served through a combination of a local network of sales offices, local warehouses and central manufacturing sites.

The business area is split in two geographical business regions, Road Infrastructure Nordic and Road Infrastructure Europe. Road Infrastructure Nordic consists of Sweden and Finland as the two largest markets, in addition to businesses in Norway and Denmark. The business area offers its products from 16 locations. Road Infrastructure Europe consists of Poland and Lithuania as the two largest markets, in addition to businesses across the Baltics, CEE and Turkey. Customers are served from 30 locations, with a selective outreach to countries in the Middle Eastern and North Africa from export hubs in Poland and Turkey.

Revenue by product category 2016



Revenue by geographical area 2016



Vision and strategy

Saferoad's vision is to be the number one road safety and road infrastructure solutions provider in Europe. The Group´s strategy is focused on three main pillars:

- strengthening and further developing its strong positions in home markets
- driving growth in selected attractive product niches and geographies
- leveraging its combined capabilities, further capturing scale benefits and synergies across the Group

Through the Group´s extensive geographical footprint and broad products and solutions offering, Saferoad is well positioned to capitalise on favourable markets trends and deliver on its ambition of further revenue and earnings growth, both organically and through accretive acquisitions from its Northern and Central European base.

Board of Director's report

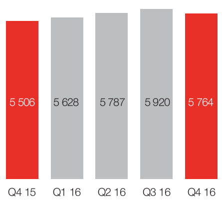
Saferoad is a leading road safety and road infrastructure solutions provider in Northern, Central and Eastern Europe. Saferoad confirmed its strong position in 2016 by increasing both its revenue and earnings, driven by higher volume, cost efficiency measures and acquisition synergies.

Performance

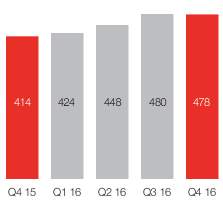
Underlying operating results [1)]

- Underlying Revenue increased by 5 per cent to NOK 5 764 million
- Underlying EBITDA increased by 15 per cent to NOK 478 million
  - Underlying EBITDA margin increased to 8.3 per cent from 7.5 per cent
- Underlying EBITA increased by 22 per cent to NOK 337 million
  - Underlying EBITA margin increased to 5.9 per cent from 5.0 per cent

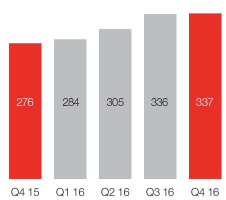
Underlying Revenue
Last twelve months (LTM)
NOK million



Underlying EBITDA
Last twelve months (LTM)
NOK million



Underlying EBITA
Last twelve months (LTM)
NOK million



NOK million	2016	2015	Change %
Revenue Underlying	**5 764**	5 506	+ 5
EBITDA Underlying	**478**	414	+ 15
EBITA Underlying	**337**	276	+ 22
EBITA Reported	**280**	93	+ 201
EBITDA Underlying margin%	**8.3 %**	7.5 %	+ 0.8pp
EBITA Underlying margin%	**5.9 %**	5.0 %	+ 0.9pp

1) To provide a better understanding of Saferoad's underlying performance, the discussion of underlying operating results excludes certain non-recurring and non-operational items from EBITDA (earnings before financial items, tax, depreciation and amortisation) and EBITA (earnings before financial items, tax and amortisation), such as restructuring charges and closure costs, transaction cost, depreciation of excess values and impairment charges, as well as other items that are of a special nature or are not expected to be incurred on an ongoing basis.

Underlying Revenue increased by 5 per cent in 2016 to NOK 5 764 million compared to the year before. The Group achieved significantly higher sales volumes in Road Safety Europe compared to 2015, taking advantage of favourable markets in Germany and Poland. In addition, the Group completed some accretive bolt-on acquisitions in 2015 that had a full-year effect in 2016. Around one third of the growth was related to currency effects.

Underlying EBITA for the Group increased by 22 per cent in 2016 to NOK 337 million. The positive development was driven by higher sales volume and margins in both Road Safety Europe and Road Infrastructure Nordic.

The underlying EBITA margin in 2016 was 5.9 per cent (5.0 per cent), with improvements in both business areas.

Road Safety

NOK million	2016	2015	Change %
Revenue Underlying	**4 015**	3 814	+ 5
EBITDA Underlying	**374**	341	+ 10
EBITA Underlying	**259**	232	+ 12
EBITDA Reported	**389**	307	+ 27
EBITDA Underlying margin%	**9.3 %**	8.9 %	+ 0.4pp
EBITA Underlying margin%	**6.4 %**	6.1 %	+ 0.3pp

Total Underlying Revenue for the Road Safety business area increased by 5 per cent for the year to NOK 4 015 million, while underlying EBITA increased to NOK 259 million from NOK 232 million.

In the Nordic region, Underlying Revenue for the year increased 2 per cent to NOK 2 648 million. This was mainly driven by the Group's continued expansion of the traffic accommodation business and a high success rate on larger road restraint system projects in the UK. In addition, revenue was positively impacted by currency translation effects following the depreciation of the NOK. Sales volumes of road restraint systems in Norway and Sweden were lower than the previous year.

Underlying EBITA in the Nordic region was NOK 155 million from NOK 191 million in 2015. Lower project volumes in the market for road restrains systems led to increased competition and lower capacity utilisation. Consequently, the EBITA margin declined to 5.9 percent for 2016, down from 7.3 per cent the year before. Several measures to increase production efficiency were introduced in 2016.

In the Europe region, Underlying Revenue in 2016 increased by 12 per cent to NOK 1 438 million, driven by high volumes on the back of strong markets in Germany and Poland combined with some larger export projects.

Underlying EBITA in the Europe region increased to NOK 104 million in 2016 from NOK 41 million in 2015. A reorganisation of the supply chain management in Q4 2015 had the targeted impact in terms of lower operating cost and increased operational efficiency in 2016. In addition, downscaling of the operations in Turkey had a positive effect. As a result, underlying EBITA margin increased to 7.2 per cent, up from 3.2 per cent last year.

Road Infrastructure

NOK million	2016	2015	Change %
Revenue Underlying	**1 787**	1 693	+ 6
EBITDA Underlying	**142**	112	+ 27
EBITA Underlying	**116**	83	+ 40
EBITDA Reported	**151**	99	+ 53
EBITDA Underlying margin%	**8.0 %**	6.6 %	+ 1.4pp
EBITA Underlying margin%	**6.5 %**	4.9 %	+ 1.6pp

Total Underlying Revenue for the Road Infrastructure business area increased by 6 per cent for the year to NOK 1 787 million, while underlying EBITA increased to NOK 116 million from NOK 83 million.

In the Nordic region, Underlying Revenue for the year increased 18 per cent, to NOK 851 million. The Group strengthened its position in Sweden by acquiring two companies in the second half of 2015. Increased competitiveness and actively pursuing higher value products also drove sales.

Underlying EBITA in the Nordic region more than doubled in 2016 compared to 2015, to NOK 50 million from NOK 18 million, taking the underlying EBITA margin to 5.9 per cent from 2.5 per cent. The improvement was mainly a result of streamlining the production setup in Sweden, refocusing the sales approach in Denmark, shifting the product mix towards higher margin technical products and capturing acquisition synergies and operational efficiency measures.

In the Europe region, Underlying Revenue decreased by 1 per cent mainly as a result of lower sales in Poland and Turkey compared to 2015, driven by the phasing of projects year over year. In 2015, a number of projects in Poland and Turkey were executed late in the year, generating high revenue. The Group had a positive contribution from an acquisition in Q1 2016.

Underlying EBITA in the Europe region decreased to NOK 70 million from NOK 74 million, mainly driven by lower sales volume, partly compensated by lower material costs. The underlying EBITA margin was 7.0 per cent, marginally lower than the previous year.

Reported results

The Saferoad Group
Reported revenue in 2016 was NOK 5 764 million, equal to Underlying Revenue. Reported earnings before financial items, tax and amortisation amounted to NOK 280 million in 2016, NOK 57 million lower than underlying EBITA. The reported EBITA included transaction cost related to preparations of the Group for a potential change of ownership of NOK 22 million and impairment charges of NOK 11 million. Reported earnings also included restructuring charges of NOK 8 million and depreciations of excess values of NOK 15 million.

In 2015, reported revenue was NOK 5 523 million, NOK 17 million higher than Underlying Revenue due to adjustments for sold businesses. Reported earnings before financial items, tax and amortisation amounted to NOK 93 million, NOK 183 million lower than underlying EBITA. The reported EBITA for 2015 included significant costs related to disposals, impairment charges, transaction costs and depreciation of excess values. Further details are disclosed in the Alternative Performance Measures table on page 21.

In 2016 income before tax amounted to NOK (440) million, where impairment losses and net exchange losses significantly impacting the earnings. The total impairment losses of NOK (320) million consist mainly of an impairment loss of NOK (183) million relating to goodwill and intangible excess values recognised in Road Safety Europe and an impairment loss of NOK (126) million through the write-off of the remaining goodwill of the business in Denmark. A net exchange rate loss of NOK (97) million and financial expenses of NOK (256) million were recognised in 2016. In the previous year income before tax amounted to NOK (219) million including a net exchange rate gain of NOK 61 million and financial expenses of NOK (294) million.

Income taxes amounted to positive NOK 1 million in 2016, compared with a charge of NOK (45) million in 2015. Net income amounted to NOK (439) million in 2016, compared with NOK (264) million in 2015.

Parent company
The Group's legal structure was changed in 2016. A new company, Cidron Triangle AS was established in 2016 to serve as parent company, replacing Saferoad Holding AB as the highest governing body. Cidron Triangle AS owns 100 per cent of the shares in Saferoad Holding AB.

The Group has applied predecessor accounting to the restructuring and has accounted for the business combination under the pooling of interest method. The new Group has changed its presentation currency from SEK to NOK. See note 1 in the Group's consolidated financial statement for further details.

There were no activity in the parent company in 2016 other than holding shares in the subsidiary Saferoad Holding AB and the profit/(loss) for the period 2016 was NOK 0. The Board of Cidron Triangle AS proposes not to distribute any dividends for 2016.

Financial situation and capital structure

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

Total assets at year end 2016 was NOK 4 818 million, down from NOK 5 515 million the year before. Total investments in fixed and intangible assets amounted to NOK 188 million an increase of NOK 23 million compared to 2015. Total spending in research and development in 2016 amounted to NOK 16.8 million, an increase of NOK 5.5 million from the year before. Saferoad had net non-current interest-bearing debt, excluding shareholder loans, of NOK 2.0 billion at the end of 2016, which is at the same level as the year before.

Total equity was NOK 1 222 million at the end of 2016, up from NOK 1 036 million at the end of 2015, giving an equity ratio at year end of 25 per cent, compared to 19 per cent the year before. The increase in equity comes as an effect of a conversion of a shareholder's loan of NOK 612 million to new equity in December 2016.

The Group's net cash flow from operations for the year was NOK 243 million, an increase of 12 per cent compared to 2015. The positive development in operating cash flow was mainly related to improved EBITDA, partly off-set by an increase of NOK 73 million in operating working capital [2]. This increase was driven by higher revenue and additional raw material inventories purchased for orders scheduled for delivery in 2017.

The Group has facilities agreement with a bank syndicate of total NOK 2 517 million at 31 December 2016, consisting of long-term loans of NOK 1 867 million and short-term credit facilities to secure seasonal working capital and guarantees. The short term financing consists of revolving credit facilities of NOK 650 million. During 2016 Saferoad entered into an additional bi-lateral guarantee agreement, which is also governed by the senior facility agreement as permitted financial indebtedness, with a total of EUR 7 million (NOK 64 million). The revolving credit facilities are used primarily for working capital financing and ancillary facilities. At the end of 2016 NOK 413 million was utilized as debt draw-downs used for working capital purposes, which is classified as current liabilities in the balance sheet, and NOK 253 million for guarantee purposes. Most of the liquidity within the Group resides within two cash pools to have visibility and accessibility to cash across the Group.

In addition, Saferoad has debt outside the facilities agreement and has previously received unsecured long-term loans from shareholders.

The term loans mainly have a bullet structure with minor instalments of approximately NOK 40 million and NOK 50 million late in 2017 and 2018 respectively. All facilities within the loan agreement mature at 30 June 2019. An equity guarantee of NOK 300 million issued by Cidron Triangle S.à r.l. matures 1 July 2019, one day after the termination date of the facilities agreement. Any breach of covenants may be cured by utilising the guarantee, and any utilised amount will remain within the Group.

Saferoad was in compliance with its financial covenants at 31 December 2016.

2) Operating working capital consists of inventories, trade receivables and accounts payables.

In accordance with section 3-3 of the Norwegian Accounting Act, the Board of Directors confirms that the financial statements have been prepared on the assumption of a going concern.

Strategy and financial targets

Saferoad's long-term vision is to be the number one road safety and road infrastructure solutions provider in Europe. The main strategic objectives of the Group is to strengthen and develop its current positions, to drive growth in selected areas and to leverage the Group´s capabilities across its entire portfolio.

Through the Group's extensive geographical footprint and broad products and solutions offering, Saferoad is well positioned to benefit from favourable markets trends and deliver on its ambition to further grow the Group and improve profitability.

The mid-term financial targets for Saferoad are to achieve an average annual revenue growth of five per cent and to increase the underlying EBITDA margin towards the 10 per cent level. With the strong market outlook and the operational improvement initiatives available, the Board has confidence in the company's ability to meet these targets.

Market developments and outlook

Saferoad operates in the European road infrastructure market and delivers products and engineering solutions to road construction and maintenance projects. Saferoad's primary geographical markets are the Nordics, Western Europe and Central and Eastern Europe (CEE), of which the largest part of revenue comes from Norway, Sweden, Germany and Poland.

Market outlook
The outlook for Saferoad's main markets is promising for the years ahead, driven by increased Government spending to build, maintain and upgrade the road infrastructure. Furthermore, the EU has in 2016 injected additional funds to transport infrastructure to boost jobs and economic growth. The markets and product segments in which the Group operates are on average expected to grow in excess of 5 per cent annually over the next 3-5 years. The growth rates in the Group´s four largest markets – Norway, Sweden, Germany and Poland – are expected to be on or above the average annual growth rate. The growth in Government spending is driven by increasing road traffic volumes, higher safety focus and Government efforts to reduce the existing maintenance lag on the road networks across Europe.

The Group is well positioned to capture this growth, with strong market positions in main markets, a competitive product portfolio and an extensive sales and service network. In addition, the Group has a wide set of tangible operational improvement initiatives to ensure that it can remain competitive and improve the quality of earnings.

Risk factors and risk management

Saferoad is subject to several operational and financial risk factors and uncertainties which may affect parts or all of its activities. Through the Group's risk management and internal control framework, Saferoad systematically identifies, assesses, communicates and manages risk throughout the Group. The responsibility for good risk management and internal control primarily rests with the first-line management, meaning the CEO and all managers and employees in the operational units, through the work they carry out in accordance with the authorisations, instructions and guidelines that apply to each of them.

The following paragraphs describe some of the key risks that may impact the Group´s business operations, financial position and financial performance. The description also includes a summary of how the Group manages the risk and the actions it has taken to mitigate the risks.

Industry risk
Saferoad operates in a market that is primarily funded by public authorities, and the end customers are typically road authorities and local municipalities. The company can be affected by a downturn in the general economic environment, a lack of prioritised funds to the road infrastructure sector versus other sectors or a change in regulatory standards for road quality and road safety. In addition, changing behaviour and technology developments that reduce traffic volumes and investments in road infrastructure and maintenance may impact the Group's business, revenue, profit and financial position.

The Group is mitigating industry risk by diversification, both geographically and by products. The Group has a sizable footprint in over 20 European countries and also exports selected products outside its main footprint. Saferoad works actively with the company's ability to quickly respond to customer needs by having a strong local presence and by focusing on continuous product and business model development.

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

Operational risk also refers to losses due to weaknesses or faults in processes and systems, errors made by employees, or external events. To reduce the risk, emphasis is put on well-defined and clear lines of reporting and a clear division of responsibility in the organisation of the business. The Group has a decentralised governance structure, with local management having extended responsibility for the local operations. The Group continuously works to identify and to mitigate risks, in particular in respect of strategic, operational, compliance, tax and financial risks throughout the Group. A code of Conduct and a corporate compliance program and an encrypted reporting tool has been established to support the Group to avoid official sanctions, financial losses or a loss of reputation because of failure to comply with laws, regulations and standards.

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

Financial and market risk
The Group is exposed to financial risks associated with financial instruments such as trade receivables, liquidity and interest-bearing debt. These risks are classified as credit, market and liquidity risks. For a more detailed presentation of the company's financial risk, see note 18 in the 2016 financial statements.

The Saferoad Group reports its financial results in Norwegian kroner (NOK). In general, both the revenue and the cost base of the Group's foreign subsidiaries' are primarily in their local currencies and the risk related to currency exchange fluctuation is limited. Nevertheless, subsidiaries may from time to time generate income or incur costs under currencies that differ from the currency of their operational costs. Furthermore, the Group is exposed to currency exchange fluctuations in connection with conversion of foreign currency when consolidating the Group accounts.

Legal proceedings
From time to time, Saferoad and other companies in the Group may be involved in litigation, disputes and other legal proceedings arising in the normal course of their business. For a more detailed information, see note 28 in the 2016 financial statements.

Corporate governance
Good corporate governance is a priority for the Board. The Board has based the Group's corporate governance on the Norwegian Code of Practice for Corporate Governance and it has made adjustments to ensure that it complies with the Code. A more detailed account of how Saferoad complies with the Code of Practice for reporting on corporate governance is provided on pages 18 to 20 in the 2016 annual report.

The Group's legal structure was changed in 2016, ref. page 13. Up until December 2016, the Group's operational corporate governance was overseen from Saferoad AS and Saferoad Holding AB.

Employees, corporate social responsibility and the environment
At year end 2016, Saferoad had 2 715 (2 644) employees. The employees represent diversity in terms of age, education, experience and cultural background. Saferoad promotes a healthy and development oriented workplace. The Group works actively and systematically on competence-raising measures for managers and employees, and a number of measures and processes have been established to improve employees' health, safety and working environment.

Saferoad's work on corporate social responsibility, including information about safety, the working environment, equality, discrimination, health and the natural environment, cf. the Accounting Act Section 3-3b, is described in a separate statement on pages 16 to 17 in the 2016 annual report.

Oslo, 10 March 2017
The Board of Cidron Triangle AS

Morten Holum
CEO

Carl Johan Henrik Ek
Chairman of the Board

Bård Martin Mikkelsen
Board member

Liisa Annika Poutiainen
Board member

Synnøve Lyssand Sandberg
Board member

Gry Hege Sølsnes
Board member

Olof Bertil Faxander
Board member

Jan Torgeir Hovden
Board member

Knut Brevik
Board member

Britt Sandvik
Board member

Statement on corporate and social responsibility Saferoad Group

As a supplier of road safety and infrastructure solutions, Saferoad relies on the trust of our customers, authorities, and the general public. The company has built that trust over more than 70 years of operation, through reliable delivery of high quality products and services, and by setting and rigorously maintaining high ethical standards for all our business dealings. Saferoad relies on a set of shared core values and a clear code of conduct to guide behaviour and to build a strong Group culture.

Vision Zero is our mission
Saferoad has adopted Vision Zero as its mission, whereby no loss of life in traffic is considered acceptable. Vision Zero acknowledges that while road travel is an essential part of society today, people also make mistakes. Consequently, prevention of fatalities and serious injuries in traffic remains a key priority for society – and for Saferoad. And, given human fallibility, roads should be designed and equipped to protect those who travel on them.

To realise Vision Zero, Saferoad focuses on continuous improvements to the safety, functionality, durability, design, and installation of our products and solutions.

Core values
Saferoad is a value-based organisation and lives by a common set of core values that apply to all employees across the Group:

- Respect: Mutual respect promotes an open, honest, and safe work environment. We treat our colleagues and partners fairly, and as equals.
- Care: Our people are our prime asset, and a free exchange of thoughts and ideas, offered in a supportive and constructive environment, where everybody is seen and heard, enables us to capitalise on everybody's competence and contributions.
- Drive: Enthusiasm and drive release the creativity and courage required to build a winning team and a great company. The company's strong drive helps us attract the best people and the most demanding customers – we need them both.
- Integrity: Saferoad's credibility is earned through the competence, behaviour, performance, and integrity lived by every one of us, every day. Any relationship – customer, partner, colleague, or other – should be handled in a professional manner.

Code of Conduct
The Group's Code of Conduct outlines the key principles for Saferoad's operations with regards to business ethics, and our impact on the environment and on society in general. Key elements are; respectful and ethical conduct; compliance with legal frameworks in the countries where Saferoad operates; safe handling of information; safe operations and a sound work environment; and reduction of the external environmental impact from the company's activities.

The Code of Conduct applies to all employees, contracted consultants, and board members. The code is non-negotiable, and violations may result in disciplinary proceedings, dismissal or even prosecution.

Compliance
To assist Group companies and individual employees to comply with applicable law and business ethics, Saferoad has designed a Corporate Compliance Program that comprises our Code of Conduct and whistleblowing policy, as well as specific manuals for the areas of anti-bribery, competition compliance, data protection, and trade sanctions. Saferoad regularly provides training in specific compliance areas relevant for the employee's responsibilities and in line with the Group's risk profile.

The overall oversight and implementation of the Corporate Compliance Program is the responsibility of the CEO, while the Risk Management function is responsible for the maintenance and further development of the program, as well as for conducting compliance audits on a regular basis. The Risk Management function reports directly to the CEO and has regular access to the Board of Directors. The Risk Management function is also the first point of contact for compliance-related questions.

Whistleblowing
Employees are encouraged to raise their concerns if they discover matters that negatively affect the company's vital interests or the health and safety of individuals. Saferoad has implemented a whistleblowing system and pledges to act on any concern raised. To ensure that concerns can be reported without a threat of retaliation or discrimination, Saferoad has implemented an encrypted reporting tool from an independent external provider and appropriate routines for the handling of information collected through the reporting tool.

Anti-bribery
Saferoad maintains a strict line against corruption in any shape or form. It is strictly forbidden for any employee or person acting on behalf of the company, to receive, offer, or authorise a gift of money or other valuables with the intention to influence professional duties or retain undue business advantage. The policy is valid in all locations and in all relations. Special caution is advised in relation to public authorities. Saferoad's use of consultants and agents acting on their behalf is limited, but in such cases, they should adhere to Saferoad's anti-bribery compliance policy.

Competition
Competition laws and regulations aim to achieve free and fair competition and prohibits companies from actions restricting competition, including abuse of a dominant position. Saferoad supports the principles stipulated by the TFEU [4] and the EEA [5] Agreement, and aims to comply fully with national and international competition law. The respective managing directors are responsible for each subsidiary's adherence to Saferoad's competition compliance policy, and to relevant legislation.

Data protection
Data protection laws regulate the collection and processing of personal data. Saferoad has developed a comprehensive manual to ensure that personal data collected by the company are handled correctly and kept safe, in line with relevant national and international legislation. The Risk Management function is responsible for overseeing Saferoad's data protection, and conducts objective, comprehensive audits on a regular basis, as part of the Corporate Compliance Program.

Trade sanctions
Trade sanctions and embargoes restrict dealings with specific individuals, entities, and governments, and are usually related to foreign affairs, national security, or human rights objectives. Saferoad aims to comply with trade sanction laws and regulations published by the United Nations, the USA, and the European Union. The company has developed a Trade Sanctions Manual, containing specific instructions and action points, as well as updated lists of countries that could present issues, and recommendations with regards to risk-based due diligence. The Risk Management function is responsible for Saferoad's day-to-day compliance with relevant trade sanctions and with the company's Trade Sanctions Manual.

Health and safety
Saferoad promotes the health and wellbeing of its employees, and in 2016, the company set long-term targets for health and safety improvements to be achieved by 2020. The goal is to reduce the number of job-related injuries with absence to less than five accidents per one million work hours (the H1-rate). Some of the Group's companies are already well below this target, but some are far above the target.

The lost-time injuries were 85 for the year 2016 compared to 71 in 2015. The H1-rate [6] for 2016 was 17, up from 16 the year before.

The Group works actively to reduce the sick absence rate and has established routines to closely follow-up of employees on sick leave to facilitate their prompt return to work. The sick absence rate was 4.7 per cent in 2016, down from 4.8 per cent the previous year

Group management sees health and safety as an integral part of the Saferoad brand, the core values and the long-term strategy. During 2016, the increased focus on health and safety has resulted in a new safety program, based on the top performers' best practice, being implemented throughout the organisation. As part of this program, new policies and procedures are established as an effort to improve the health and safety standard across the Group. The progress of this program is being closely monitored by the Board of Directors.

Diversity
Saferoad's ambition is to ensure that all employees have equal opportunities for personal and professional development. Discrimination based on gender, age, disabilities, ethnic origin, sexual orientation or religion is not tolerated.

At year end 2016, there were no women in the Group management. In all, 85 per cent of the total employees were men and 15 per cent women. The Board of Directors has nine members, of whom four women.

Reporting on issues regarding discrimination and inequality can be done directly to the Risk Management function in the Group. In addition, there are different working environment committees in business units with more than 50 employees.

No special measures relating to equality and discrimination were necessary in 2016.

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

Employees are entitled to be represented on the Company's governing bodies. Employee representatives are elected by and from among the employees.

The cooperation between the Company's management and the employees' trade unions is systematic and good, and it is based on a well-established structure, where various committees meet regularly. Rules have been adopted for what processes and decisions employee representatives shall be involved in. Employee representatives are paid by the Company.

In 2016, three of the members of the Board were elected employee representatives.

Environmental impact
Saferoad's policy is to contribute to a sustainable environment to the best of its ability.

Saferoad's ambition is to comply with all relevant environmental legislation and regulations in the countries Saferoad operates. Saferoad strives to make the production and products as environmentally friendly as possible, and to handle, transport and sort hazardous goods and waste in a secure manner. The company shall as far as possible choose sustainable products and resources and shall prefer suppliers and sub-contractors with environmentally friendly production and products. This is the same conduct Saferoad expects and requires from all suppliers.

A number of business units in Saferoad have activities that require environmental permits. The activities are strictly monitored and reported to the relevant public authorities.

Saferoad was compliant with applicable legal requirements and environmental regulations in 2016.

4) Treaty on the Functioning of the European Union
5) Agreement on the European Economic Areas
6) Number of accidents per one million work hours in relation to available work hours

Statement on corporate governance Saferoad Group

Saferoad considers good corporate governance a prerequisite for value creation and trust, as well as for access to capital. The corporate governance policy is built on Saferoad's corporate values, and is designed to establish the basis for a management model that supports the achievement of the Group's core objectives.

To ensure strong and sustainable corporate governance, Saferoad must maintain good and healthy business practices, reliable financial reporting, and an environment where it operates in compliance with laws and regulations.

Corporate governance implementation and reporting
Corporate values, code of conduct, and corporate responsibility
Saferoad's core values; respect, care, drive, and integrity; express the Group's shared expectations to its employees' beliefs and conduct. The core values shape the character of the organisation, guide decisions and actions, and provide a framework for Saferoad's interaction and communication with customers and stakeholders.

Saferoad's Code of Conduct is based on its corporate values. To foster an environment of compliance with legislation and regulations across the Group, the Board adopted corporate compliance policies systematically in the period 2008–2015 with regards to competition, anti-bribery and money laundering, data protection, trade sanctions, and whistleblowing. In 2016, these individual policies were collected in a corporate compliance programme, which also includes targeted training and encrypted reporting tool from an independent external provider and appropriate routines for handling of information. Priorities are based on an assessment of the requirements of the business, as well as of its stakeholders. The programme, which is regarded an integral part of day-to-day operations, was adopted by the Board in December.

The Code of Conduct and related policies set the standard for which behaviour is expected internally among colleagues, and externally towards partners and suppliers, customers and other stakeholders. The common approach and integrity of conduct are considered vital to inspire trust, loyalty, and responsible behaviour in the company, and to prevent any legal violations, or other negative financial, legal, or reputational consequences for Saferoad.

The Code of Conduct and related policies apply to all Saferoad employees and representatives, including employees in subsidiaries, contracted consultants, and board members and all employees are expected to make a personal commitment to comply. Employees are requested to report any concerns and complaints through the chain of command, directly to one of the three members of company's compliance team, or via the external whistleblowing channel. Violation of the Code of Conduct will be subject to disciplinary proceedings, including possible dismissal, as well as potential criminal prosecution.

Saferoad endeavours to make its Code of Conduct known to its customers, suppliers, competitors and partners. The company's Code of Conduct, CSR Guidelines and Compliance Programme are available from the website www.saferoad.com, and its corporate social responsibility work is described in detail on pages 16 to 17 in the 2016 annual report.

Business
Saferoad is a leading supplier of road safety and road infrastructure solutions in Northern, Central and Eastern Europe, with its head office in Oslo, Norway. The Group's around 2 700 employees strive to improve infrastructure and road safety standards, by delivering products characterised by high functionality, durability and design.

The company's business purpose, as stated in its Articles of Association, §3, is as follows:

"The purpose of the company is production and trading, as well as participation in other undertakings. It may acquire property and provide credit facilities to companies within the Group".

The company's business operations and main strategies are further discussed on pages 8 to 10 in the 2016 annual report.

Board of Directors: composition and independence
Composition of the Board
The Articles of Association, § 5, stipulate that Saferoad's Board of Directors shall comprise minimum six and maximum 12 board directors. The Board of Directors comprises 9 members, of whom four women, thereby complying with the Norwegian Companies Act's requirements to gender diversity on corporate boards.

The board members are elected for a period of two years and may be re-elected.

As of 2016, the Board of Directors had a broad composition, and represented the necessary experience, qualifications, and capacity to safeguard the owners' common interests.

The work of the Board of Directors

The Board of Directors' responsibilities and tasks
The overall management of the company is vested with the Board of Directors and management. In accordance with Norwegian law, the Board of Directors is responsible for, i.a., supervising the general and day-to-day management of the company's business, ensuring proper organisation, preparing plans and financial targets for its activities, ensuring that the company's activities, accounts and asset management are subject to adequate control, and for undertaking investigations necessary to perform its duties. Furthermore, the Board of Directors determines the Group's overall objectives and strategy, in addition to hiring the CEO, and determining the terms and conditions of the CEO's employment.

Instructions for the Board of Directors
The current set of instructions were approved by the Board of Directors on 16 December 2016. The instructions cover the following items; Strategy, Operations and financials; Organisation and employees; Information and communication; Annual General Meeting; Corporate governance; Financial reporting; Annual accounts and report; The Board of Directors' competency; Planning the work of the Board of Directors; Notifications of board meetings; Administrative procedures; Notes from board meetings; Board of Directors' appointed committees; Transactions between the company and related parties; Confidentiality and health, safety and environment.

Instructions for the Chief Executive Officer (CEO)
The instructions for the CEO are reviewed annually by the Board of Directors. The current instructions were approved by the Board of Directors on 16 December 2016. The CEO is responsible for the day-to-day management of the company's operations, including ensuring that the company adheres to and strives to reach the strategic targets set by the Board of Directors. The CEO is also responsible for keeping the company's accounts in accordance with current Norwegian legislation and regulations, and for managing the company's assets responsibly. The CEO is furthermore responsible for briefing the Board of Directors about the company's activities, financial position, and operating results at least quarterly, or more frequently, if circumstances so suggest.

Financial reporting
The Board of Directors receives reports and comments prepared by the CEO on the status of the Group's operations and finances minimum on a quarterly basis. The Board of Directors are also kept continuously informed about any material legal disputes, contract terminations, changes in management, or material conflicts related to clients, suppliers, and employees. The financial reports form the basis for the Board of Directors' ability to have an informed opinion about the company's results, solidity and financial position.

The work of the Board of Directors of Saferoad
The Board of Directors meets at least five times per year. In 2016, the board held six meetings. The overall attendance rate at board meetings was 92 per cent.

Use of board committees
Two board subcommittees were operative during 2016; an audit committee, and a remuneration committee, which both prepared items for the Board's consideration. The board subcommittees are responsible to the Board of Directors as a whole. The subcommittees report and make recommendations to the Board of Directors, which retains its authority and responsibility for implementing such recommendations.

Audit committee
The primary purpose of the audit committee is to act as a preparatory and advisory committee for the Board of Directors in questions concerning accounting, audit, finance, risk management, internal control and corporate compliance.

The audit committee comprised two board members, and held four meetings in 2016, with an attendance rate of 100 per cent. The audit committee had the following members as at 31 December 2016:

- Annicka Poutiainen (chair)
- Olof Faxander replaced John Hedberg in December 2016

Remuneration committee
The purpose of the committee is to act in an advisory capacity to the Board in matters to review the remuneration and benefit programs applied throughout the Group. The "Grandfather" principle shall apply on all levels. The remuneration committee comprised two board members, and held two meetings in 2016, with an attendance rate of 100 per cent. The remuneration committee had the following members as at 31 December 2016:

- Tor Håkan Söderström (chair)
- Johan Ek

Risk management and internal control
The Board of Directors is responsible for ensuring that the company's risk management and internal control systems are adequate to ensure compliance with the regulations and legal frameworks governing the business. The Board of Directors reviews the company's main risk areas and internal control systems on an annual basis, including Saferoad's values, Code of Conduct, and corporate responsibility. The audit committee meets with the auditor at least once annually, to review the company's internal control routines, including identified weaknesses and areas for improvement.

To provide a true and fair view of the Company's and Group's assets, liabilities, financial position, and results from operations, Saferoad Group prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS).

In 2016, the Board of Directors received reports on the Group's business and financial results on at least a monthly basis. The reports provided a good overview of the company's strategic and operational performance, as well as plans for the upcoming period.

As a European supplier of safety products and solutions, Saferoad is exposed to a range of financial and operational risks, which may adversely affect the company's business. Further information regarding risk management is disclosed in the Board of Directors' report page 14.

With their knowledge, competence, and capacity, Saferoad's employees are the company's most important asset in its mission to make life on the road safer. The Board of Directors monitors the employees' work attendance, and strives to promote the health and wellbeing of its employees. A considerable part of the company's activities place employees alongside roads and on production sites, and the number of job-related injuries is therefore monitored closely. Further information about the company's corporate and social responsibility work is disclosed on in the Corporate and Social Responsibility report.

Auditor (statutory auditor)
EY is appointed as the Group's statutory auditor. The Board of Directors has received written confirmation from the auditor, which confirms that requirements with respect to independence and objectivity have been met.

On an annual basis, the statutory auditor presents a plan for his main auditing activities, including focus areas and audit scope for the coming year, to the Board of Directors and the audit committee. The presentation includes identification of weaknesses, and proposals for improvements. The auditor also participates in the board meeting where the company's annual accounts are attended to, to highlight any material changes to accounting principles, and to comment on any material estimations or topics where there is a significant difference of opinion between the auditor and management.

Alternative performance measures (APMs)

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

Operational measures such as volumes, prices and currency effects are not defined as APMs. Saferoad focuses on Underlying EBITDA and Underlying EBITA in the discussions of periodic operating results for the segments and for the Group.

Items excluded from Underlying EBITDA and EBITA - Saferoad Group

NOK million	2016	2015
(Gains)/losses on divestments		26
Transaction cost	**22**	25
Restructuring charges and closure costs	**8**	46
Other effects		38
Items excluded from Underlying EBITDA	**31**	135
Other effects		1
Unallocated depreciation	**15**	16
Impairment charges	**11**	31
Items excluded from Underlying EBITA	**57**	183
Road Safety	**9**	40
Nordic	**4**	34
Europe	**5**	7
Other		
Road Infrastructure		43
Nordic		5
Europe		31
Other		7
Holding, other	**49**	100
Items excluded from Underlying EBITA	**57**	183
Underlying EBITA	**337**	276
Items excluded from Underlying EBITA	**(57)**	(183)
EBITA reported	**280**	93
Amortisation and impairment	**(390)**	(107)
Operating profit/(loss) reported	**(110)**	(15)

- (Gains) losses on divestments in 2015 relates to the sale of Gävle Galvan AB.
- Transaction cost relate to preparations of the Group for a potential change of ownership. 2015 amount also include acquisition cost of FLA Geoprodukter AB and Nordic Culvert AB.
- Restructuring charges and closure costs relate to redundancy and other restructuring cost. In 2015 the amount related to redundancy and restructuring of the Russian business in Road Infrastructure and redundancy in relation to the sale of Gävle Galvan AB.
- Depreciation of excess values is related to acquisitions.
- Impairment charges relate to significant write-downs of assets or Groups of assets to estimated recoverable amounts in the event of an identified loss in value. Gains from reversal of impairment charges are simultaneously excluded from underlying results.
- Other effects In 2015 relate to legal cost in relation to the anti-trust case in Denmark, adjustment of sold businesses (Gävle Galvan AB and the assets of Marina Systeme GmbH) and legal cost in Russia and Germany and inventory write-down in Poland.

Content

Financial statements

Consolidated statement of comprehensive income (1.1 - 31.12)

NOK 1000	Notes	2016	2015
Revenue		5 731 659	5 495 684
Other operating revenue		32 219	27 619
Total operating revenue	6	5 763 878	5 523 303
Cost of goods sold	8	3 337 360	3 218 885
Personnel costs	10,11	1 191 581	1 168 412
Depreciation and impairment	14	167 176	185 742
Amortisation and impairment	15	390 332	107 422
Other operating costs	9	787 692	857 456
Total operating costs		5 874 141	5 537 917
Operating profit/(loss)		(110 263)	(14 614)
Financial income	12	23 935	23 452
Financial expenses	12	256 491	293 875
Net exchange rate gain (loss)	12	(97 370)	60 916
Share of profit/(loss) of associated companies	5	0	5 598
Net financial income/expenses		(329 926)	(203 909)
Profit/(loss) before tax		(440 189)	(218 523)
Tax	13	940	(45 158)
Profit /(loss) for the year		(439 249)	(263 681)
OTHER COMPREHENSIVE INCOME			
Items to be reclassified to profit/loss in subsequent periods			
Exchange difference on translation of foreign operations	13	34 176	(16 222)
Items not to be reclassified to profit/loss in subsequent periods			
Remeasurement of net defined benefit liability	11, 13	(3 838)	1 664
Other comprehensive income for the year, net of tax		30 338	(14 558)
Total comprehensive income for the year		(408 911)	(278 239)
Profit/(loss) for the year attributable to:			
Equity holders of the parent company		(459 992)	(290 977)
Non-controlling interests		20 743	27 296
		(439 249)	(263 681)
Total comprehensive income attributable to:			
Equity holders of the parent company		(417 830)	(322 530)
Non-controlling interests		8 920	44 291
		(408 911)	(278 239)
Average number of shares		1 000 000	1 000 000
EPS (Earnings per share) in NOK (basic and diluted)		(460)	(291)

Consolidated statement of financial position (assets)

NOK 1000	Notes	31.12.16	31.12.15
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Development	15	45 401	68 033
Licenses, product rights etc	15	24 877	37 597
Goodwill	15	1 222 218	1 511 184
Customer relationships	15	221 400	341 810
Other intangibles	15	10 104	9 613
Total intangible assets		1 524 000	1 968 237
Tangible assets			
Land	14	33 047	31 631
Buildings	14	356 759	390 971
Machines and equipment	14	354 167	361 660
Construction in progress	14	5 202	3 602
Rental equipment, furniture and vehicles	14	185 083	199 890
Total fixed assets		934 258	987 754
Financial non-current assets			
Shares in associated companies	5	4 960	4 969
Loans to associated companies	29	127	0
Other investments	5, 19	12 326	12 986
Non-current receivables		30 603	24 334
Total financial assets		48 016	42 290
Deferred tax assets	13	8 984	14 982
Total non-current assets		2 515 258	3 013 262
CURRENT ASSETS			
Inventories	8	909 895	853 983
Receivables			
Trade receivables	18	843 576	852 292
Other receivables	7, 21	219 804	287 780
Total receivables		1 063 380	1 140 072
Cash and cash equivalents	22	328 977	507 655
Total current assets		2 302 253	2 501 711
Total assets		4 817 511	5 514 973

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

NOK 1000	Notes	31.12.16	31.12.15
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	25	**2 000**	167
Share premium	25	**1 159 875**	2 061 961
Other paid in capital		**351 596**	351 596
Currency translation reserve		**(171 550)**	(217 550)
Other equity		**(371 729)**	(1 420 026)
Total shareholders' equity attributable to the shareholders of the parent company		**970 192**	776 148
Non-controlling interests	25	**251 726**	259 606
Total equity		**1 221 918**	1 035 753
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	18, 19, 23, 27	**1 824 152**	1 979 156
Other non-current liabilities	18, 19, 23, 27	**83 266**	865 467
Pension obligations	11	**38 327**	37 821
Deferred tax liabilities	13	**42 898**	95 560
Other provisions	16	**17 794**	28 019
Total non-current liabilities		**2 006 436**	3 006 023
Current liabilities			
Liabilities to credit institutions	23, 27	**425 562**	438 521
Accounts payables	18	**495 968**	479 498
Current tax liabilities	13	**9 945**	46 459
Public duties (VAT, soc. benefits etc)		**68 471**	102 601
Other current liabilities	7, 24	**525 962**	327 678
Other provisions	16	**1 673**	10 122
Financial derivatives	19, 2	**0**	13 884
Current portion of non-current liabilities	23, 27	**61 576**	54 433
Total current liabilities		**1 589 156**	1 473 197
Total liabilities		**3 595 592**	4 479 220
Total shareholders' equity and liabilities		**4 817 511**	5 514 973

Oslo, 10 March 2017

Morten Holum
CEO

Carl Johan Henrik Ek
Chairman of the Board

Bård Martin Mikkelsen
Board member

Liisa Annika Poutiainen
Board member

Synnøve Lyssand Sandberg
Board member

Gry Hege Sølsnes
Board member

Olof Bertil Faxander
Board member

Jan Torgeir Hovden
Board member

Knut Brevik
Board member

Britt Sandvik
Board member

Consolidated statement of changes in equity

NOK 1000	Share capital	Share premium	Other paid in capital [1]	Currency translation reserve	Other equity	Total	Non-controlling interest	Total equity
	Note 25	Note 25		Note 25				
Equity at 31.12.2014	167	2 061 961	351 596	(184 333)	(1 065 069)	1 164 322	219 395	**1 383 717**
Non controlling interests companies acquired						0	2 578	**2 578**
Dividends to non controlling interests						0	(17 704)	**(17 704)**
Disposals and buy-out non-controlling interests					(65 644)	(65 644)	11 046	**(54 598)**
Profit/(loss) for the year					(290 977)	(290 977)	27 296	**(263 682)**
Other comprehensive income net of tax:								
Actuarial gain/(loss)					1 664	1 664		**1 664**
Exchange difference on translation of foreign operations				(33 217)		(33 217)	16 995	**(16 222)**
Total other comprehensive income net of tax	0	0	0	(33 217)	1 664	(31 553)	16 995	**(14 558)**
Total comprehensive income	0	0	0	(33 217)	(289 313)	(322 530)	44 291	**(278 239)**
Equity at 31.12.2015	167	2 061 961	351 596	(217 550)	(1 420 026)	776 148	259 606	**1 035 753**
Reclassification due to new parent company	(167)	(2 061 961)			1 512 128	(550 000)		**(550 000)**
Capital contribution 12 December 2016	1 000	549 000				550 000		**550 000**
Capital contribution 21 December 2016	1 000	610 875				611 875		**611 875**
Dividends to non controlling interests						0	(16 799)	**(16 799)**
Profit/(loss) for the period					(459 992)	(459 992)	20 743	**(439 249)**
Other comprehensive income net of tax:								
Actuarial gain/(loss)					(3 838)	(3 838)		**(3 838)**
Exchange difference on translation of foreign operations				46 000		46 000	(11 824)	**34 176**
Total other comprehensive income net of tax	0	0	0	46 000	(3 838)	42 162	(11 824)	**30 338**
Total comprehensive income for the period	0	0	0	46 000	(463 830)	(417 830)	8 920	**(408 911)**
Equity at 31.12.2016	2 000	1 159 875	351 596	(171 550)	(371 729)	970 192	251 726	**1 221 918**

1) Shareholder contribution from 2008.

The legal structure of the Group was changed in 2016. A new company, Cidron Triangle AS, was established to serve as the parent company of the Group subsequent to the restructuring. Cidron Triangle S.à r.l. acquired shares in Saferoad Holding AB from minority shareholders in Saferoad Holding AB, resulting in Cidron Triangle S.à r.l. holding 100 per cent of the shares in Saferoad Holding AB. Cidron Triangle S.à r.l. contributed all its shares in Saferoad Holding AB to Cidron Triangle AS 12 December 2016 in exchange for newly issued shares in Cidron Triangle AS. As a result Cidron Triangle AS is the new parent company of the Group from this date.

Cidron Triangle S.à r.l. contributed shareholder loans which Cidron Triangle S.à r.l. had against Saferoad Holding AB to the Company in exchange for the Company increasing the nominal value of the shares held by Cidron Triangle S.à r.l.

Shareholder loans of NOK 612 million were converted to equity in 2016.

Consolidated cash flow statement (1.1 - 31.12)

NOK 1000	Notes	2016	2015
Cash flow from operations			
Profit/loss before tax		(440 189)	(218 524)
Income tax paid	13	(68 640)	(44 698)
Profit from sale and disposal of tangible assets		(5 211)	(7 980)
Loss on sale of tangible assets		238	1 553
Loss on sale of subsidiaries		0	26 013
Net depreciation, amortisations and impairment	14, 15	557 508	293 163
Impairment of other assets	8	3 340	33 245
Change in fair value of financial assets	12	(13 024)	(10 477)
Unrealised currency (gains)/losses		93 934	(128 815)
Interest income	12	(7 124)	(11 123)
Interest costs and other financial expenses	12	253 433	194 671
Changes in inventory	8	(118 466)	(3 873)
Changes in trade receivable	19	(47 484)	(73 613)
Changes in accounts payable	19	50 352	35 131
Income from using equity method		0	(5 598)
Changes in other current receivables and liabilities		(15 298)	137 903
Net cash flow from operations		243 369	216 979
Cash flow from investment activities			
Interest received	12	7 124	11 123
Acquisition of subsidiaries	4	(22 649)	(64 965)
Purchase/production of fixed and intangible assets	14, 15	(172 230)	(165 080)
Sale of subsidiaries		0	(11 626)
Proceeds from sale of fixed assets		13 376	16 472
Other changes		12 619	(1 475)
Net cash flow from investment activities		(161 759)	(215 551)
Cash flow from financing activities			
Proceeds from borrowings		22 259	310 752
Repayment of borrowings		(137 052)	(106 199)
Proceeds from other shareholders		0	2 352
Dividends to non-controlling interests		(16 799)	(16 155)
Interest paid		(157 528)	(171 149)
Net cash flow from financing activities		(289 120)	19 602
Net increase in cash and cash equivalents		(207 510)	21 030
Effect of exchange rate differences on cash and cash equivalents		(34 428)	53 556
Cash and cash equivalents at beginning of the year		507 655	433 069
Cash and cash equivalents at the end of the year		265 717	507 655
Cash and cash equivalents at the end of the year in statement of financial position	22	328 977	507 655
Bank overdrafts at the end of the year in statement of financial position		(63 260)	0
Cash and cash equivalents at the end of the year in statement of cash flow		265 717	507 655

Notes to the consolidated financial statements

Note 1 Company information

Cidron Triangle AS is a Norwegian limited liability company and the parent company of the Saferoad Group (the Group). The Company is incorporated and domiciled in Oslo with its registered office, Enebakkveien 150, 0680 Oslo, Norway.

The Group conducts its business through subsidiaries in the Nordic countries, Germany, Poland, the Baltic countries and other European countries. See Note 4 in Cidron Triangle AS financial statement for a list of companies that belong to the Group. For additional information regarding the Group, please visit www.Saferoad.com.

The legal structure of the Group was changed in 2016. A new company, Cidron Triangle AS, was established to serve as the parent company of the Group subsequent to the restructuring. Cidron Triangle S.à r.l. acquired shares in Saferoad Holding AB from minority shareholders in Saferoad Holding AB, resulting in Cidron Triangle S.à r.l. holding 100 per cent of the shares in Saferoad Holding AB. Cidron Triangle S.à r.l. contributed all its shares in Saferoad Holding AB to Cidron Triangle AS 12 December 2016 in exchange for newly issued shares in Cidron Triangle AS. As a result Cidron Triangle AS is the new parent company of the Group from this date.

The Company has applied predecessor accounting to the restructuring and has accounted for the business combination under the pooling of interest method. The Company's consolidated financial statements are presented as if the Group, with Cidron Triangle AS as the holding company, had always existed. As a consequence, the comparative financial information presented in this report is the historical financial information of the Saferoad Group. The new Group, has changed its presentation currency from SEK to NOK. The change has been implemented retrospectively in accordance with principles in IAS 21 "*The effects of changes in foreign exchange rates*".

These consolidated annual accounts have been approved for publication by the Board of Directors on 10 March 2017 and are to be adopted at the Annual General Meeting.

Note 2 Accounting principles

Basis for preparation and statement of compliance

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

The consolidated statements have been prepared on a historical cost basis, except for derivative financial instruments and available-for-sale financial assets that have been measured at fair value. The financial statements have been prepared based on the going concern principle.

The parent company, Cidron Triangle AS applies the Norwegian Accounting Act of 1998 and Norwegian Generally Accepted Accounting Practice (NGAAP), see note 2 to the financial statements for Cidron Triangle AS.

The accounting policies adopted are consistent with those of the previous financial year. The impact of new and amended standards implemented in 2016 did not have any material impact on the Group's financial statements. For effects related to future IFRS amendments reference is made to note 31.

Consolidation principles and business combinations

The consolidated financial statements include Cidron Triangle AS and all companies in which Cidron Triangle AS controls more than 50 per cent of the number of votes, or otherwise has a controlling interest. Non-controlling interests, which consist of the share of the profits/losses and the part of the net assets of Group companies that do not belong to the shareholders of the parent company, are reported as a separate item in the consolidated shareholders' equity. The statement of comprehensive income includes the non-controlling share of the reported profit or loss.

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

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

Any put option granted to non-controlling interests gives rise to a financial liability for the present value of the redemption amount. The financial liability is recognised by reclassifying the present value of the amount payable upon exercise of the option from other equity to financial liability. The financial liability is subsequently re-measured at the end of each reporting period in accordance with IAS 39.

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

Acquisition-related costs are expensed as incurred. Companies which have been acquired or sold during the year are included in the consolidated financial statement as from the date when control is achieved and until the date when control ceases.

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

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

Investment in associated companies

The Group's holdings in associated companies are initially recorded at cost and subsequently reported in accordance with the equity method. Associated companies are companies in which the Group has significant influence. Investments in associated companies are reported on the balance sheet at their acquisition value, with the addition of any changes in the Group's share of the net assets of the associated company. The profit or loss reflects the Group's share of the profit or loss of the associated companies. The investments in associated companies are subject to impairment assessments and impairment testing if impairment indicators exist. The investments are written down to recoverable amount if this is lower than its carrying value. Additional losses after the interest is reduced to zero is only provided for to the extent that the Group has a legal or constructive obligation to cover the incurred losses.

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

Foreign currency

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

Transactions in currencies different from the functional currency

Transactions in non-functional currencies are translated at the rate in effect on the transaction date. Monetary assets and liabilities that are expressed in non-functional currencies are reported on the balance sheet date, translated to the rate in effect on that date. Non-monetary assets and liabilities that are reported at their fair value in non-functional currency are translated at the rate in effect on the balance sheet date. All other non-monetary items are translated at historical foreign exchange rates. All exchange rate differences are reported in profit or loss.

Currency effects in the consolidation

The statement of financial position of subsidiaries with a different functional currency, including goodwill and adjustments for fair value made in connection with consolidation, is translated at the exchange rate at the end of the reporting period, while the profit or loss is translated at an average of the year's exchange rates. The exchange rate differences that arise as a result of the translation are reported directly in other comprehensive income. In the event of a sale or other disposal of a foreign company, the accrued accumulated translation difference is recognised in profit or loss together with the gain or loss resulting from the sale or disposal.

Revenue recognition

Revenue is recognised when it is probable that transactions will generate future economic benefits that will flow to the company and the amount can be reliably estimated. Revenues are presented net of value added tax and discounts.

The Group generates revenues from the sale of goods related to road safety and road infrastructure. Such revenues are recognised in the profit or loss once delivery has taken place and significant risk and rewards has been transferred to the customer.

The Group also has revenues from services related to road safety and road infrastructure. Further, the Group has revenues from long-term projects (Construction contracts). Such revenues are recognised in the profit or loss in accordance with the percentage of completion method.

The percentage of completion is determined either as the proportion of the incurred contracts costs to the estimated total contract costs ("cost to cost") or as the physical proportion of the contract work to the estimated total physical contract work. Contract revenue includes the amount agreed in the initial contract, plus revenue from alterations according to variation orders. Additional claims and disputed amounts are normally not recognised in income until agreement has been reached or a legally binding court ruling has been given. When the outcome of the transaction cannot be estimated reliably, only revenues equal to the project costs that have incurred will be recognised as revenue. The total estimated loss on a contract is recognised in the profit or loss during the period when it is identified that a project will generate a loss. The revenue recognised in one

period is the revenue attributable to the period's progress and the progress to date effect of any changes to the estimated final outcome. Contract costs include costs that relate directly to the specific contract and allocated costs that are attributable to general contract activity. Costs that cannot be attributed to contract activity are expensed.

Work in progress for construction projects represents the value of work performed less payments by customers. To the extent payments exceed this value the amounts are reported as advances from customers.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Income tax

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

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

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

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

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

Property, plant and equipment

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

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

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

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

Leasing

The Group as a lessee:

Financial leasing

Leases, which for all intents and purposes, transfer all the risks and advantages with respect to the leased asset associated with ownership, are classified as financial leases. At the inception of the lease, finance leases are recognised at the lower of their fair value and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other non-current liabilites. First year's payment is classified as current liabilities. The interest element of the finance cost is charged to the profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Operating leasing

Leases which are not finance leases are classified as operating leases. Lease payments are classified as operating costs and recognised in the profit or loss in a straight line during the contract period.

The Group as a lessor:

Assets that the Group uses in operational leasing as a lessor are presented in the statement of financial position according to the nature of the asset. Lease income from operating leases is recognised in income on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Material initial direct costs incurred by lessors in negotiating and arranging an operating lease is added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. The depreciation policy for depreciable leased assets are consistent with the Group`s normal depreciation policy for similar assets.

Intangible assets

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

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

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

Patents and licenses
Expenditures for patents and licenses are capitalised and depreciated over their expected useful life. The expected useful life for patents and licenses varies between five and ten years.

Software
Expenses linked to the purchase of new computer software are capitalised as an intangible asset provided these expenses do not form part of the hardware acquisition costs. Software is normally depreciated on a straight line basis over 3 years. Costs incurred as a result of maintaining or upholding the future utility of software is expensed unless the changes in the software increase the future economic benefits from the software.

Product rights
Expenditures for rights are capitalised and depreciated over their expected useful life. The expected useful life for product rights varies between five and ten years.

Contractual customer relationships
Contractual customer relationships purchased, or acquired in a business combination are recognised at fair value at the acquisition date.

The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationship. The expected useful life varies between two and three years.

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

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

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

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

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

Impairment of non-financial assets
Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment or if any impairment indicators exists.

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

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The recoverable amount of an asset or a cash-generating unit is the higher of fair value, less cost to sell, and value in use. Impairment is recognised when the carrying value exceeds the recoverable value of the asset or cash-generating unit. Previously recognised impairments are reversed if the conditions on which the recognised impairments are based are no longer applicable. Impairments are reversed to the extent that the capitalised amount after reversal does not exceed the capitalised amount net of depreciation that would have been the carrying amount if no impairment had been recognised. Impairments are not reversed for goodwill.

Financial instruments
Classification of financial instruments
Financial instruments within the scope of IAS 39 are classified in the following categories:

- fair value with changes in value through profit or loss (FVPL)
- loans and receivables
- held to maturity investments (HTM)
- financial instruments available for sale (AFS)
- Other liabilities

The classification is dependent on the type of instrument and the purpose for which the investments were acquired or originated.

Financial assets at FVPL are financial assets held for trading. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading as the Group does not apply hedge accounting.

Loans and receivables are non-derivative financial assets with fixed or determinable cash flows that are not quoted in an active market.

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as HTM when the Group has the positive intention and ability to hold until maturity.

All other financial assets, except for derivatives, are classified as AFS and would generally include equity and debt securities.

Other financial liabilities is generally the main category for loans and borrowings.

The Group has financial instruments in the following categories:

FVPL:	Derivative instruments
AFS:	Investments in shares
Loans and receivables:	Loans to associated companies and long term receivables, trade receivables and other current receivables
Other financial liabilities:	Includes most of the Group's financial liabilities including debt to credit institutions, accounts payable and other current and non-current liabilities.

Reference is also made to note 19 in the financial statements for more information.

Initial recognition and subsequent measurement
FVPL: Financial derivatives that are not designated as hedging instruments are categorised as held for trading and initially measured at their fair value. Subsequent changes in the fair value are recognised in the profit or loss.

AFS financial investments are initially recognised at fair value. Subsequently measurement is at fair value with unrealised gains or losses recognised in other comprehensive income until the investment is derecognised or impaired. When the investment is derecognised, the accumulated gain or loss on the financial instrument that has previously been recognised in other comprehensive income is reversed and the gain or loss is recognised in profit or loss. If the investment is determined to be impaired, the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss in finance costs. Dividend from AFS investments are recognised in P&L.

Loans and receivables are initially recognised at fair value plus directly attributable transaction expenses. Subsequently, these instruments are measured at their amortised cost using the effective interest rate method (EIR). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Other financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Subsequently these liabilities are measured at their amortised cost using the effective interest rate method (EIR). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Impairment of financial assets
Financial assets valued at amortised cost are written down when there is objective evidence that the instrument's cash flows have been negatively affected by one or more events occurring after the initial recognition of the instrument. The impairment loss is recognised in the profit or loss. The loss is measured as the difference between the asset's carrying value and the present value of estimated future cash flows discounted with the instruments original effective interest rate. If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced.

Financial assets that are classified as available for sale are written down when there are objective indications of impairment. The accumulated loss that has been recognised directly in other comprehensive income (the difference between the cost and fair value minus impairment that has previously been recognised in profit or loss) is removed from other comprehensive income and recognised in the profit or loss. Impairment loss on equity instrument are not reversed through profit or loss, increases in their fair value after impairment are recognised directly in other comprehensive income.

De-recognition of financial instruments
A financial asset is derecognised when the rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset and either (i) the Group has transferred substantially all the risks and rewards relating to the instrument, or (ii) the Group has neither transferred nor retained substantially all the risks and rewards relating to the instrument, but has transferred control of the asset.

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

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

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

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

Segment information
Segment information is presented in line with the Groups internal reporting to the chief operating decision makers (Group Management). The company operates within different operating segments as per the definitions in IFRS 8 Operating segments. Segments are: "Road Safety Nordic", "Road Safety Europe", "Road Infrastructure" and "Other/Holding". Reference is made to note 6 for detailed segment information.

Remunerations to employees
Defined benefit pension plans
Defined benefit pension plans are recognised at the present value of the accrued future pension benefits at the end of the reporting period (balance sheet date), less the fair value of plan assets. Defined benefit obligations are presented net of plan assets in the balance sheet. Actuarial gains and losses are reported in other comprehensive income. The difference between actual return for plan asset and the amount included in net interest is reported in other comprehensive income.

Defined contribution plans
The pension contributions are charged to expenses as they are incurred.

Provisions
A provision is recognised when the Group has an obligation (legal or constructive) as a result of a past event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is material, the provision is calculated by discounting estimated future cash flows using a pre-tax discount rate that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

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

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

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

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

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

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

Note 3 Key sources of estimation uncertainty, judgments and assumptions

The preparation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and applying the chosen accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The accounting policies applied by the Saferoad Group in which judgments, estimates and assumptions may significantly differ from actual results are discussed below.

Sources of estimation uncertainty
Impairment of assets
Goodwill
Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill have been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying value of goodwill as of 31 December 2016 is NOK 1 222 million. The Saferoad Group recognised impairment of goodwill of NOK 232 million in 2016. Details of recognised goodwill are provided in note 15, including sensitivity disclosures. No significant events or changes in business or market that potentially would change the conclusions were identified from 31 December 2016 until the reporting date.

Property plant and equipment and other intangible assets
The Saferoad Group has significant carrying amounts related to property, plant and equipment and intangible assets recognised in the consolidated statement of financial position. The value in use of some of these assets could be influenced by changes in market conditions where the Group carries out its business. Significant and prolonged adverse market conditions and/or lower market prices for products and services sold could lead to temporary or permanent reductions of value. Such events will be considered as an impairment indicator and an impairment test will be carried out. The outcome of such impairment tests may be that significant impairment losses are recognised in the statement of income.

A reduction to the expected useful life of the assets can also lead to periods with higher depreciation expense going forward. The Saferoad Group has carried out impairment tests for CGU Safety Europe and the business in Turkey during 2016, mainly due to uncertain economic conditions in local markets. Total impairment write-down recognised on property, plant and equipment and other intangible assets in 2016 was NOK 11 million and 77 million, respectively. The carrying amount of property, plant and equipment and other intangible assets as of 31 December 2016 is NOK 934 million and 302 million respectively. See note 14 and 15 for further details.

Deferred tax assets
Deferred tax assets are recognised when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. Assessment of future ability to utilise tax positions is based on judgements of the level on taxable profit, the expected timing of utilisation, expected temporary differences and strategies for tax planning. The judgements relate to a large extent to tax losses carried forward. The carrying value of deferred tax assets as of 31 December 2016 is NOK 9 million. See note 13 for information about recognised and unrecognised deferred tax assets.

Judgements in applying the Group's accounting policies
Call/ put options in business combinations
In some business combinations the Group has a call option, i.e. a right to acquire the remaining shares at a future date for a particular price. The Group has also granted a put option to the non-controlling shareholders whereby they have the right to sell their shares to the Group at a future date for a particular price. IFRS 3 does not provide any guidance as to how to account for such options in a business combination. Therefore, when determining the appropriate accounting in such situations, IFRS 10, IAS 32, and IAS 39 need to be considered. See note 17 for further details regarding specific acquisitions subject to these assessments.

Call options are considered when determining whether the entity has obtained control. Once it is determined whether the Group has control over another entity, the proportions of profit or loss and changes in equity allocated to the parent and non-controlling interests are based on present ownership interests, and generally do not reflect the possible exercise or conversion of potential voting rights under call options.

In some acquisitions put options have been issued to the non-controlling shareholders enabling them to sell their remaining shares to the Group. The estimated redemption amount has been recognised at the discounted value of the estimated future payment. The key assumptions taken into consideration is the probability of meeting performance targets and the discount factor. The actual payments may differ from the estimates.

The Group has determined whether it has present ownership interest over the non-controlling interests. Factors that were considered when determining whether or not present ownership interest was granted to the Group was the pricing terms of the put, voting rights, dividend rights and the combined effect of any call and put options. It has been concluded that the parent does not have a present ownership interest in the shares mainly due to the fact that the consideration is based on fair values at the time of execution. Therefore the access to the returns associated with the remaining shares subject to the put and call option remains with the non-controlling interest. In accordance with IFRS the Group then must decide which standard takes precedence, IAS 32 or IFRS 10. The Group has concluded that IFRS 10 takes precedence and that full recognition of a non-controlling interest is recognised at the date of the business combination. If the option is subsequently exercised, it is accounted for as an acquisition of the non-controlling interest, plus the settlement of the liability against the same component of equity that was previously reduced. Changes in the carrying amount of the financial liability are recognised in profit or loss.

Note 4 Business combinations and changes in the Group structure

Changes in the Group structure in 2016

See Note 1 for description of the Group restructuring in 2016 and establishment of a new parent company.

In February 2016, the Saferoad Group subsidiary ViaCon Sp.zo.o acquired Tubosider Hungaria Kft in Hungary from the Italian company Tubosider S.p.A. 90.87 per cent of the shares were acquired in February, and the remaining 9.13 per cent of the shares were acquired in April, for a total cash consideration of EUR 2.3 million. The acquisition is expected to increase the production capacity, improve cost synergies and improve ViaCon's position within its niche in the Hungarian market and other key export markets. A goodwill of EUR 1 million was recognised at the acquisition, reflecting expected synergies from the acquisition. The company is included in the segment Road Infrastructure, the European region. Tubosider Hungaria Kft had operating revenues of EUR 1 million in 2015.

Changes in the Group structure in 2015

Acquisitions in 2015

NOK 1000 Acquired company	FLA Geo-produkter AB	Nordic Culvert AB	Stolper AS	Antin Kaide OY	Viacon Technologii OOO	Total
Acquisition made by subsidiary	Saferoad V Holding AB	Viacon AB	Saferoad AS	Saferoad Finland OY	Viacon International AB	
Fair value adjustment of previously held equity interest					8 152	8 152
Total consideration for the shares	71 910	16 299	16 441	7 349	6 363	118 362
Non controlling interest	0	0	0	515	2 906	3 421
Goodwill and other intangibles	47 960	12 420	15 067	5 241	11 338	92 027
Revenues and profit/(loss) from the acquired companies included in the consolidated accounts for 2015:						
Total operating revenue from the acquisition date to 31.12.	25 172	1 883	0	25 335	5 371	57 761
Profit/(loss) from the acquisition date to 31.12.	316	(165)	0	(1 011)	227	(633)
Revenues and profit/(loss) for the consolidated accounts for 2015 (as if the acquistion dates were 1.1.2015):						
Total operating revenue for the Group						5 663 050
Profit/(loss) for the year for the Group						(253 612)

Total consideration for the shares acquired in 2015 consists of cash consideration of NOK 73.5 million and estimated future payments of NOK 44.9 million, see specification in Note 17.

In the table above is also included fair value adjustment of NOK 8.2 million of previously held equity interest in ViaCon Technologii OOO, see Note 5.

Acquisition costs of a total of NOK 3 million are expensed in 2015.

FLA Geoprodukter AB and Nordic Culvert AB

ViaCon acquired FLA Geoprodukter AB and Nordic Culvert AB in October 2015. The companies are active in Sweden, Norway and Finland within the ViaCon product and services segments. Synergies within cost and market are expected to be realised during 2016 and going forward. The company is included in CGU Road Infrastructure.

ViaCon Technologii OOO

ViaCon increased its ownership from 50 per cent to 60 per cent in ViaCon Technologii OOO in Belarus in October 2015. Consequently the company is reclassified from an associated company to a subsidiary and consolidated as such with the 40 per cent minority presented as a non-controlling interest. The revaluation of the previous holding of shares resulted in a gain of NOK 8 million. The Saferoad Group has an option (call) to acquire the remaining 40 per cent of the shares. The Group has also issued a put option enabling the minority shareholder to sell the remaining shares to the Group. The estimated redemption amount has been reclassified from the Group`s equity and is presented as a liability in accordance with IFRS. The company is included in CGU Road Infrastructure.

Stolper AS

Saferoad AS acquired Stolper AS in December 2015. The company is active in the lightning column market and emphasises design and tailor made solutions. The company is included in CGU Road Safety Nordic.

Antin Kaide OY

In January 2015 Saferoad Finland OY acquired 80 per cent of the shares in Antin Kaide OY. The company performs guardrail installation services in Finland and will give the Group further access to the Finnish guardrail market. The company is included in CGU Road Safety Nordic.

Divestments in 2015

The Saferoad Group made some small divestments in 2015. 100 per cent of the shares in Montal AB, Montal Systems AS (the Balcony business) and Gävle Galvan AB was sold during 2015, to a total consideration of NOK 3 million. The assets of Marina Systeme GmbH in Germany were sold in August 2015, at a price of NOK 3.8 million.

The Group recognised an accounting loss of NOK 26 million as a consequence of the above divestments. The amount is included in other operating costs.

Late 2015 Saferoad Infrastructure winded up all its activities in St Petersburg, Russia. Some minor formalities that were outstanding at year end is finalised within the first quarter of 2016. Operational losses and losses connected to the wind up are reflected in the 2015 accounts.

Note 5 Associated companies and other investments

Associated companies

The associated companies are companies in which the Group has significant influence. The assessment of influence is based on a judgement of ownership in combination of voting rights, and other contractual arrangements.

The Group has ownership in the following associated companies as of 31 December 2016:

Associated companies	Country	Owner share	Time of aquisition
Ferrozink Trondheim AS	Norway	40 %	01.09.08
IBOS Sp.zo.o	Poland	50 %	15.02.11
Rinde Rekon AS	Norway	42 %	01.09.08
Bjartmar Rinde AS	Norway	42 %	01.09.08

The Norwegian associated companies are not strategic to the Group activities, while IBOS SP z.o.o is a company that performs crash test services for the Polish market.

ViaCon increased its ownership from 50 per cent to 60 per cent in ViaCon Technologii OOO in Belarus in October 2015. Consequently the company is reclassified from an associated to a subsidiary and consolidated as such with 40 per cent presented as a non-controlling interest.

Carrying value of associated companies are in 2016 NOK 5.0 million (NOK 5.0 million at year end of 2015). The majority is related to Ferrozink Trondheim AS with NOK 4.9 million (NOK 4.9 million at year end 2015).

Change in carrying value associated companies

2016

NOK 1000	Rinde Rekon AS	Bjartmar Rinde AS	Ferrozink Trondheim AS	IBOS SP. z o.o.	Total
Opening balance 01.01.16	0	0	4 908	60	4 969
Share of this year's profit/loss	0	0	0	0	0
Equity transactions, dividends	0	0	0	0	0
Sales (+) and disposals (-)	0	0	0	0	0
Other	0	0	0	(4)	(4)
Translation difference	0	0	0	(5)	(5)
Carrying value 31.12.16	0	0	4 908	51	4 960

2015

NOK 1000	Rinde Rekon AS	Bjartmar Rinde AS	Ferrozink Trondheim AS	Lade Metall AS	IBOS SP. z o.o.	Viacon Technologies Belarus	Total
Opening balance 01.01.15	0	0	4 908	0	67	3 413	8 389
Share of this year's profit/loss	0	0	0	0	0	(226)	(226)
Equity transactions, dividends	0	0	0	0	0	(1 298)	(1 298)
Sales (+) and disposals (-)	0	0	0	0	0	(1 817)	(1 817)
Other	0	0	0	0	0	(58)	(58)
Translation difference	0	0	0	0	(7)	(13)	(20)
Carrying value 31.12.15	0	0	4 908	0	60	0	4 969

Share of profit/(loss) of associated companies' in the statement of comprehensive income includes share of this year's profit, gain from sale of shares in associated companies and gain from reclassification of shares in associated companies to financial asset.

Financial information regarding associated companies (100 per cent basis)

Financial information 31.12.2016

NOK 1000	Rinde Rekon AS	Bjartmar Rinde AS	Ferrozink Trondheim AS	IBOS SP. z o.o.	Total
Assets	432	89	18 868	2 030	21 419
Liabilties	48 585	3 399	6 348	545	58 877
Revenues	0	0	39 368	3 151	42 519
Profit/(Loss) (1.1 - 31.12)	(2 090)	(245)	648	112	(1 575)
Ownership share	42%	42%	40%	50%	

Financial information 31.12.2015

NOK 1000	Rinde Rekon AS	Bjartmar Rinde AS	Ferrozink Trondheim AS	IBOS SP. z o.o.	Total
Assets	1 522	89	19 658	2 203	23 472
Liabilties	47 585	3 154	7 566	584	58 889
Revenues	0	0	42 223	4 517	46 740
Profit/(Loss) (1.1 - 31.12)	(1 556)	(346)	585	245	(1 072)
Ownership share	42 %	42 %	40 %	50 %	

Other investments

The company has other investments recognised at fair value (AFS investments). The fair value as of 31.12.2016 was NOK 12.3 million, of which approximately NOK 9.1 million related to investments in BBV GmBH (15.00 per cent ownership) and NOK 2.1 million related to investments in Juralco AS (19.87 per cent ownership).

Financial information 31.12.2016

	31.12.16	Ownership share 2016	31.12.15	Ownership share 2015
BBV GmbH	9 086	15.00%	9 619	15.00%
Juralco AS	2 058	19.87%	2 058	19.87%
Other shares	1 182	n/a	1 309	n/a
Total shares	12 326		12 986	

Note 6 Segment information

Segment structure

The operating segments presented are the key components of the Saferoad Group's business and the segment note follow the structure of internal reporting. The following operating segments have been identified: Road Safety Nordic, Road Safety Europe, Road Infrastructure and Other/Holding. The segments are managed as separate and strategic businesses and no operating segment have been combined for the purpose of segment reporting. Assets and liabilities are not included in the segment reporting.

Road Safety (Europe and Nordic)

The Road Safety segments offer road restraint systems (guard rails and bridge parapets), lighting columns and other traffic accommodation products and services (signs, work-zone protection and road marking) to contractors and road authorities in the Nordics and rest of Europe. Information is provided for each operating segment, and for the total of Road Safety to ensure comparability with Road Infrastructure.

Road Safety Nordic consists of entities in Norway, Sweden, Denmark and Finland and a production facility in Poland and entities in UK. Road Safety Europe consists of legal entities in Poland, Germany, Romania, the Netherlands, Slovakia, Belarus, Czech Republic and Turkey.

Road Infrastructure

Road Infrastructure offers a wide range of soil steel bridges, pipes, culverts, geosynthetics and water and sewage systems for road construction projects in Europe. Road Infrastructure is organised as one operating segment, but is divided in two geographical business units "Europe" and "Nordic". Information is provided for the operating segment as a whole, along with information for "Europe" and "Nordic" to ensure comparability with Road Safety.

Road Infrastructure Nordic consists of legal entities in Norway, Denmark, Sweden and Finland. Road Infrastructure Europe consists of legal entities in Poland, the Baltic States, Austria, Romania, Bulgaria, Slovakia, Belarus, Czech Republic, Turkey and Hungary.

Other/Holding

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

Operating segment information

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

Segment performance is evaluated based on "Underlying EBITDA" and "Underlying EBITA" which deviates from EBITDA and EBITA derived from the consolidated financial statements. In the internal reporting revenues and expenses are adjusted for items which management believes to be non-recurring, such as restructuring expenses, gains and losses (including transactions costs) from disposals of business, transaction costs from preparations of the Group for a potential change of ownership, impairment charges and other non-recurring items. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Depreciations and impairments related to excess values for fixed assets recognised at acquisitions, are not allocated to the segments, and are shown below under "Unallocated Depreciation" and "Impairment other". The elimination of inter-segment sales is included in "Eliminations".

The following table include information about the Group's operation segments and business areas.

Total operating revenue Underlying

NOK 1000	2016	2015
Segment Road Safety Nordic	**2 647 798**	2 596 648
Segment Road Safety Europe	**1 437 814**	1 289 179
Other/Eliminations	**(71 018)**	(71 594)
Road Safety	**4 014 594**	3 814 233
Road Infrastructure Nordic	**851 170**	720 429
Road Infrastructure Europe	**1 000 532**	1 013 913
Other/Eliminations	**(64 744)**	(40 996)
Segment Road Infrastructure	**1 786 958**	1 693 346
Other/Holding	**353**	42 850
Eliminations	**(38 027)**	(44 125)
Total Underlying operating revenue	**5 763 878**	5 506 305
Adjustments [1]	**0**	16 998
Total operating revenue Reported	**5 763 878**	5 523 303

1) Items which management believes to be non-recurring

Personnel cost Underlying

NOK 1000	2016	2015
Segment Road Safety Nordic	**(740 829)**	(701 529)
Segment Road Safety Europe	**(201 196)**	(184 367)
Other/Eliminations	**1 076**	0
Road Safety	**(940 949)**	(885 897)
Road Infrastructure Nordic	**(117 142)**	(108 325)
Road Infrastructure Europe	**(116 230)**	(105 904)
Other/Eliminations	**(9 485)**	(9 521)
Segment Road Infrastructure	**(242 857)**	(223 749)
Other/Holding	**(29 950)**	(46 335)
Eliminations	**1 265**	62
Total Underlying personnel cost	**(1 212 491)**	(1 155 920)
Classification adjustments [2]	**25 648**	17 185
Adjustments [1]	**(4 738)**	(29 677)
Personnel cost Reported	**(1 191 581)**	(1 168 412)

1) Items which management believes to be non-recurring
2) External services classified as Other operating cost in IFRS is classified as Personnel cost in underlying figures

Other operating cost Underlying

NOK 1000	2016	2015
Segment Road Safety Nordic	**(322 001)**	(315 300)
Segment Road Safety Europe	**(116 863)**	(120 011)
Other/Eliminations	**0**	0
Road Safety	**(438 864)**	(435 311)
Road Infrastructure Nordic	**(69 032)**	(61 900)
Road Infrastructure Europe	**(89 080)**	(84 197)
Other/Eliminations	**3 910**	1 771
Segment Road Infrastructure	**(154 202)**	(144 326)
Other/Holding	**(8 321)**	(12 272)
Eliminations	**1 763**	1 247
Total Underlying other operating cost	**(599 624)**	(590 662)
Classification adjustments [2]	**(162 011)**	(181 081)
Adjustments [1]	**(26 056)**	(85 713)
Other operating cost Reported	**(787 692)**	(857 456)

1) Items which management believes to be non-recurring
2) Freight charges classified as Other operating cost in IFRS is classified as Cost of goods sold in underlying figures

EBITDA Underlying

NOK 1000	2016	2015
Segment Road Safety Nordic	**236 962**	269 946
Segment Road Safety Europe	**136 635**	71 308
Other/Eliminations	**0**	0
Road Safety	**373 597**	341 254
Road Infrastructure Nordic	**53 829**	23 404
Road Infrastructure Europe	**93 154**	96 758
Other/Eliminations	**(4 684)**	(8 319)
Segment Road Infrastructure	**142 299**	111 843
Other/Holding/Eliminations	**(37 856)**	(39 398)
Total Underlying EBITDA	**478 040**	413 699
Adjustments [1]	**(30 794)**	(135 148)
EBITDA Reported	**447 245**	278 550
Depreciation and impairment	**(167 176)**	(185 742)
Amortisation and impairment	**(390 332)**	(107 422)
Operating profit/(loss) Reported	**(110 263)**	(14 614)

1) Items which management believes to be non-recurring

EBITA Underlying

NOK 1000	2016	2015
Segment Road Safety Nordic	155 168	190 839
Segment Road Safety Europe	103 697	40 766
Other/Eliminations	0	0
Road Safety	258 865	231 605
Road Infrastructure Nordic	49 961	18 254
Road Infrastructure Europe	69 780	73 756
Other/Eliminations	(3 514)	(8 885)
Segment Road Infrastructure	116 227	83 125
Other/Holding/Eliminations	(37 637)	(38 942)
Total Underlying EBITA	337 454	275 789
Unallocated depreciation [2]	(15 250)	(16 009)
Impairment other [2]	(11 341)	(30 867)
Adjustments [1]	(30 794)	(136 105)
EBITA Reported	280 070	92 808
Amortisation and impairment	(390 332)	(107 422)
Operating profit/(loss) Reported	(110 263)	(14 614)

1) Items which management believes to be non-recurring
2) Excess values not allocated to underlying business

Information about geographical areas

	Total operating revenue	
NOK 1000	2016	2015
Norway	1 282 854	1 356 007
Sweden	1 474 533	1 335 881
Denmark	293 163	251 590
Poland	627 597	620 828
Germany	880 307	785 447
Other Europe	1 205 424	1 173 551
Total operating revenue	5 763 878	5 523 303

NOK 1000	2016	2015
Net revenue - products	4 902 301	4 841 803
Net revenue - services	829 358	653 881
Other operating revenue	32 219	27 619
Total operating revenue	5 763 878	5 523 303

The Group and the segments have a diversified customer base and are not reliant on any single major customer.

Note 7 Construction contracts

The Saferoad Group is involved in contracts specifically negotiated to provide construction of assets to the buyer's specification. These contracts are often relatively short term in nature but in many cases reaching over several months and sometimes years.

At 31 December 2016 the Group had ongoing road infrastructure contracts.

The status of the Group's contracts in progress at the end of 2016 is as follows:

NOK 1000	2016 Contracts to date	2015 Contracts to date
Contract revenue recognised	418 544	266 902
Contract expenses recognised	329 648	206 722
Recognised profits less losses	88 896	60 180
Earned not invoiced on ongoing contracts (included in other receivables)	31 508	46 688
Prepayments from customers (included in other current liabilities)	0	0
Advances received	1 410	792
Retentions	0	4 594

Note 8 Cost of goods sold and inventories

Cost of goods sold

NOK 1000	2016	2015
Purchase of goods and changes in inventories	3 334 020	3 185 640
Write-down of inventories	3 340	33 245
Total cost of goods sold	3 337 360	3 218 885

Inventories

NOK 1000	Carrying value 31.12.16	Carrying value 31.12.15
Raw materials	428 043	314 403
Work in progress	51 478	86 244
Own produced goods	154 580	170 894
Goods purchased for resale	275 795	282 443
Total inventories	909 895	853 983

At year end 2015 an inventory write-down of PLN 9.9 million (NOK 22.4 million) was made in the Polish entity Intermetal. The write-down related mainly to slow moving items as well as reflecting the significant drop in world market prices for steel that was not efficiently handled due to a non-successful new set-up of the supply chain in the Road Safety Europe in 2015. Consequently, the supply-chain was reorganised with effect from 1 January 2016.

Note 9 Other operating costs

Other operating costs

NOK 1000	2016	2015
Fees to auditors	15 716	13 494
Rent	69 878	70 151
Other costs related to premises	56 056	53 683
Operational lease	20 845	18 886
Direct operating costs (incl. repairs and maintenance)	199 373	186 919
Selling and distribution costs	213 174	242 868
Administrative costs	137 309	151 887
Membership, insurance, license- and guarantee costs	28 980	31 021
Capital losses upon sales of fixed assets	238	1 553
Bad debts	7 435	29 593
Other operating costs	38 687	57 401
Total other operating costs	787 692	857 456

The Group has entered into different operational lease and rental agreements for machinery, offices and other facilities. Rental agreements are mainly rental of premises for own use. Most of the agreements contain an option for extension. For details related to these agreements see Note 26 Leasing, rental agreements.

Fees to auditors

NOK 1000	2016	2015
Fees for audit	11 205	9 233
Fees for attestation services	461	229
Fees for tax services	1 064	983
Fees for other services	2 986	3 048
Total fees	15 716	13 494
Of which is auditing fees to Ernst & Young	9 134	7 339
Of which is other fees to Ernst & Young	2 740	2 635

Note 10 Employees, total personnel costs

Salaries and remuneration

NOK 1000	2016	2015
Salary	910 722	892 097
Social security tax on salaries, pensions, bonuses etc	171 380	169 478
Other personnel expenses	27 209	26 172
Pension expenses	55 396	53 074
Bonuses	26 875	27 591
Total salaries and remuneration	1 191 581	1 168 412

There are 2 715 employees in the Saferoad Group per 31 December 2016 (2 644 last year).

Whereof Salaries and remuneration for Board of Directors and Group CEO

The Board of Directors received a total remuneration of NOK 833 thousand in 2016 (NOK 675 thousand in 2015). Remuneration is set to a fixed fee for the year. None of the members of the Board of Directors owned shares in the Saferoad Group in 2016 or 2015. The Chair and the members of the Board have no agreements for further compensation due to termination or changes in the position.

The table below sets out the remuneration for the Group CEO for 2016.

NOK 1000	2016
Salary [1]	4 046
Bonus [2]	1 067
Other benefits [3]	148
Pension benefits	74
Total	5 334

1) Salary consist of base salary and holiday payment.
2) Bonus earned in 2015, paid in 2016.
3) Other benefits is the total of all other cash and non-cash related benefits received by the individual during the year presented and includes such items as the taxable portion of insurance premiums, company car, car allowances and electronic communication items.

Morten Holum assumed the position as CEO in October 2015. His employment contract is with the subsidiary Saferoad AS. The CEO received a remuneration of NOK 900 thousand for the period 1 October – 31 December 2015. The pension cost for the CEO for this period was NOK 17 thousand.

The CEO has a performance based bonus agreement. In addition, the CEO has a stay-on-bonus agreement for the period until 30 September 2017 and a bonus agreement triggered by a change of ownership. The stay-on-bonus is paid pro rata on an annual basis. The remaining part of the bonus becomes due if Saferoad terminates the employment contract or if there is a change of ownership of more than a majority of the ownership interest in Saferoad during the period.

The Group CEO had no shares in the Saferoad Group in 2016 or 2015. There are no loans or share-based payments from the company to Group CEO or Board of Directors.

Note 11 Pensions

The Group policy is to offer pension contribution plans to its employees. The Norwegian companies in the Group are required by law to have a pension scheme. This requirement is fulfilled by the Norwegian entities. The main characteristic of a defined contribution plan is that the employer's obligation is limited to the amount it agrees to contribute to the plan. For such plans the contribution is expensed as they are incurred.

In line with the Group policy, most defined benefit plans was terminated in 2008 or earlier. For historical reasons there are still a limited number of such plans in place in Sweden, Norway and in Germany. The main financial and accounting impact of the remaining defined benefit plans have been summarised below, on the line "defined benefit expense" and under the heading "defined benefit assets and liabilities".

Pension expense for the year

NOK 1000	2016	2015
Defined benefit expense	**2 552**	2 439
Defined contibution expense	**52 844**	50 636
Total pension expense	**55 396**	53 074
Defined benefit assets and liabilities		
Accrued pension obligations	**60 835**	60 473
Pension plan assets	**(22 799)**	(23 392)
Net benefit obligations	**38 036**	37 081
Plans with a surplus is recognised separately from plans with a deficit		
Recognised pension assets	**291**	739
Recognised pension obligations	**38 327**	37 821

Actuarial and financial assumptions (defined benefit plans)

	2016			2015		
NOK 1000	Norway	Sweden	Germany	Norway	Sweden	Germany
Discount rates	**2.1%**	**2.4%**	**1.8%**	2.7%	2.8%	2.4%
Salary increase	**2.3%**	**3.0%**	**1.0%**	2.5%	3.0%	0.0%

Actuarial losses of NOK 3 838 thousand (after tax) in 2016 and actuarial gain of NOK 1 664 thousand (after tax) in 2015 have been recognised in other comprehensive income.

Note 12 Financial items

NOK 1000	2016	2015
Interest income	**7 124**	11 123
Fair value gains on derivatives	**13 024**	10 835
Other financial income	**3 787**	1 494
Total financial income	**23 935**	23 452
Interest expenses	**209 098**	191 236
Fair value loss on derivatives	**0**	358
Other financial expenses	**47 394**	102 282
Total financial expenses	**256 491**	293 875
Currency exchange gain	**44 655**	296 504
Currency exchange loss	**142 025**	235 588
Net exchange rate gain (loss)	**(97 370)**	60 916
Share of profit/(loss) of associated companies	**0**	5 598
Net financial income/expenses	**(329 926)**	(203 909)

Other financial expenses in 2016 and 2015 consist mainly of changes in estimates for put options and earn outs of NOK 24 million (NOK 64 million), see note 17, and bank fees.

Currency exchange gains and losses are mainly related to shareholder loans and liabilities to credit institutions in non-functional currencies. The gains and losses arise from translation of monetary assets and liabilities expressed in non-functional currencies to the exchange rate in effect on the balance sheet date, and from transactions in non-functional currencies translated at the rate in effect on the transaction date. The gains and losses are netted per currency per entity.

Note 13 Income tax

Tax income/(expense)

NOK 1000	2016	2015
Tax payable	(34 446)	(66 591)
Changes in deferred tax	35 386	21 433
Tax income/(expense) recognised in the Consolidated statement of comprehensive income	940	(45 158)
Prepaid tax (included in other receivables)	16 990	18 703
Current tax liabilities	(9 945)	(46 459)
Total (net) tax payable 31 December (+receivable/-liability)	7 045	(27 756)

A reconciliation of the effective rate of tax and the tax rate in Cidron Triangle AS's country of registration:

NOK 1000	2016	2015
Profit /(loss) before tax	(440 189)	(218 523)
Expected income taxes according to income tax rate in Norway 25% / 27%	110 047	59 001
Adjustment in respect of current income tax of previous years	(7 560)	(292)
Deferred tax assets not recognised current year	(39 841)	(43 519)
Use of previously unrecognised loss carried forward	29 224	524
Impairment of goodwill, non deductible	(53 189)	(5 626)
Non deductible expenses	(25 955)	(41 380)
Non-taxable income	3 341	912
Tax rate outside Norway other than 25% / 27%	(9 228)	(13 684)
Change in deferred tax assets/liabilities due to change in tax rates [1]	1 168	966
Other	(7 066)	(2 060)
Tax income/(expense) recognised in the Consolidated statement of comprehensive income	940	(45 158)
Income tax income/ (expense) reported in other comprehensive income		
Pensions	(714)	141
Tax effect on currency translation - net investment	(8 302)	0
Income tax on other comprehensive income	(9 015)	141

1) Deferred tax assets/liabilities are measured at the enacted tax rate of 24 per cent at year end 2016 for Norwegian entities.

Deferred tax liabilities/(deferred tax assets)

NOK 1000	2016	2015
Non-current assets and liabilities:		
Intangible assets	54 731	87 934
Tangible fixed assets	42 007	46 966
Pensions	(4 650)	(4 078)
Other non-current items	919	1 327
Total non-current assets and liabilities	93 007	132 149
Current assets and liabilities:		
Inventory	(1 061)	(1 334)
Liabilities	(4 533)	(3 704)
Trade receivables	(2 944)	(6 100)
Other investments at fair value	1 234	(1 727)
Other current items	(5 118)	(7 156)
Total current assets and liabilities	(12 422)	(20 020)
Tax losses carried forward	(252 905)	(249 028)
Of which assets not recognised (valuation allowance)	(206 234)	(217 478)
Net recognised deferred tax liabilities	33 914	80 578
Of which deferred tax assets	8 984	14 982
Of which deferred tax liabilities	(42 898)	(95 560)

The Group has a total tax loss carried forward of NOK 1 151 million (NOK 1 131 million) which expires as follows:

NOK 1000	Sweden	United Kingdom	Germany	Other	2016	2015
Current year +1 year				21 117	21 117	9 328
Current year +2 years				12 302	12 302	34 194
Current year +3 years				22 810	22 810	16 380
Current year +4 years				17 663	17 663	11 682
Current year +5 years or later				88 674	88 674	87 556
No due date	685 603	133 540	84 921	84 747	988 811	972 299
Total tax loss carried forward	685 603	133 540	84 921	247 314	1 151 377	1 131 438
On which deferred tax assets have not been recognised	573 715	133 540	84 921	151 564	943 739	983 329
Total tax loss on which deferred tax assets have been recognised	111 888	0	0	95 750	207 638	148 109

Changes in net deferred taxes:

NOK 1000	2016	2015
As of 1 January	80 578	96 795
Recognised in profit and loss	(35 386)	(21 433)
Recognised as other comprehensive income	(9 015)	141
Acquistions and disposals	0	3 778
Translation differences	(2 264)	1 297
As of 31 December	33 914	80 578
Of which deferred tax assets	8 984	14 982
Of which deferred tax liabilities	(42 898)	(95 560)

The Group's expected income taxes in 2016 and 2015 are measured according to income tax rate in Norway (25 per cent in 2016 and 27 per cent in 2015). The non-deductible expenses in 2015 and 2016 includes other financial expenses related to changes in estimated future payments for put options on shares (see Note 12 and Note 16), non-deductible interest expenses, and loss on sale of subsidiaries (see note 4).

For all countries a net deferred tax liability is recognised at year end 2016, except for smaller amounts for the Netherlands, Poland and Bulgaria, where a net tax asset is recognised.

Deferred tax assets are recognised based on expected future tax income. There is no due date on tax losses carried forward in Sweden, and the tax loss carried forward in Sweden is expected to be utilised over time. However, for parts of the tax losses carried forward in Sweden a deferred tax asset has not been recognised as per 31 December 2016 and per 31 December 2015, due to uncertainty related to time of utilisation and the strong evidence requirement of future profit. Tax losses carried forward has not been recognised for Germany, United Kingdom and other countries due to limitation in local tax regulations and/or uncertainty related to time of utilisation and the strong evidence requirement of future profit.

Note 14 Property, plant and equipment

2016

NOK 1000	Land	Buildings	Machines / equipment	Construction in progress	Rental equipment /furniture /vehicles [1]	Total
Accumulated cost 1 January 2016	32 051	653 065	692 113	5 695	371 758	1 754 682
Reclassifications	1 932	7 288	(7 634)	(966)	5 862	6 483
Additions, acquisition of subsidiaries	1 511	4 516	5 363	0	53	11 443
Additions, other	77	6 792	101 768	2 813	51 661	163 112
Disposals	(113)	(3 971)	(57 207)	(2)	(14 196)	(75 489)
Translation differences	(1 949)	(28 243)	(33 876)	(472)	(15 475)	(80 016)
Accumulated cost 31 December 2016	33 509	639 446	700 528	7 069	399 663	1 780 215

Depreciation method

Useful life

NOK 1000	No depreciation	Linear 10-40 year	Linear 5-10 year	No depreciation	Linear 3-5 year	Total
Accumulated depreciations and impairments 1 January 2016	419	262 094	330 453	2 093	171 868	766 927
Reclassifications	141	3 375	607	0	2 366	6 489
Disposals	0	(3 716)	(52 568)	(2)	(11 135)	(67 421)
Depreciations	0	31 870	70 583	0	53 382	155 835
Impairments [2]	0	0	6 990	0	4 351	11 341
Translation differences	(99)	(10 935)	(9 703)	(224)	(6 252)	(27 213)
Accumulated depreciations and impairments 31 December 2016	461	282 687	346 362	1 867	214 580	845 957
Carrying value 1 January 2016	31 631	390 971	361 660	3 602	199 890	987 755
Carrying value 31 December 2016	33 047	356 759	354 167	5 201	185 083	934 258

1) This category includes rental equipment where the Group is the lessor.
2) NOK 4 027 thousand represents impairment in Road Safety Europe and 7 314 thousand represents impairment in Turkey.

2015

NOK 1000	Land	Buildings	Machines / equipment	Construction in progress	Rental equipment /furniture /vehicles [2]	Total
Accumulated cost 1 January 2015	36 594	661 874	630 682	4 670	314 450	1 648 270
Reclassifications [1]	1 450	(3 684)	9 820	(2 739)	5 663	10 511
Additions, acquisition of subsidiaries	110	1 316	3 749	0	2 508	7 682
Additions, other	566	6 439	77 277	3 442	60 189	147 914
Disposals	(8 298)	(39 479)	(49 848)	(63)	(24 626)	(122 314)
Translation differences	1 628	26 599	20 433	387	13 574	62 621
Accumulated cost 31 December 2015	32 051	653 065	692 113	5 695	371 758	1 754 682

Depreciation method

Useful life

NOK 1000	No depreciation	Linear 10-40 year	Linear 5-10 year	No depreciation	Linear 3-5 year	Total
Accumulated depreciations and impairments 1 January 2015	4	229 172	284 907	80	131 230	645 393
Reclassifications [1]	354	(260)	6 249	0	4 077	10 421
Disposals	0	(33 722)	(43 693)	(53)	(19 082)	(96 550)
Depreciations	0	33 296	72 369	0	49 210	154 876
Impairments [3]	0	23 620	4 235	1 949	1 062	30 867
Translation differences	62	9 987	6 386	117	5 369	21 921
Accumulated depreciations and impairments 31 December 2015	419	262 094	330 453	2 093	171 868	766 927
Carrying value 1 January 2015	36 590	432 702	345 775	4 590	183 220	1 002 875
Carrying value 31 December 2015	31 631	390 971	361 660	3 602	199 890	987 755

1) Reclassifications mainly relates to corrections between accumulated cost and accumulated depreciation in Lithuania.
2) This category includes rental equipment where the Group is the lessor.
3) The impairment of NOK 23 620 thousand relates to buildings in Rumtikli OY.

There is no material capitalised interest cost on property, plant and equipment per 31 December 2016 or per 31 December 2015.

Financial leasing

The Group has financial and operating leases, see note 26 for operating leases. The Group's assets under financial lease agreements, where the Group is the lessee, include machinery and equipment, furniture and vehicles. In addition to the rental payments, the Group has obligations relating to the maintenance and other user-related costs of the assets. The lease periods vary from three to ten years, and several agreements involve a right of renewal.

Carrying value capitalised leases

NOK 1000	31 December 2016	31 December 2015
Machinery and equipment, furniture and vehicles	**62 983**	61 934
Total	**62 983**	61 934

Note 15 Intangible assets

2016

NOK 1000	Licenses, product rights etc	Development	Goodwill	Customer relationships	Other intangibles	Total
Accumulated cost 1 January 2016	62 226	157 637	1 645 829	752 938	84 910	2 703 540
Reclassifications	0	0	(11)	0	0	(11)
Additions, acquisition of subsidiaries	0	490	11 091	0	31	11 612
Additions, other	1 310	16 805	0	0	6 338	24 453
Derecognition	(695)	0	0	0	(2 183)	(2 879)
Translation differences	(3 336)	(7 766)	(79 460)	(41 441)	(5 625)	(137 628)
Accumulated cost 31 December 2016	59 505	167 166	1 577 448	711 496	83 471	2 599 087

Amortisation method
Useful life

NOK 1000	Linear 5-10 year	Linear 3-15 year	No amortization	Linear 5-15 year	Linear 3-15 year	Total
Accumulated amortisations and impairments 1 January 2016	24 629	89 604	134 644	411 128	75 297	735 303
Reclassifications	0	0	0	0	(13)	(13)
Amortisations	2 569	15 168	0	58 487	5 202	81 425
Derecognition	(695)	0	0	0	(2 114)	(2 810)
Impairments [1]	9 067	21 819	231 528	46 494	0	308 907
Translation differences	(941)	(4 825)	(10 942)	(26 013)	(5 004)	(47 726)
Accumulated amortisations and impairments 31 December 2016	34 628	121 765	355 230	490 096	73 368	1 075 087
Carrying value 1 January 2016	37 597	68 033	1 511 184	341 810	9 613	1 968 237
Carrying value 31 December 2016	24 877	45 401	1 222 219	221 400	10 103	1 524 000

1) NOK 183 274 thousand represents impairment of goodwill and excess values related to CGU Road Safety Europe and NOK 125 633 thousand to goodwill in Denmark related to CGU Road Safety Nordic.

2015

NOK 1000	Licenses, product rights etc	Development	Goodwill	Customer relationships	Other intangibles	Total
Accumulated cost 1 January 2015	58 128	138 366	1 515 328	701 303	74 193	2 487 318
Reclassifications	460	0	(55)	0	110	516
Additions, acquisition of subsidiaries	0	0	77 524	12 426	2	89 952
Additions, other	400	11 348	0	0	5 420	17 168
Derecognition	0	(194)	(27 859)	0	(37)	(28 090)
Translation differences	3 238	8 118	80 891	39 208	5 221	136 676
Accumulated cost 31 December 2015	62 226	157 637	1 645 829	752 938	84 910	2 703 540

Amortisation method
Useful life

NOK 1000	Linear 5-10 year	Linear 3-15 year	No amortization	Linear 5-15 year	Linear 3-15 year	Total
Accumulated amortisations and impairments 1 January 2015	20 129	69 862	126 664	335 178	62 858	614 691
Reclassifications	406	0	0	0	115	520
Amortisations	3 307	15 506	0	53 914	7 587	80 313
Derecognition	0	0	(27 859)	0	(31)	(27 890)
Impairments [1]	0	0	27 109	0	0	27 109
Translation differences	788	4 237	8 731	22 036	4 768	40 560
Accumulated amortisations and impairments 31 December 2015	24 629	89 604	134 644	411 128	75 297	735 303
Carrying value 1 January 2015	37 999	68 504	1 388 664	366 125	11 335	1 872 627
Carrying value 31 December 2015	37 597	68 033	1 511 184	341 810	9 613	1 968 237

1) NOK 26 435 thousand represents impairment of goodwill related to CGU Road Safety Europe.

Changes in Groups of cash-generating unit composition

The cash-generating units (CGU) composition has been changed from 2015 to 2016 due to a reorganisation of the Group, which has changed the way goodwill is monitored. Several CGUs have changed their name and composition. The changes in the composition and names of the CGUs are provided below:

· CGU Road Safety Nordic: This CGU consists of entities in the previous CGU Norway and CGU Nordic. This CGU now also includes Brødrene Berntsen AS (from Other), Brødrene Berntsen AB (from Other) and Saferoad Pomerania Sp.zo.o

· CGU Road Safety Europe: There has been no material changes in CGU Road Safety Europe from 2015 to 2016.

· CGU Road Infrastructure: There has been no material changes in CGU Road Infrastructure from 2015 to 2016.

· CGU Other: There are no entities left in CGU Other in 2016.

As there were significant changes in the composition of the Groups of cash-generating units (CGU) during 2016, comparable figures for required return and growth rates do not exist.

Goodwill has been reallocated according to the new composition of CGUs. The reallocation has been performed using the goodwill associated with the reorganised units, i.e. the specific goodwill initially recognised at the different acquisitions of entities or Groups of entities, allocated at a more decomposed level than the goodwill at the CGU level.

The tables below outlines goodwill per 31 December 2015 per the prior CGU structure, and goodwill allocated to the following new CGUs.

CGU (Previous structure)

NOK 1000	31 December 2015
Norway	613 838
Nordic	468 593
Europe	112 471
ViaCon	291 246
Other	25 036
Total	1 511 184

CGU (New structure)

NOK 1000	31 December 2016	31 December 2015
Road Safety Nordic	**943 854**	1 107 417
Road Safety Europe	**0**	112 500
Road Infrastructure	**278 365**	291 268
Total	**1 222 218**	1 511 184

Impairment testing of goodwill

The Group tests goodwill for impairment annually or more frequently if there are indications that goodwill is impaired. Recognised goodwill in the Group as of 31 December 2016 is NOK 1 222 million and is mainly derived from CGU Road Safety Nordic. The recoverable amounts of the CGUs have been determined based on value-in-use calculations.

The cash flows in the calculations are based on the long term budgets for the period 2017 to 2021, approved by the Group Management. Cash flows after year 2021 have been extrapolated using a long-term growth rate that is similar to the expected long term inflation per country. The expected long term inflation is mainly in the range of 1.5 to 2.5 per cent. The Saferoad Group has applied a weighted average cost of capital (WACC) specific for each CGU. The value in use is the net present value of the estimated cash flow before tax, using a discount factor reflecting the timing of the cash flows and the expected risks. The calculations of terminal value are based on Gordon's formula.

The estimated cash flows for the period 2017 to 2021 are higher than reported figures in historical periods and assume revenue growth and better margins. Backed by long term governmental budgets for infrastructure spend in key markets, the outlook for good growth on the demand side are solid. The Group is well positioned to capture this growth. A number of restructuring initiatives and divestments of some non-core business areas have improved the Group's position to increase the cash flow. Strong market and cost synergies are expected from acquisitions made in 2016.

Key assumptions used in value-in-use calculations

The calculations of value-in-use for all the CGU are to a large extent based on key assumptions related to:

- Sales growth
- Discount rates
- Margins

Sales growth – The expected sales growth varies, both between entities within a CGU and between CGUs. Sales growth combines estimated market growth with strategic initiatives in the respective CGU.

Discount rates – Discount rates reflect the current market assessment of the risks specific to each CGU. The discount rate is estimated based on the weighted average cost of capital (WACC) for the industry. This rate is further adjusted to reflect the market assessment of any risk specific to the CGU for which future estimates of cash-flows have not been adjusted. The market risk premium of equity was 6 per cent, at the same level as 2015.

Margins – Margins are dependent on sales mix, competition and improved sourcing from initiatives on Group and CGU levels. In calculating sales growth and gross margins, the raw material price market levels are kept unchanged. This implies an underlying assumption that changes in raw material markets are reflected in product sales prices.

The table below outlines the key assumptions for each CGU.

NOK 1000	Expected compound annual growth rate (CAGR) of sales in the long-term budget	Pre-tax discount rate applied to cash flow projections	Gross margin
Road Safety Nordic	4.1%	8.79%	50 %
Road Safety Europe	2.6%	9.84%	32-35%
Road Infrastructure	3.0%	10.27%	28-29%

The results from the impairment test shows that recoverable amount exceeds carrying amount by 40 per cent for CGU Road Safety Nordic and 31 per cent for Road Infrastructure. The Group does not recognise impairment losses for the CGUs Road Safety Nordic or Road Infrastructure, but does recognise impairment loss as of year end 2016 related to the CGU Road Safety Europe. An impairment loss of NOK 183 million is recognised in profit/loss in 2016, relating to the remaining goodwill (NOK 106 million) and intangible excess values of customer relationships, development and product rights (NOK 77 million) of the CGU Road Safety Europe. The impairment results from a more conservative assessment of the cash flow from Road Safety Europe in the budget period and in the terminal value, specially related to somewhat higher estimates for the cash outflow related to capital expenditures.

The Group has made a separate assessment of the business in Denmark, which is part of the CGU Road Safety Nordic, due to low performance in 2015 and 2016. An impairment loss of NOK 126 million is recognised in profit/loss in 2016, relating to the remaining goodwill of the business in Denmark.

An impairment loss of NOK 26 million was recognised in profit/loss in 2015, relating to the goodwill of the previous CGU Europe.

The calculations of recoverable amount are sensitive for changes in key assumptions. The table below outlines the level of change in a single assumption which will lead to impairment charges.

NOK 1000	Expected compound annual growth rate (CAGR) of sales in the long-term budget	Pre-tax discount rate applied to cash flow projections
Road Safety Nordic	-1.2%-points	1.9%-points
Road Infrastructure	-1.3%-points	1.8%-points

Sensitivity analysis have been performed on two of the most sensitive assumptions: changes in sales growth and changes in discount rates. Sensitivity analysis indicates that the conclusion is fairly robust to change in assumptions for all CGUs except for the CGU Road Safety Europe, where all goodwill and intangible excess values have been impaired.

1 percentage point lower discount rate for the CGU Road Safety Europe would have led to no impairment for this CGU.

The annual sales growth must be increased to 4.3 per cent in order to avoid an impairment situation for the CGU Road Safety Europe.

The Group believes that no reasonably possible change in any of the key assumptions used for impairment testing would cause the recoverable amount to be lower than the carrying amount of the cash generating unit, except for the CGU Road Safety Europe.

Note 16 Other provisions

Non-current

NOK 1000	2016	2015
Warranty provision	**4 280**	6 109
Other provisions	**13 514**	21 910
Total non-current provisions	**17 794**	28 018

Current

NOK 1000	2016	2015
Restructuring provisions	**1 673**	10 122
Total current provisions	**1 673**	10 122

Other provisions include provisions for non-paid value added tax (VAT) for scrap steel made in the business in Germany. Final settlement including fixing the amount is subject to agreement with the tax authorities. Other provisions also include royalty provisions for suppliers (license agreements) and provisions for other non-current liabilities.

Restructuring provisions

The Group launched a restructuring program in the fall of 2015 to improve performance. The restructuring program included headquarter functions, general cost reductions and restructuring of some operating entities, including closure of production facilities. The provision related to the restructuring is NOK 1.7 million at year end 2016 (NOK 10.1 million at year end of 2015).

Changes in provisions in 2016

NOK 1000	Warranty provisions	Other provisions	Total non-current provisions	Restructuring provisions	Total current provisions
Other provisions					
Opening balance	6 109	21 910	28 019	10 122	10 122
Additions	1 576	11 890	13 466	0	0
Used (amount charged against provision)	(285)	(11 074)	(11 359)	(6 285)	(6 285)
Unused amounts reversed	(2 782)	(6 427)	(9 209)	(1 293)	(1 293)
Translation difference	(338)	(2 785)	(3 123)	(872)	(872)
Closing balance	4 280	13 514	17 794	1 673	1 673

Note 17 Put options on remaining shares and earn outs on acquired shares

Put options on shares and estimated future payments

In some acquired companies with non-controlling interests, put options are issued for the purchase of the remaining shares.

The estimated future payments related to these shares are shown in the table below. Options that do not create any obligations are not reported.

NOK 1000	2016	2015
Included in non-current liabilities	8 146	225 766
Included in other current liabilities	220 819	0
Total estimated payments	**228 965**	**225 766**

Changes in estimated payments in 2016

NOK 1000	2016
Opening balance	225 766
Increased estimate existing obligations	20 119
Translation difference	(16 920)
Closing balance	**228 965**

After an acquisition in 2015, the Group, through Saferoad Finland OY owns 80 per cent of the voting shares in Antin Kaide OY. The Group also entered into a shareholders' agreement with an option to buy the remaining 20 per cent of the shares. The shareholders' agreement contains clauses regarding put and call options on the shares owned by the minority shareholders that only can be exercised under certain circumstances. The agreement does not provide the Group with a present ownership interests in the remaining shares and therefore a non-controlling interest is recognised at the date of the business combination. The price for the shares should be set at fair market value, but not higher than EUR 600.000.

After an acquisition in 2015, the Group, through Saferoad V Holding AB, owns 60 per cent of the voting shares in ViaCon Technologii OOO. The Group also entered into a shareholders' agreement with an option to buy the remaining 40 per cent of the shares. The shareholders' agreement contains clauses regarding put and call options on the shares owned by the minority shareholders that only can be exercised under certain circumstances. The agreement does not provide the Group with a present ownership interests in the remaining shares and therefore a non-controlling interest is recognised at the date of the business combination. The price for the shares is profit based and calculated according to a formula based on an average consolidated EBITDA and an EV/EBITDA multiple.

After an acquisition in 2010, the Group, through Saferoad V Holding AB, owns 75 per cent of the voting shares in ViaCon Sp.zo.o. In 2015 the Group also entered into a shareholders' agreement with an option to buy the remaining 25 per cent of the shares. The shareholders' agreement contains clauses regarding put and call options on the shares owned by the minority shareholder that only can be exercised under certain circumstances. The agreement does not provide the Group with a present ownership interests in the remaining shares and therefore a non-controlling interest is recognised at the date of the business combination. The price for the shares is profit based and calculated according to a formula based on an average consolidated EBITDA and an EV/EBITDA multiple.

After an acquisition in 2010, the Group, through Saferoad V Holding AB owns 60 per cent of the voting shares in OY ViaCon AB. In 2014 the Group also entered into a shareholders' agreement with an option to buy the remaining 40 per cent of the shares. The shareholders' agreement contains clauses regarding put and call options on the shares owned by the minority shareholder that only can be exercised under certain circumstances. The agreement does not provide the Group with a present ownership interests in the remaining shares and therefore a non-controlling interest is recognised at the date of the business combination. The price for the shares is profit based and calculated according to a formula based on an average consolidated EBITDA and an EV/EBITDA multiple.

On 31 October 2010, the Group's wholly owned subsidiary B&L Holding GmbH (later renamed Saferoad Holding Germany GmbH) acquired 94.9% of the voting shares in Bongard & Lind GmbH Co KG (later renamed Saferoad Europe GmbH). Saferoad Holding Germany GmbH acquired the shares from one of the two remaining minority shareholders in Saferoad Europe GmbH in 2014 (1.49%). Saferoad Holding Germany GmbH also entered into a new shareholders' agreement in 2014 to acquire the shares from the remaining minority shareholder (5.6%) in January 2017. In the consolidation Saferoad Europe GmbH and its subsidiary Saferoad RRS GmbH is reported as wholly owned subsidiaries from 2014 (no non-controlling interests) as the conclusion is that the new shareholders' agreement provides the Group with a present ownership interests in the shares.

Future payments for acquired shares

The Group has the following estimated liabilities (earn outs and seller credit) related to acquired subsidiaries :

NOK 1000 Company	2016	2015
FLA Geoprodukter AB & Nordic Culvert AB	**36 946**	37 070
Stolper AS	**7 839**	7 839
Total estimated payments	**44 786**	44 910
Classified as:		
Other non current liabilities	**20 649**	19 063
Current liability	**24 137**	25 846
Total estimated payments	**44 786**	44 910

Note 18 Financial strategy and financial risks

Capital management

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

The same banking syndicate, made up of four Scandinavian banks, has for several years been lenders of Saferoad. The Senior Facility Agreement (SFA) has been in place with the same banking syndicate since 2008. The agreement secures the Group term loans, Revolving Credit Facility (RCF), guarantees and overdraft facilities. Loans were originally drawn in different tranches to match the operational currency flow expectations at the time of capitalisation. The different tranches of the loan portfolio vary in duration, with one amortising tranche and the other tranches with bullet maturity. Loans are held by several holding companies firstly to conform to security and pledge requirements from the creditors and secondly to avoid adverse tax effects.

The SFA dictates a set of financial covenants to be complied with. During 2016 the loan covenants have been:

- Total leverage: Net debt to EBITDA (quarterly)
- Interest cover: EBITDA to net interest (quarterly)
- Liquidity: Minimum liquidity (monthly)
- Capital expenditure (annually)

Saferoad is in compliance with all financial covenants at year end.

In case of a breach of a covenant or any other undertaking there is a remedy period wherein Saferoad's owner, Cidron Triangle S.à r.l., has issued a guarantee of NOK 300 million to support the company. This guarantee terminates 1 July 2019, one day after the termination date of the SFA bank debt at 30 June 2019. Any breach of covenants may be cured by utilisation of the guarantee, and any utilised amount will remain within the Group.

At year end Saferoad's consolidated balance sheet showed total assets of NOK 4 818 million (NOK 5 515million). The SFA loans funded, ~50 per cent of this NOK 2 249 million. This involved full draw down on term loans and RCF, but part of the overdraft facility was still available at NOK ~50 million. The cash balance was NOK 329 million (note 22), net NOK 265 million when a draw down on a credit facility of NOK 63 million is deducted.

During 2016 shareholder's loans of NOK 612 million were converted to equity, resulting in a significant improvement of the Group's equity ratio to 25 per cent (19 per cent). Note 23 contains additional disclosure on the Group's external borrowings.

External borrowings are kept at a minimum by optimising the use of available liquidity, hereunder freeing up restricted cash positions. Saferoad has during the year focused on increasing its cash management efficiency through consolidating its cash positions in two cross border multicurrency cash pool and improve its cash forecasting routines. The aim of these efforts is to minimise the external funding costs.

Financial risk management

Through its international operational and investment activity as well as its financing structure, Saferoad main risk exposures relate to volatile foreign exchange and interest rates, (re-)financing risk, liquidity and commodity risk. These risks can never be eliminated, but Saferoad has developed an appropriate financial risk mitigating strategy that aims at limiting impacts of volatile market price fluctuations to an acceptable level.

Significant risk exposures have been assessed and measured against an acceptable risk tolerance level. This tolerance level considered both risk willingness, but most importantly Saferoad's financial capacity to endure potentially, prolonged periods of increased market volatility. The goal is to minimise the effects of short-term volatility in the financial markets on Saferoad's cash flow and its margins. The Group has during 2016 applied a combination of financial instruments and "natural hedging" to lower the impact of volatile financial markets affecting interest rate and foreign currency fluctuations. The Group refers to the term «natural hedging» when the financial risk is reduced by investing in different financial instruments or other contracts whose performance tends to cancel each other

out. A natural hedge is unlike other types of hedges in that it does not require the use of sophisticated financial products such as forwards or derivatives. The Group does not use financial instruments, including financial derivatives, for trading purposes or to undertake any speculative positions in the financial markets. As of December 31, 2016 the Group does not have any financial derivatives.

Financial risk management is handled from a centralised Group function. The desired benefit is increased transparency and enhanced control routines. Centralisation makes mitigation of the total net risks possible and at improved cost efficiency.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to perform its financial obligations as they fall due. The Group's strategy is to manage the liquidity risk so that at any given point the Group will have sufficient liquidity to be able to satisfy its obligations. Sufficient liquidity shall be attained without risking unacceptable losses, or at the expense of the reputation of the Group. Saferoad maintains a liquidity reserve as a buffer for extraordinary events, not merely out of prudency, but also to comply with its liquidity covenant. The liquidity reserve is liquid assets, with the addition of any unutilised committed credit and overdraft facilities. Any committed facility shall only be included in the liquidity reserve if the time to maturity is at no point in time less than 12 months. Saferoad's goal is to have a liquidity reserve at any given time that amounts to at least 3-5 per cent of Saferoad's revenues for the last twelve months, excluding restricted cash positions.

Overdraft facilities and RCFs ensures that the Group has sufficient financial capacity to sustain its seasonal net working capital fluctuations. The liquidity demand increases throughout the spring, and peak pressure is during the summer time when the operational activity is at the highest. At the end of autumn and during winter time its commonly harsher weather conditions in the Group's main regions and naturally reduces the capability to carry out operational activities. This pattern is augmented by the annual budget cycles of the authorities which are the ultimate customers of Saferoad. Reduced operational activity reduces net working capital requirements. Furthermore, Saferoad's strategy is to continue its strong revenue growth, which necessitates expansionary capital investments (Capex). On top of this is the regular need for maintenance capex spend. This requires a well-founded financing platform as a base and a strong operational cash flow generation to accomplish.

Saferoad's two centralised cash pooling systems is key to allow swift capital flow to the parts of the Group with the greatest need at any given time. Excess and deficits at different bank accounts and companies should be pooled to utilise the credit facilities as little as possible. Wherever possible, bank accounts shall be incorporated into either of the two cash pools or be eliminated. Restricted cash positions shall actively and continuously be eliminated. Where guarantee arrangements can release liquidity at a cost-effective manner at the same time such undertakings should be done. To achieve a controlled and transparent cash management structure, relevant cash flow forecasting routines is a prerequisite. Effective utilisation of tools available for this helps lowering transaction costs and assist in actively managing account payables and receivables situation in Saferoad.

Credit risk

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

Realised losses during the year are classified as other operating expenses in the profit or loss (see note 9). The Group's aging structure for outstanding trade receivables is relatively stable. Bad debt losses recognised in 2016 totaled NOK 7.4 million (NOK 29.6 million in 2015). The total provision for bad debt is NOK 46.8 million as of 31.12.2016 (NOK 57.3 million as of 31.12.2015).

Aging analysis trade receivables, 31 December 2016

NOK 1000	Total	Not due	< 30d	30-60d	60-90d	>90
Trade receivables	890 359	576 578	140 055	42 583	25 203	105 940
Provisionfor bad debt	(46 783)	(1 187)	(1 217)	(880)	(369)	(43 131)
Total accounts receivables	843 576	575 391	138 839	41 703	24 834	62 809

Aging analysis trade receivables, 31 December 2015

NOK 1000	Total	Not due	< 30d	30-60d	60-90d	>90
Trade receivables	909 547	576 555	146 253	45 737	26 505	114 497
Provisionfor bad debt	(57 255)	(2 926)	(416)	(1 673)	(359)	(51 882)
Total accounts receivables	852 292	573 628	145 837	44 065	26 146	62 615

Saferoad is also exposed to counterparty risk towards its financial intermediaries if they are not able to fulfil their commitments towards Saferoad. It is important that Saferoad operates with support from stable and reliable financial counterparties. Good banking relations from a group of core relationship banks must be maintained to secure future funding and can rely on qualitative services. Besides choosing well-established counterparties with high long-term credit ratings, the settlement risk is managed by efficient administrative routines within Saferoad. The counterparties to the cash management arrangements, bank debt and credit derivatives are from reputable banks and any counterparty risk in connection to these contracts is deemed negligible. The Group has not provided any guarantees for third parties liabilities, except for its subsidiaries. The maximum risk exposure is represented by the carrying amount of the financial assets, including derivatives, in the statement of financial position.

Interest rate risk

The Group's SFA debt is affected by floating market rates. During 2016 there were interest rate swaps in place, effectively converting parts of this floating interest exposure to fixed rates. Interest rate markets have remained low during 2016 and the preceding years from initiation of the contracts. This has caused Saferoad to be a payer on both the floating and fixed leg of the swap contracts. There has of course been an insurance effect present which was the reason they were put in place.

As of December 31, 2016 the Group does not hold any interest rate swap contracts. This means that the Group is fully exposed to changes in IBOR-curves on all outstanding SFA loans. Policy principle pertaining to interest rate risk is currently being evaluated and whether to hedge part of this exposure is continuously considered.

The sensitivity analysis below illustrates the effect on financial expenses and profit after tax of an increase or decrease of 100 basis points in the interest rate (all other variables being unchanged):

Sensitivity analysis interest, 31 December 2016

NOK 1000	Δ Financial expences	Δ 100 Profit/(loss) after tax
Δ 100 basis points increase	(8 054)	(6 443)
Δ 100 basis points decrease	1 415	1 132

Assumes effective tax rate of 20 per cent.

Foreign exchange rate risk

The Group operates internationally and consequently it is exposed to foreign exchange rate risk. The reporting currency of the Group is in NOK, but several of its subsidiaries have other functional currencies primarily SEK, EUR, PLN and DKK. This currency fluctuation exposure affects the financial statements in different manners.

1) **Transaction exposure from transactions in currencies different from the functional currency:**
   Saferoad's policy for transaction exposure is to minimise the impact of short-term changes in foreign exchange rates on costs and revenues by firstly creating natural hedges and secondly by hedging Saferoad's contracted transaction exposure. Interest payments and amortisation of foreign debt, capital expenditure, divestments, dividends, tax and financial transactions, and in foreign currencies should a be considered.

2) **Translation exposure:**
   This accounting risk can arise in two distinct and potentially opposing manners. Furthermore, they are reported in different parts of the Group consolidated financial statements:

   a) Subsidiary level
   Monetary assets and liabilities that are expressed in non-functional currencies are reported on the balance sheet date, translated to the functional currency at the rate in effect on that date. Non-monetary assets and liabilities that are reported at their fair value in non-functional currency are translated at the rate in effect on the balance sheet date. All other non-monetary items are translated at historical foreign exchange rates. All exchange rate differences are reported in profit or loss.

   b) Consolidated accounts
   The statement of financial position of subsidiaries with a different functional currency, including goodwill and adjustments for fair value made in connection with consolidation, is translated at the exchange rate at the end of the reporting period, while the profit or loss is translated at an average of the year's exchange rates. The exchange rate differences that arise as a result of the translation are reported directly in other comprehensive income. In the event of a sale or other disposal of a foreign company, the accrued accumulated translation difference is recognised in profit or loss together with the gain or loss resulting from the sale or disposal.

The schedule below outlines how a 5 per cent strengthening/weakening of the NOK exchange rate against the main currencies would have impacted the 2016 balance and results while keeping all other parameters constant.

NOK 1000 Δ	NOK strengthening 5%	NOK weakening 5%
Δ EBITDA	(16 797)	16 797
Δ Depreciation and amortisation	18 497	(18 497)
Δ Financial expenses	4 352	(4 352)
Δ Cash and cash equivalents	(8 127)	8 127
Δ Bank loans	73 057	(73 057)
Δ Shareholder loans	6 028	(6 028)
Δ Total impact equity pre-tax	77 010	(77 010)
Δ Total impact equity post-tax	61 608	(61 608)

The SFA defines several covenants with predefined levels that the company need to adhere to. Leverage ratio is a common covenant that in some instances has had adverse effects when large spreads exist between the currency rate at the reporting date (applied on balance sheet items, Net Debt) and the year-to-date average currency rate (applied on P&L items in general and specifically on EBITDA for this covenant purpose). The SFA allows for calculation adjustments that effectively eliminates this risk without any cost.

Commodity risk management

Saferoad is reliant on certain commodities as input factors to offer its products and services. Saferoad's main commodity price volatility exposure comes from purchases of raw materials in particular steel, but also; aluminum, zinc, plastics, as well as fluctuations in the price of electricity and oil. It t is not common market practice that customers accepts sharing this price volatility risk through sales contracts. On the back of this, Saferoad aims to minimise its margin volatility from commodity price fluctuations by spreading its purchases over time and in smaller volumes. This lowers the risk of purchasing large quantities at period price peaks and averages out the price movements over time. This arrangement also lower the potential for an inventory build-up increasing the working capital demand.

Note 19 Fair values of financial instruments

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

2016

NOK 1000	Notes	Derivatives at fair value through profit and loss	Loans and receivables	Available-for-sale financial assets	Financial liabilities at amortised cost	Total
Non-current assets						
Loans to associated companies	29		127			127
Non-current receivables			30 603			30 603
Other investments	5			12 326		12 326
Current assets						
Trade receivables	18		843 576			843 576
Other receivables	21		168 104			168 104
Total		0	1 042 410	12 326	0	1 054 736
Fair value		0	1 042 410	12 326	0	1 054 736
Unrecognised gain/loss		0	0	0	0	0
Non-current liabilities						
Non-current liabilities to credit institutions	19, 23, 27				1 824 152	1 824 152
Non-current liabilities related to acquisitions	17				28 794	28 794
Other non-current liabilities	17, 23, 27				54 472	54 472
Current liabilities						
Accounts payables					495 968	495 968
Liabilities related to acquisitions					244 956	244 956
Other current liabilities	24				281 006	281 006
Current portion of non-current liabilities	23				61 576	61 576
Current liabilities to credit institutions	23				425 562	425 562
Total		0	0	0	3 416 485	3 416 485
Fair value		0	0	0	3 416 485	3 416 485
Unrecognised gain/loss		0	0	0	0	0

2015

NOK 1000	Notes	Derivatives at fair value through profit and loss	Loans and receivables	Available for sale financial assets	Financial liabilities at amortised cost	Total
Non-current assets						
Loans to associated companies	29					0
Non-current receivables			24 334			24 334
Other investments	5			12 986		12 986
Current assets						
Trade receivables	18		852 292			852 292
Other receivables	21		207 387			207 387
Total		0	1 084 013	12 986	0	1 096 999
Fair value		0	1 084 013	12 986	0	1 096 999
Unrecognised gain/loss		0	0	0	0	0
Non-current liabilities						
Non-current liabilities to credit institutions	19, 23, 27				1 979 156	1 979 156
Non-current liabilities related to acquisitions	17, 24				245 771	245 771
Other non-current liabilities	17, 23, 27				619 696	619 696
Current liabilities						
Accounts payables					479 498	479 498
Other current liabilities	24				327 678	327 678
Current portion of non- current liabilities	23				54 433	54 433
Current liabilities to credit institutions	23				438 521	438 521
Financial derivatives	20	13 884				13 884
Total		13 884	0	0	4 144 753	4 158 637
Fair value		13 884	0	0	4 144 753	4 158 637
Unrecognised gain/loss		0	0	0	0	0

Fair value

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

The fair value of forward exchange contracts is determined using the forward exchange rate at the end of the reporting period. Interest rate swaps are valued using valuation techniques and market observable inputs. For all derivatives, the fair value is confirmed by the financial institution with which the Group has entered into the contracts.

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

The fair value of non-current liabilities with floating interest rates is estimated by discounting future cash flows using rates currently available for debt in similar terms, credit risks and remaining maturities. The carrying value is considered to be a reasonable approximation of fair value because the liability has a floating interest rate and the margin set in 2015 is considered to reflect current market terms.

The fair value of unquoted shares available for sale is estimated using appropriate valuation techniques. There is no material changes in fair value between 2016 and 2015.

Fair value hierarchy

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

Level 1: Trading prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Input for the asset or liability that is not based on observable market data.

All items other than other investment are measured at level 2.

For Other investments (shares) in level 3 the carrying amount is assessed to be reasonable approximation of fair value.

Assets measured at fair value

NOK 1000	Total 31.12.2016	Level 2 2016	Level 3 2016	Total 31.12.2015	Level 2 2015	Level 3 2015
Available for sale financial assets;						
Shares	12 326		12 326	12 986		12 986
Total assets measured at fair value	12 326	0	12 326	12 986	0	12 986

Liabilities measured at fair value

NOK 1000	Total 31.12.2016	Level 2 2016	Level 3 2016	Total 31.12.2015	Level 2 2015	Level 3 2015
Financial liabilities at fair value through profit or loss;						
Interest rate swaps and foreign exchange contracts	0	0		13 884	13 884	
Total liabilities measured at fair value	0	0	0	13 884	13 884	0

Opening balance assets measured at level 3, 01.01.2015	12 728
Other	258
Closing balance assets measured at level 3, 31.12.2015	12 986
Other	(660)
Closing balance assets measured at level 3, 31.12.2016	12 326

There are no items in level 1.

There were no transfers in 2016 or 2015 between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

See note 5 for a specification of Other investments.

Note 20 Financial derivatives

The Group may from time to time use forward agreements to hedge selected currency positions, and interest swaps to hedge interest rate fluctuations, considered necessary for the business operations of the Group. At year end 2016 and at year end 2015 the Group had no forward currency contracts outstanding. At year end 2016 the Group had no interest swaps. The Group does not apply hedge accounting.

Interest swaps

The Group had interest swaps in which the Group receives floating and pays fixed STIBOR, NIBOR and EURIBOR-based interest. The interest swaps are used for hedging against profit fluctuations that arises as a result of interest rate changes. The allocation of interest swaps among various currencies is symmetrical to the distribution of non-current debt in various currencies. Previously the Group has secured 66 per cent of its interest, but at year end 2016 the Group has no interest swaps.

2016

NOK 1000

Nominal amount	Currency	Due date	interest rate	Fair value	Carrying value
100 000	SEK	21.09.16	0.960	0	0
50 000	NOK	21.12.16	1.919	0	0
200 000	NOK	21.12.16	2.075	0	0
20 000	EUR	21.09.16	0.330	0	0
300 000	SEK	21.12.16	1.210	0	0
270 000	SEK	21.12.16	1.270	0	0
Total value				0	0

2015

NOK 1000

Nominal amount	Currency	Due date	interest rate	Fair value	Carrying value
100 000	SEK	21.09.16	0.960	(1 034)	(1 034)
50 000	NOK	21.12.16	1.919	(527)	(527)
200 000	NOK	21.12.16	2.075	(2 424)	(2 424)
20 000	EUR	21.09.16	0.330	(721)	(721)
300 000	SEK	21.12.16	1.210	(4 742)	(4 742)
270 000	SEK	21.12.16	1.270	(4 435)	(4 435)
Total value				(13 884)	(13 884)

Note 21 Other current receivables

NOK 1000	2016	2015
Unbilled revenue	**87 209**	135 096
Prepayments to suppliers	**14 915**	29 232
Prepaid taxes	**16 990**	18 703
Other prepayments	**19 731**	32 457
Receivables on employees, associated- and related parties	**1 331**	4 050
Other receivables	**79 628**	68 241
Total other current receivables	**219 804**	287 780

Note 22 Cash and cash equivalents

NOK 1000	2016	2015
Cash and bank deposits	**314 274**	497 887
Restricted cash	**14 702**	9 768
Total cash and cash equivalents	**328 977**	507 655

See note 18 for description of cash pool systems.

Note 23 Interest-bearing liabilities

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

Liabilities to credit institutions 31.12.2016

NOK 1000	Currency	Interest rate	Due date	Amount
Liabilites to credit institutions	SEK	STIBOR 3M +	2019-06-30	974 608
Liabilites to credit institutions	NOK	NIBOR 3M +	2019-06-30	430 550
Liabilites to credit institutions	EUR	EURIBOR 3M +	2019-06-30	344 766
Liabilites to credit institutions	DKK	CIBOR 3M +	2019-06-30	116 939
Total				1 866 862
Less current part				(42 711)
Non-current				1 824 152

Liabilities to credit institutions 31.12.2015

NOK 1000	Currency	Interest rate	Due date	Amount
Liabilites to credit institutions	SEK	STIBOR 3M +	2019-06-30	1 083 890
Liabilites to credit institutions	NOK	NIBOR 3M +	2019-06-30	436 609
Liabilites to credit institutions	EUR	EURIBOR 3M +	2019-06-30	362 776
Liabilites to credit institutions	DKK	CIBOR 3M +	2019-06-30	129 047
Total				2 012 322
Less current part				(33 166)
Non-current				1 979 156

Note 18 describes the covenants which the Group needs to comply with.

Other non-current liabilities 31.12.2016

NOK 1000	Amount
Financial leases	59 199
Other non-current liabilities interest bearing	13 830
Future payments for remaining shares (put option)	8 142
Other non-current liabilities non interest bearing	20 961
Total	102 131
Less current part	(18 865)
Non-current	83 266

Other non-current liabilities 31.12.2015

NOK 1000	Currency	interest rate	Due date	Amount
Shareholders' loans	EUR	12 %	2019-07-01	7 295
Shareholders' loans	SEK	12 %	2019-07-01	81 309
Shareholders' loans	NOK	12 %	2019-07-01	457 254
Shareholders' loans	TRY		2017-11-11	1 420
Financial leasing				66 891
Other non-current liabilities interest bearing				19 120
Future payments for remaining shares (put option)				225 766
Other non-current liabilities non interest bearing				27 679
Total				886 734
Less current part				(21 267)
Non-current				865 467

The table below summarises the maturity profile of non-current financial liabilities:

2016

NOK 1000	Due within one year	Due within two years	Due within three years	Due within four years	Due within five years	Due after five years	Total interest-bearing liabilities
Liabilities to credit institutions - principal amount	117 158	64 977	1 805 552	0	0	0	**1 987 688**
Revolving credit facility	350 000	0	0	0	0	0	**350 000**
Liabilities to credit institutions - interest	109 255	83 978	44 783	0	0	0	**238 016**
Financial leases	22 858	16 722	13 238	6 028	4 692	493	**64 031**
Estimated payments remaining shares (put options) – note 17	220 819	0	5 634	0	0	2 508	**228 961**
Earn outs acquired shares – note 17	24 137	8 158	8 026	4 468	0	0	**44 789**
Other loans note 24	11 277	0	0	0	0	0	**11 277**
Total	855 504	173 836	1 877 233	10 496	4 692	3 001	**2 913 485**

2015

NOK 1000	Due within one year	Due within two years	Due within three years	Due within four years	Due within five years	Due after five years	Total interest-bearing liabilities
Liabilities to credit institutions - principal amount	121 691	44 222	55 278	1 927 091	0	0	**2 148 282**
Revolving credit facility	350 017	0	0	0	0	0	**350 017**
Liabilities to credit institutions - interest	98 923	87 720	85 844	41 088	0	0	**313 574**
Loan from shareholders	0	7 192	299 834	240 251	0	0	**547 278**
Financial leases	19 596	19 963	13 011	7 748	6 868	4 218	**71 405**
Estimated payments remaining shares (put options)	0	225 766	0	0	0	0	**225 766**
Earn outs acquired shares	25 846	7 530	7 408	4 125	0	0	**44 910**
Total	616 073	392 393	461 375	2 220 304	6 868	4 218	**3 701 232**

The Group has the following current liabilities to credit institutions:

Current liabilities to credit institutions

NOK 1000	2016 Carrying value	2015 Carrying value
Revolving facilities	**350 000**	350 017
Other current liabilities to credit institutions	**75 562**	88 504
Total current liabilities to credit institutions	**425 562**	438 521

Note 24 Other current liabilities

NOK 1000	2016	2015
Salary	**39 650**	46 265
Bonuses	**18 956**	18 721
Holiday pay	**88 744**	87 763
Other liabilities to employees	**12 355**	13 567
Prepayment from customers	**20 526**	32 957
Estimated future payment acquired shares (note 17)	**24 137**	25 846
Estimated future payment remaining shares (note 17)	**220 819**	0
Loans	**11 277**	0
Other current liabilities	**89 498**	102 559
Total other current liabilities	**525 962**	327 678

Note 25 Share capital, shareholders' equity, shareholders' loans and non-controlling interests

The share capital of Cidron Triangle AS on 31 December consists of the following shares:

		Number of shares	Share capital	Share premium
14.09.16	Incorporation	2 400	101	0
12.12.16	Repayment	(2 400)	(101)	0
12.12.16	Capital increase	1 000 000	1 000	549 000
21.12.16	Capital increase	0	1 000	610 875
31.12.16		1 000 000	2 000	1 159 875

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

Cidron Triangle AS was incorporated 14 September 2016. A capital increase was completed on 12 December 2016. Cidron Triangle S.à r.l. contributed the entire share capital of Saferoad Holding AB to the Company in exchange for the Company issuing new shares in the Company to Cidron Triangle S.à r.l. The subscription price was NOK 550 per share, of which NOK 1 was share capital and NOK 549 was share premium.

A second capital increase was completed on 21 December 2016. Cidron Triangle S.à r.l. contributed shareholder loans which Cidron Triangle S.à r.l. had against Saferoad Holding AB to the Company in exchange for the Company increasing the nominal value of the shares held by Cidron Triangle S.à r.l. The subscription price was NOK 611.875 per share, of which NOK 1 was share capital and NOK 610.875 was share premium.

Ownership structure:

Shareholders in Cidron Triangle AS on 31 December 2016:

Shareholders	Ordinary shares	Percentage
Cidron Triangle S.á.r.l	**1 000 000**	100.0 %
Total	**1 000 000**	100.0 %

Cidron Triangle AS has a share capital of NOK 2 000 000 consisting of 1 000 000 ordinary shares with a face value of NOK 2.00 per share.

No dividend from the parent company has been proposed for 2016.

The carrying value of the loans given by the present or former shareholders per 31 December:

Lender/related party

NOK 1000	2016	2015
Cidron Triangle Limited	**0**	534 831
Sten-Eric Lager	**0**	4 896
Manfred Bongard	**5 452**	5 771
Leszek Janusz	**5 825**	0
Other	**0**	1 761
Total	**11 277**	547 259

Non-controlling interests

Non-controlling interests 2016

				Financial information (100% basis)			
NOK 1000	Accumulated non-controlling interests	Non-controlling interests share of Profit/loss 2016	Dividends to non-controlling interests	Assets	Liabilities	Revenue	Profit/loss 2016
Viacon Baltic/Georgia	28 438	1 936	0	253 027	187 015	432 651	**5 213**
Viacon Poland	54 086	10 229	4 501	413 980	219 150	576 302	**36 445**
Viacon Denmark/Finland/Norway	60 369	10 923	5 789	157 817	21 682	231 748	**27 307**
Other minorities	6 136	(2 345)	6 510	110 018	125 929	305 947	**(9 176)**
Sum non-controlling interests	149 028	20 743	16 799	934 842	553 776	1 546 649	**59 790**
Excess values acquisition Viacon	102 698	0					
Total non-controlling interests	251 726	20 743	16 799				

Non-controlling interests 2015

				Financial information (100% basis)			
NOK 1000	Accumulated non-controlling interests	Non-controlling interests share of Profit/loss 2015	Dividends to non-controlling interests	Assets	Liabilities	Revenue	Profit/loss 2015
Viacon Baltic/Georgia	28 130	(392)	6 500	266 986	198 845	367 464	**(649)**
Viacon Poland	49 690	16 941	1 965	393 553	209 602	636 193	**57 371**
Viacon Denmark/Finland/Norway	58 379	10 650	4 367	156 686	25 512	219 971	**26 624**
Other minorities	10 312	97	4 872	272 514	272 178	344 824	**(2 191)**
Sum non-controlling interests	146 510	27 296	17 704	1 089 739	706 136	1 568 452	**81 156**
Excess values acquisition Viacon	113 095	0					
Total non-controlling interests	259 606	27 296	17 704				

For an overview of non-controlling interest ownership percentages and principal places of business, see note 5 in the parent company accounts.

For the acquisitions of ViaCon, the non-controlling interests have been valued at fair value, thus full goodwill has been recognised.

The Group's facility agreement has restrictions that may limit the dividend payments to minority shareholders.

Note 26 Leasing, rental agreements

Aging structure of operational lease agreements

NOK 1000	2016	2015
Minimum rental	**342 411**	190 668
Within one year	**92 929**	66 926
After one year but no more than five years	**203 206**	118 136
More than five years	**46 276**	5 607

The Group has entered into different operational lease and rental agreements for machinery, offices and other facilities. Most of the agreements contain an option for extension.

Note 27 Pledged assets and guarantees

Pledged assets
The Group has a financing agreement with a bank syndicate of four banks. As part of this agreement, assets have been furnished as collateral for the following liabilities:

NOK 1000	2016	2015
Liabilities to credit institutions, non-current	**1 824 152**	1 979 156
Other non-current liabilities	**82 836**	73 379
Current part of non-current liabilities	**61 576**	54 433
Liabilities to credit institutions, current	**425 562**	438 521
Total	**2 394 125**	2 545 490

Carrying value of assets pledged as collateral for liabilities

NOK 1000	2016	2015
Product rights, trademarks and others	**21 489**	3 815
Tangible fixed assets	**400 337**	404 164
of which: Buildings and land	**119 449**	130 813
of which: Machinery and others	**280 888**	273 351
Accounts receivable	**338 418**	366 575
Inventory	**328 067**	314 884
Bank deposits	**13 418**	6 102
Total direct pledged assets from consolidated statement of financial position	**1 101 730**	1 095 539

The following shares in subsidiaries are pledged in favor of the bank syndicates' financial agreement, which means that the majority of the Group's assets are directly or indirectly pledged.

Borrowers	Registered Office	Corporate Identity no
Saferoad Holding AB (borrower, but shares not pledged)	Sweden	556753-5470
Saferoad AS	Norway	958 103 069
Saferoad V Holding AB	Sweden	556826-4062
Saferoad Treasury AB	Sweden	556493-1573
Saferoad Holding Germany GmbH	Germany	HRB 22342
ViaCon Holding AB	Sweden	556661-6099
ViaCon International AB	Sweden	556619-6159
ViaCon AB	Sweden	556620-7519
ViaCon Production AB	Sweden	556457-4472
ViaCon Bridges AB	Sweden	556853-5073
Br. Berntsen AS	Norway	810 547 472
ViaCon AS	Norway	847 016 272
Saferoad Europe GmbH	Germany	HRB 22345
Saferoad RRS GmbH	Germany	HRB 22749
AS ViaCon Eesti	Estonia	10398015
Armat ViaCon Latvija SIA	Latvia	50003289621

Guarantors	Registered Office	Corporate Identity no
Saferoad Holding AB	Sweden	556753-5470
Saferoad Holding Denmark ApS	Denmark	315 89 487
Saferoad Holding Norway AS	Norway	992 090 014
Saferoad AS	Norway	958 103 069
Saferoad V Holding AB	Sweden	556826-4062
SafeRoad Treasury AB	Sweden	556493-1573
Saferoad Holding Germany GmbH	Germany	HRB 22342
ViaCon Holding AB	Sweden	556661-6099
ViaCon International AB	Sweden	556619-6159
ViaCon AB	Sweden	556620-7519
ViaCon Production AB	Sweden	556457-4472
ViaCon Bridges AB	Sweden	556853-5073
EKC Sverige AB	Sweden	556520-7478
Saferoad Smekab AB	Sweden	556099-6869
Saferoad Birsta AB	Sweden	556343-5220
Saferoad Traffic AB	Sweden	556030-8073
MoraMast AB	Sweden	556179-2598
Saferoad Vägbelysning AB	Sweden	556537-6059
Vik Ørsta AS	Norway	985 001 952
Euroskilt AS	Norway	890 729 142
Eurostar AS	Norway	976 962 699
Br Berntsen AS	Norway	810 547 472
ViaCon AS	Norway	847 016 272
Saferoad Daluiso A/S	Denmark	21778702
Eurostar Danmark A/S	Denmark	26994896
Saferoad Europe GmbH	Germany	HRB 22345
Saferoad RRS GmbH	Germany	HRB 22749
Saferoad UK Ltd	UK	05697518
Saferoad VRS Ltd	UK	05697126
Saferoad Sp.zo.o	Poland	0000293157
Saferoad Grawil Sp.zo.o	Poland	KRS 152355/ Regon 830016808
Saferoad Holland B.V.	Holland	01177571
AS ViaCon Eesti	Estonia	10398015
Armat ViaCon Latvija SIA	Latvia	50003289621

All pledged assets belong to companies in the Group that are party to the agreement, either as guarantors or as debtors. The separate entities in the Group act as guarantors pursuant to the Groups financing agreement if one of the following three conditions is satisfied:

The company represents;
- More than 5% of the Group's sales,
- More than 5% of the Group's EBITDA, or
- More than 5% of the Group's total assets

In accordance with the Group's financing agreement, the aggregate unconsolidated gross assets of the Guarantors shall represent at least eighty per cent of the consolidated gross assets of the Group. The aggregate unconsolidated EBITDA of the Guarantors shall represent at least 80 per cent of the consolidated EBITDA and the aggregate unconsolidated turnover of the guarantors shall represent at least 80 per cent of the consolidated turnover of the Group. In order to comply with these regulations the Group has acceded additional companies as guarantors that do not meet the three conditions listed above.

As per 31 December 2016, based on the above-mentioned criteria's, the following companies in the Group were borrowers and/or guarantors:

Saferoad Holding AB (borrower, but shares not pledged)
Saferoad Holding Norway AS
Saferoad Holding Denmark ApS
Saferoad V Holding AB
Saferoad Treasury AB

Saferoad Holding Norway AS
Saferoad AS

Saferoad AS
Vik Ørsta AS
Euroskilt AS
Eurostar AS
Br Berntsen AS
Saferoad Birsta AB
EKC Sverige AB
Saferoad Smekab AB
Saferoad Traffic AB
Moramast AB
Saferoad Vägbelysning AB
Saferoad UK Ltd
Saferoad Sp.zo.o
Saferoad Holland B.V.
Saferoad Holding Germany GmbH

Saferoad Holding Denmark ApS
Saferoad Dalusio A/S
Eurostar Denmark A/S

Saferoad UK Ltd
Saferoad VRS Ltd

Saferoad V Holding AB
ViaCon Holding AB

ViaCon Holdng AB
ViaCon International AB

ViaCon International AB
ViaCon AB
ViaCon Bridges AB
ViaCon AS
AS ViaCon Eesti
Armat ViaCon Latvija SIA
OY ViaCon AB
ViaCon Sp.zo.o
UAB ViaCon Baltic

ViaCon AB
ViaCon Production AB

Saferoad Holding Germany GmbH
Saferoad Europe GmbH
Saferoad RRS GmbH

Saferoad Europe GmbH
Saferoad RRS GmbH

Saferoad Sp.zo.o
Saferoad Grawil Sp.zo.o

Being a guarantor means that a company is jointly and severally liable for the financing according to the financing agreement and for the compliance by the Group with this agreement. The separate legal entity's liability as a guarantor is limited to that permitted according to the laws of the region where the company does business. This means that the companies do not have unlimited joint and several liability for the debts of the Group.

According to the financing agreement, debtors and guarantors have accepted a negative pledge clause. This means that they and other legal entities in the Group are not entitled to pledge assets or future income to anyone other than the creditors, according to the finance agreement.

Guarantees

Guarantee obligations for the Group amounts to NOK 253 million at year end 2016 consisting of bank guarantees with recourse, which are mainly performance guarantees, payment guarantees and letter of credit. Other guarantees provided where the related liability is included in the statement of financial position are not included in these numbers.

Note 28 Other commitments and contingencies

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

In June 2015, the Danish Competition Council found Eurostar Denmark A/S, a company within the Group, non-compliant with the Danish and EU competition law by having engaged in joint bidding via a consortium with the competitor LKF Vejmarkering A/S in a tender for road marking in Denmark. Prior to entering the joint bidding consortium, Eurostar Denmark A/S sought legal advice, which stated that such a joint bidding consortium did not infringe applicable competition law. The decision was contested by Eurostar Denmark A/S and appealed to the Danish Competition Appeals Tribunal which upheld the decision in April 2016. Eurostar Denmark has appealed the decision from the Danish Competition Council and brought the case before the Danish Maritime and Commercial High Court where it is currently pending. The trial will most likely be held in 2018. Further disclosures of information as required by IAS 37 regarding this case is not disclosed due to the ongoing proceedings.

Note 29 Transactions with related parties

An overview of subsidiaries is presented in note 5 for Cidron Triangle AS, and associated companies are presented in note 5 in the Groups Financial Statements. Remuneration to the Board of Directors and Group Management is disclosed in note 10. Transactions with subsidiaries have been eliminated and do not represent related party transactions. The Group has the following transactions with shareholders, associated companies or companies that can be considered related to members of the Board of Directors or leading executives.

NOK 1000	2016	2015
Profit and loss:		
Sales to related parties	**328**	14 910
Purchases from related parties	**8 980**	12 318
Interest expense shareholder loans	**66 170**	44 730
Balance sheet:		
Loans to related parties	**127**	0
Receivables	**11 145**	17 701
Payables	**77**	1 262
Shareholder loan	**0**	547 259
Loans from other related parties	**11 277**	5 771

Note 30 Events after the balance sheet date

In January 2017, the Saferoad Group subsidiary OY ViaCon AB acquired Solcon Oy in Finland from Pekka Salmenhaara, for a total estimated price of EUR 0.7 million for 100 per cent of the shares, for a cash consideration. The acquisition is expected to give a wider product range and improve ViaCon's position in its niche within the Finnish market. The initial accounting for the acquisition recognises a goodwill of EUR 0.4 million, reflecting expected synergies from the acquisition. The company will be included in the Road Infrastructure segment, the Nordic region, from January 2017. Solcon Oy had in 2016 operating revenues of EUR 1.6 million and EBITDA of EUR 0.3 million.

In December 2016 the Saferoad Group signed an agreement to acquire a company within the Road Infrastructure segment, the European unit. For 2016 estimated turnover for the company is NOK 106 million and estimated EBITDA NOK 10 million. The company has a strong position in the geosynthetics market and is also active in the corrugated steel market. Final consummation of the agreement, planned within first half of 2017, is subject to satisfactory due diligence and approval from anti-competition Authorities. The agreement has a walkaway clause, which provides the Group the right to exit the agreement contingent the payment of a fee. These processes are at early stages, a purchase price allocation is not finalised, and an initial accounting of the acquisition is thus currently not prepared.

In January 2017, the Saferoad Group subsidiary Limes Mobil GmbH, a part of the Road Safety Europe segment, was sold. The initial sales price is calculated to EUR 2 million, and the gain from the sale is estimated to EUR 1.9 million. In addition to the sales price of EUR 2 million, the buyer repaid Limes Mobil GmbH's loan from Saferoad Group of EUR 5.2 mill, at the transaction date. Thus the total consideration was EUR 7.2 million, whereof EUR 0.4 million is an escrow amount. Disclosure of information as required by IFRS 5 Assets Held for Sale and Discontinued Operations, is considered not to be applicable for Limes Mobil GmbH, based on the assessment that company does not represent a separate major line of business or geographical area of operations, nor a significant company in the consolidated accounts.

Beyond this there were no significant events for the Group after the balance sheet date.

Note 31 Future IFRS amendments

The future consolidated financial statements will be affected by new and amended IFRS standards and interpretations which have been published but are not effective as of 31 December 2016. The effect of new and amended IFRS standards and interpretations which may have a significant impact on the Group have been summarised below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers (effective from 1 January 2018, approved by the EU). IFRS 15 establish a new five-step model that will apply to revenue arising from contracts with customers. The core principle of IFRS 15 is that revenue is recognised to reflect the transfer of contracted goods or services to customers, and then at an amount that reflects the consideration the company expects to be entitled to in exchange for those goods or services. With a few exceptions, the standard applies to all income-generating contracts with customers and provides a model for the recognition and valuation of the sale of certain non-financial assets (e.g. sale of property, plant and equipment).

IFRS 15 Impact on the Group

The exact effect of the adoption of IFRS 15 will be determined at least in part by the company's specific business and economic conditions at the date of initial application and those circumstances cannot be fully anticipated prior to the date of transition. The Saferoad Group performed a preliminary assessment of IFRS 15, which is subject to changes arising from a more detailed ongoing analysis.

The preliminary analysis has shown that the main effects of IFRS 15 concerns the timing of revenue for construction contracts. Some of the contracts might not fulfill the criteria recognition of revenue over time under IFRS 15.

If the final analysis concludes that none of the criteria under step 5 is met, revenues will be recognised at a point of time, which is likely to be at the end of the contracts. The preliminary analysis indicates that the potential impact on the timing of revenue and corresponding recognition of profit for the Group will be moderate based on the current level of revenue generated by these contracts.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments (effective from 1 January 2018 and approved by the EU). The standard replaces IAS 39. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The standard will be implemented retrospectively, except for hedge accounting, but preparing comparative figures is not a requirement. The rules for hedge accounting should mainly be implemented prospectively but with some exceptions. The Group has made an initial assessment of the impact of IFRS 9 and do not anticipate any significant effects on the financial statements.

IFRS 16 Leases

IFRS 16 Leases (effective from 1 January 2019, but not approved by the EU). IFRS 16 replaces existing IFRS leases requirements, IAS 17. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new leases standard requires lessees to recognise assets and liabilities for most leases, which is a significant change from current requirements. For lessor, IFRS 16 substantially carries forward the accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases separately.

The Group has made an initial assessment of the impact of IFRS 16 and anticipates only a limited effect on the financial statements. No decision has been made with respect to the implementation of the standard which can be implemented using either the full retrospective or modified retrospective method.

Other new and amended standards not yet effective, are not expected to have a significant impact of the Group's financial statements.

Financial Statements Cidron Triangle AS

Statement of comprehensive income parent company (14.9 – 31.12)

NOK 1000	Notes	2016
Total operating revenue		0
Personnel costs	4	0
Depreciation and impairment		0
Other operating costs	3	0
Total operating cost		0
Operating profit/(loss)		0
Financial income		0
Financial expenses		0
Net financial income/expenses		0
Profit/(loss) before tax		0
Tax		0
Profit/(loss) for the year		0
Other comprehensive income		
Items to be reclassified to profit/loss in subsequent periods		
Exchange difference on translation of foreign operations		0
Items not to be reclassified to profit/loss in subsequent periods		
Remeasurement of net defined benefit liability		0
Other comprehensive income for the year, net of tax		0
Total comprehensive income for the year		0

Statement of financial position (assets), parent company

NOK 1000	Notes	31.12.16
ASSETS		
NON-CURRENT ASSETS		
Financial non-current assets		
Shares in subsidiaries	5	**1 161 875**
Total financial assets		**1 161 875**
Total non-current assets		**1 161 875**
CURRENT ASSETS		
Receivables		
Other receivables		**0**
Total receivables		**0**
Cash and cash equivalents		**0**
Total current assets		**0**
Total assets		**1 161 875**

Statement of financial position (shareholders' equity and liabilities), parent company

NOK 1000	Notes	31.12.16
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital		2 000
Share premium		1 159 875
Retained earnings		0
Total shareholders' equity		1 161 875
LIABILITIES		
Non-current liabilities		
Other non-current liabilities		0
Total non-current liabilities		0
Current liabilities		
Other current liabilities		0
Total current liabilities		0
Total liabilities		0
Total shareholders' equity and liabilities		1 161 875
Pledged assets		0

Oslo, 10 March 2017

Morten Holum
CEO

Carl Johan Henrik Ek
Chairman of the Board

Bård Martin Mikkelsen
Board member

Liisa Annika Poutiainen
Board member

Synnøve Lyssand Sandberg
Board member

Gry Hege Sølsnes
Board member

Olof Bertil Faxander
Board member

Jan Torgeir Hovden
Board member

Knut Brevik
Board member

Britt Sandvik
Board member

Statement of changes in equity, parent company

NOK 1000	Share capital	Share premium	Retained earnings	Total shareholders equity
2016				
Incorporation 14.09.2016	101	0	0	101
Repayment 12 December 2016	(101)	0	0	(101)
Capital contribution 12 December 2016	1 000	549 000	0	550 000
Capital contribution 21 December 2016	1 000	610 875	0	611 875
Total comprehensive income for the year			0	0
Shareholders equity at 31.12.2016	2 000	1 159 875	0	1 161 875

The share capital in Cidron Triangle AS as of 31st December 2016 consists of 1 000 000 ordinary shares (class A) with nominal value of NOK 2.

The shares are owned 100 per cent by Cidron Triangle S.à r.l.

The articles of association does not contain specific decisions on voting rights.

Cidron Triangle AS was incorporated 14 September 2016. A capital increase was completed on 12 December 2016. Cidron Triangle S.à r.l. contributed the entire share capital of Saferoad Holding AB to the Company in exchange for the Company issuing new shares in the Company to Cidron Triangle S.à r.l.

The subscription price was NOK 550 per share, of which NOK 1 was share capital and NOK 549 was share premium.

A second capital increase was completed on 21 December 2016. Cidron Triangle S.à r.l. contributed shareholder loans which Cidron Triangle S.à r.l. had against Saferoad Holding AB to the Company in exchange for the Company increasing the nominal value of the shares held by Cidron Triangle S.à r.l. The subscription price was NOK 611.875 per share, of which NOK 1 was share capital and NOK 610.875 was share premium.

See note 25 in Group accounts for details on share capital and shareholders' equity.

Cash flow statement (1.1 - 31.12), parent company

NOK 1000	Notes	2016
Cash flow from from operations		
Profit/(loss) before tax		0
Net depreciation and amortisations		0
Interest income		0
Interest costs and other financial expenses		0
Net cash flow from operations		0
Cash flow from investments activities		
Purchase/production of fixed and intangible assets		0
Other changes		0
Net cash flow from investments activities		0
Cash flow from financing activities		
Proceeds from borrowings		0
Repayment of borrowings		0
Net cash flow from financing activities		0
Net increase in cash and cash equivalents		0
Effect of exchange rate differences on cash and cash equivalents		0
Cash and cash equivalents at beginning of the year		0
Cash and cash equivalents at the end of the year		0

Notes to the financial statements for Cidron Triangle AS

Note 1 Company information

Cidron Triangle AS is a limited liability company, which is incorporated on 14 September 2016 and domiciled in Oslo with its registered office, Enebakkveien 150, 0680 Oslo, Norway. Cidron Triangle AS was established to serve as the parent company for the Saferoad Group. On 12 December 2016 Cidron Triangle S.à r.l. contributed all its shares in Saferoad Holding AB to Cidron Triangle AS in exchange for newly issued shares in Cidron Triangle AS, with the result that Cidron Triangle AS became the new parent company of the Group. It has not been any other activity in the company in 2016 other than holding shares in subsidiaries.

The financial statements of Cidron Triangle AS for the fiscal year 2016 were approved in the board meeting at 10 March 2017.

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

Note 2 Accounting principles

Basis for preparation and statement of compliance

The annual accounts for Cidron Triangle AS have been prepared in accordance with the Norwegian Accounting Act § 3-9 and Regulations on Simplified IFRS as enacted by the Ministry of Finance 3 November 2014. In all material aspects, Norwegian Simplified IFRS requires that the IFRS recognition and measurement criteria (as adopted by the European Union) are complied with, but disclosure and presentation requirements (the notes) follow the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Standards.

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

Subsidiaries

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

Cash flow statement

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

Events after the balance sheet date

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

Note 3 Auditors' fees

NOK 1000	2016
Ernst & Young	
Fee for audit	0
Tax services	0
Other audit related services	0
Non-audit services	0
Sum	0

Audit fees for 2016 has been expensed in Saferoad Holding AB. See note 9 in the consolidated financial statements for auditors' fees for the Group.

Note 4 Employees and remuneration to key personnel

There are no employees in the company and the company are not required by law to have a pension scheme.

The Board of Directors in Cidron Triangle AS has not received any remunerations in 2016 from Cidron Triangle AS. See note 10 in the consolidated financial statements for remunerations from other companies in the Saferoad Group.

The CEO has his formal employment contract with the subsidiary Saferoad AS, see note 10 in the consolidated financial statements for details, and has not received any remuneration from Cidron Triangle AS in 2016.

Note 5 Shares in subsidiaries

Company	Corp ID No	Owner share	Voting rights	Carrying value
Saferoad Holding AB	556753-5470	100,00%	100,00%	1 161 875
Total value				1 161 875

Company	Country	Reg office	Area	Time of acquisition
Saferoad Holding AB	Sweden	Stockholm	Holding	2016-12-12

Company	Equity 31.12.2016	Equity 31.12.2015	Profit /(loss) for 2016	Profit /(loss) for 2015
Saferoad Holding AB	1 185 445	2 080 452	(1 368 599)	(69 685)

The table below sets forth Cidron Triangle AS's ownership in subsidiaries through its ownership in Saferoad Holding AB.

Several of the subsidiaries in the second part of the table own shares in other subsidiaries. The owner share per cent in the table represents the indirect ownership of the ultimate parent, Cidron Triangle AS. All the subsidiaries listed are included in the consolidated statements for 2016. Time of acquisition relates to Saferoad Holding AB.

Shares in subsidiaries owned through subsidiaries	Country	Area	Owner share	Time of acquisition
Saferoad Holding Norway AS	Norway	Holding/Other	100.00%	2008-09-01
Saferoad Holding Danmark Aps	Norway	Holding/Other	100.00%	2008-09-01
Saferoad V Holding AB	Sweden	Road Infrastr. Other	100.00%	2010-12-21
Saferoad Treasury AB	Sweden	Holding/Other	100.00%	2008-09-01
Saferoad AS	Norway	Holding/Other	100.00%	2008-09-01
Saferoad Holding Germany GmbH	Germany	Holding/Other	100.00%	2010-11-01
Euroskilt AS	Norway	Road Safety Nordic	100.00%	2008-09-01
Trafikksikring AS	Norway	Road Safety Nordic	100.00%	2008-09-01
Vik Ørsta AS	Norway	Road Safety Nordic	100.00%	2008-09-01
Eurostar AS	Norway	Road Safety Nordic	100.00%	2008-09-01
Saferoad Trading AS	Norway	Road Safety Nordic	100.00%	2008-09-01
Brødrene Berntsen AS	Norway	Road Safety Nordic	100.00%	2010-07-01
Stolper AS	Norway	Road Safety Nordic	90.70%	2015-12-01
EKC Sverige AB	Sweden	Road Safety Nordic	100.00%	2008-09-01
Saferoad UK Ltd	UK	Road Safety Nordic	100.00%	2008-09-01
Saferoad VRS Ltd	UK	Road Safety Nordic	100.00%	2008-09-01
Saferoad Traffic AB	Sweden	Road Safety Nordic	100.00%	2008-09-01
Saferoad Smekab AB	Sweden	Road Safety Nordic	100.00%	2008-09-01
Saferoad Birsta AB	Sweden	Road Safety Nordic	100.00%	2008-09-01
Saferoad Vägbelysning AB	Sweden	Road Safety Nordic	100.00%	2008-09-01
Moramast AB	Sweden	Road Safety Nordic	100.00%	2008-09-01
EKC Production AB	Sweden	Road Safety Nordic	100.00%	2008-09-01
Brödrene Berntsen AB	Sweden	Road Safety Nordic	100.00%	2008-09-01
Saferoad Finland OY	Finland	Road Safety Nordic	83.09%	2008-09-01
Saferoad Antin Kaide OY	Finland	Road Safety Nordic	66.40%	2015-01-28
Saferoad Pomerania Sp.zo.o	Poland	Road Safety Nordic	100.00%	2008-09-01
Saferoad Europe GmbH Germany	Germany	Road Safety Europe	94.39%	2010-11-01
Saferoad RRS GmbH	Germany	Road Safety Europe	94.68%	2010-11-01
Brite Line Europe GmbH	Germany	Road Safety Europe	70.82%	2010-11-01
Bongard & Lind Verwaltungs GmbH	Germany	Road Safety Europe	94.68%	2010-11-01
Limes Mobil GmbH	Germany	Road Safety Europe	94.68%	2011-02-15
Bongard & Lind Noise Protection GmbH & Co KG	Germany	Road Safety Europe	94.68%	2012-01-01
Saferoad Holland BV	Netherlands	Road Safety Europe	100.00%	2010-03-01
Saferoad Sp.zo.o	Poland	Road Safety Europe	100.00%	2008-09-01
Saferoad Grawil Sp.zo.o	Poland	Road Safety Europe	100.00%	2008-09-01
Saferoad Kabex Sp.zo.o	Poland	Road Safety Europe	100.00%	2008-09-01
Saferoad RRS Polska Sp.zo.o	Poland	Road Safety Europe	94.68%	2008-09-01
Signaroad Sp.zo.o	Poland	Road Safety Europe	100.00%	2008-09-01
InterMetal Sp.zo.o	Poland	Road Safety Europe	94.68%	2011-02-15
Saferoad Slovakia	Slovakia	Road Safety Europe	100.00%	2008-09-01
Saferoad Czech Republic s.r.o	Czech Republic	Road Safety Europe	60.00%	2010-07-01
Dormark	Belarus	Road Safety Europe	51.00%	2008-09-01
Saferoad Romania SRL	Romania	Road Safety Europe	94.68%	2011-02-15
Saferoad Kisan	Turkey	Road Safety Europe	66.27%	2013-12-01
Marina Systeme GmbH	Germany	Holding/Other	100.00%	2008-09-01
Saferoad Holding Danmark Aps				
Saferoad Daluiso AS	Denmark	Road Safety Nordic	100.00%	2008-09-01
Eurostar DK AS	Denmark	Road Safety Nordic	100.00%	2008-09-01

Shares in subsidiaries owned through subsidiaries	Country	Area	Owner share	Time of acquisition
Saferoad V Holding AB				
ViaCon Holding AB	Sweden	Road Infrastr. Other	100.00%	2010-12-21
ViaCon International AB	Sweden	Road Infrastr. Other	100.00%	2010-12-21
ViaCon AB	Sweden	Road Infrastr. Nordic	100.00%	2010-12-21
ViaCon Production AB	Sweden	Road Infrastr. Nordic	100.00%	2010-12-21
Arot ViaCon ABV AB	Sweden	Road Infrastr. Nordic	100.00%	2010-12-21
ViaCon Bridges AB	Sweden	Road Infrastr. Other	100.00%	2011-05-31
FLA Geoprodukter AB	Sweden	Road Infrastr. Nordic	91.00%	2015-09-17
Nordic Culvert AB	Sweden	Road Infrastr. Nordic	100.00%	2015-11-09
ViaCon AS	Norway	Road Infrastr. Nordic	100.00%	2010-12-21
ViaCon Sp.zo.o	Poland	Road Infrastr. Europe	75.00%	2010-12-21
ViaCon Construction Sp.zo.o	Poland	Road Infrastr. Europe	75.00%	2010-12-21
Geotex Sp.zo.o	Poland	Road Infrastr. Europe	75.00%	2010-12-21
ViaCon Polska Sp.zo.o	Poland	Road Infrastr. Europe	75.00%	2010-12-21
Steel System Sp.zo.o	Poland	Road Infrastr. Europe	75.00%	2013-12-01
ViaCon Hungary	Hungary	Road Infrastr. Europe	60.00%	2010-12-21
Tubo Hungary	Hungary	Road Infrastr. Europe	75.00%	2016-02-23
ViaCon Bulgaria	Bulgaria	Road Infrastr. Europe	75.00%	2011-06-30
ViaCon Romania	Romania	Road Infrastr. Europe	75.00%	2010-12-21
ViaCon Turkey	Turkey	Road Infrastr. Europe	52.50%	2014-02-06
ViaCon Austria	Austria	Road Infrastr. Europe	52.50%	2010-12-21
ViaCon CR	Czech Republic	Road Infrastr. Europe	52.50%	2010-12-21
ViaCon SK	Slovakia	Road Infrastr. Europe	36.75%	2010-12-21
Oy ViaCon AB	Finland	Road Infrastr. Nordic	60.00%	2010-12-21
Rumtikli Oy	Finland	Road Infrastr. Nordic	60.00%	2010-12-21
ViaCon A/S	Denmark	Road Infrastr. Nordic	60.00%	2015-12-22
AS ViaCon Esti	Estonia	Road Infrastr. Europe	60.00%	2010-12-21
Armant ViaCon Latvija SIA	Latvia	Road Infrastr. Europe	60.00%	2010-12-21
ViaCon Georgia	Georgia	Road Infrastr. Europe	36.00%	2011-12-01
UAB ViaCon Baltic	Lithuania	Road Infrastr. Europe	60.00%	2010-12-21
ViaCon Statyba	Lithuania	Road Infrastr. Europe	42.00%	2010-12-21
ASPB Lithuania	Lithuania	Road Infrastr. Europe	60.00%	2011-06-30
Pilani Lithuania	Lithuania	Road Infrastr. Europe	60.00%	2011-06-30
ViaCon Baltic Pipe	Lithuania	Road Infrastr. Europe	60.00%	2011-06-30
ViaCon Technologies COOO	Belarus	Road Infrastr. Europe	60.00%	2010-12-21

For the Cidron Triangle AS subsidiaries in the table where the indirect ownership interest is listed as less than 50 per cent, Cidron Triangle AS controls more than 50 per cent of the voting power via its voting power in the owner companies.

Associated companies	Country	Reg office	Owner share	Voting rights	Time of acquisition
Ferrozink Trondheim AS	Norway	Trondheim	40.00%	40.00%	2008-09-01
IBOS Sp.zo.o	Poland	Inowroclaw	50.00%	50.00%	2011-02-15
RindeRekon AS	Norway	Vik in Sogn	42.40%	42.40%	2008-09-01
Bjartmar Rinde AS	Norway	Vik in Sogn	42.00%	42.00%	2008-09-01

See note 5 in the consolidated financial statements for further details related to associated companies.

Auditor's report

Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Cidron Triangle AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Cidron Triangle AS comprising the financial statements of the parent company and the Group. The financial statements of the parent company comprise the balance sheet as at 31 December 2016, the income statement, statements of cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

The consolidated financial statements comprise the balance sheet as at 31 December 2016, statements of comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion,

- the financial statements are prepared in accordance with the law and regulations;
- the financial statements present fairly, in all material respects, the financial position of the parent company as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway;
- the consolidated financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2016 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Director (management) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the parent company and International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Building a better working world

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and in the statements on corporate governance and corporate social responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and in the statements on corporate governance and corporate social responsibility and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 24 March 2017
ERNST & YOUNG AS

Tore Sørlie
State Authorised Public Accountant (Norway)

Our purpose is to make life on the road safer. Saferoad has an extensive offering of high-quality safety products and services for those who build and maintain roads, covering a broad spectre of the value chain.

With around 2 700 employees in more than 20 countries, Saferoad is a leading road safety and road infrastructure solutions provider in Northern, Central and Eastern Europe.

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Design and production: Artbox AS

SAFEROAD

SafeRoad Holding AB
Financial Statements 2015
Corporate ID No. 556753-5470

All amounts in SEK 1000

Report of the Board of Directors

Saferoad in brief

Saferoad is a leading supplier of road safety and road infrastructure solutions. The Group has 2 644 employees in 20 countries and work for improved infrastructure and higher road safety standards, delivering products where functionality, durability and design are key characteristics. Saferoad has adopted Vision Zero as its mission – zero killed and seriously injured in traffic accidents.

Saferoad organises its business activities in two main areas; Road Safety and Road Infrastructure. The Road Safety part of the Group is organised in divisions by geography; Norway, Nordics and Europe. In addition up-stream activities such as production and sourcing was organised as a separate division in 2015 included in Road Safety. The Road Infrastructure part is organised as one divisionunder the ViaCon brand.

The Road Safety area offers products and services including road restraint systems such as road safety barriers and bridge parapets, roadway illumination, signs and technical traffic products, street furniture, noise barriers, temporary traffic solutions, road marking, and rock support, whereas the Road Infrastructure area focuses on pipes and culverts, water and sewage pipe systems and geosynthetics.

Saferoad conducts its business through subsidiaries in Norway, Sweden, Denmark, Germany, Poland, Netherlands, the Czech Republic, Finland, United Kingdom, Slovakia, Estonia, Lithuania, Latvia, Romania, Austria, Hungary, Bulgaria, Turkey and Belarus. In addition, the Group's subsidiaries export to a number of other countries.

The parent company of the Saferoad Group is Saferoad Holding AB, Corp. ID. No. 556753-5470, a limited liability company registered with the Swedish Companies Registration Office. The parent company's financial year is the calendar year.

Key developments in 2015

Markets and financials
The Group's revenue for 2015 was SEK 5 778 million (SEK 5 418 million in 2014). The Operating Profit for 2015 was SEK -15.3 million (SEK 26.3 million). Impairment of Goodwill, inventory and buildings as well as various restructuring activities had a negative impact on operating profit in 2015. Net financial expenses was SEK -213.3 million in 2015 (SEK -186.7 million) and Profit before tax was SEK -228.6 million in 2015 (SEK -160.4 million). The tax expense was SEK 47.2 million (SEK 63.6 million), despite negative Profit before tax. The tax expense is driven by several factors, the most important being different tax positions country by country, sizeable non-deductible items and a careful assessment and valuation of recognition of deferred tax assets related to tax loss carry forward.

The overall demand was good in the Group's core markets in Northern Europe. Backed by EU financing, new infrastructure investments have been initiated in several markets in the CEE region. As a result, the Road Infrastructure business grew in 2015. Price pressure in some markets and product segments resulted in a lower operating margin.

Restructuring and acquisitions
Substanital costs related to restructuring negatively impacted the 2015 financials, including the closure of the Group´s activity in Russia, the divestment of Gävle Galvan and the disposal of the Balcony and the German Marina businesses. A performance improvement program was initiated in the fourth quarter of 2015, including the closure of production lines and reduction of personnel.
The Group also did several accretive acquisitions in 2015 to support further development and improved performance. The acquisitions were to a large extent financed by shareholders and will have a positive impact on the financial performance from 2016 and onwards. See note 4 for further details.

People and the organisation

Morten Holum assumed the position as Group CEO in October 2015, succeeding Michael Hermansson who resigned in October 2015.

Code of Conduct
The Saferoad Group and all its subsidiaries operate in accordance with sound, ethical business practices, setting high

standards for its business conduct, the organisation, and the impact on the environment and society. The Code of Conduct applies to all employees, contracted consultants and Board members.

Social responsibility

Saferoad has taken many initiatives, in close co-operation with customers, non-governmental organisations (NGOs), and authorities, to promote and support Vision Zero in a broad perspective. The ambition is to further increase awareness of how improved traffic safety installations can reduce the impact of traffic accidents and save lives.

Employees

At year-end 2015, Saferoad had 2 644 (2 580) employees. The employees represent diversity in terms of age, education, experience and cultural background.

Health, safety and environment (HSE)

The Group monitors key indicators for health and safety at work and emphasises compliance with all relevant environmental acts and regulations in the countries where the Group operates. Many of Saferoad's subsidiaries are certified according to ISO standards, particularly ISO 14001. The Group had no fatal accidents in 2015 (no fatal accidents in 2014). The sick absence rate in Saferoad was 4.8% in 2015 (3.7% in 2014).

Ownership, financing and liquidity

Nordic Capital VII Alpha, L.P. and Nordic Capital VII Beta, L.P. own 98.69% of Saferoad Holding AB, through Cidron Triangle S.à.r.l. The remaining 1.31% of the shares are owned by former management or employees. See note 24 for further detail regarding shares and shareholding.

The Group has Facility Agreement with a bank syndicate, covering long-term loans and short-term credit facilities to secure seasonal working capital and guarantees. In addition, Saferoad has Permitted Indebtedness outside the Facility Agreement and has received unsecured long-term loans from shareholders.

The Group made an agreement with the bank syndicate in May 2015 to postpone maturity for all facilities within the loan agreement until 30 June 2019. Saferoad was in compliance with the financial covenants at 31 December 2015.

Events after the balance sheet date

In February 2016 the Saferoad subsidiary ViaCon Sp. z o.o. acquired Tubosider Hungaria Kft in Hungary from the Italian company Tubosider S.p.A. The acquisition is expected to increase production capacity, enable capturing of cost synergies and improve ViaCon's position in its niche within the Hungarian market and other important export markets.

Late 2015, ViaCon winded up all its activities in St Petersburg, Russia. Some minor formalities that were outstanding at year end was finalised in the first quarter of 2016. Gains and losses related to these activities are reflected in the 2015 accounts.

Beyond these, there were no other significant events for the Group after the balance sheet date.

Key risks

Saferoad and its subsidiaries are exposed to various forms of operational, market and financial risks. Increased focus on infrastructure improvements and traffic safety has historically resulted in steady market growth for the Group. However, infrastructure investments are to a large extent funded by public money. As a result, strained public finances in some countries may lead to lower infrastructure investments and spending.

The Group is also exposed to volatile raw material prices. The Group uses raw materials, such as steel, zinc, plastics, and energy, and prices for these commodities may vary significantly. Within a given year, the Group is only partially able to adjust sales prices according to raw material price fluctuations. The Group puts strong emphasis in developing Saferoad into a recognised top performer within procurement practices. Saferoad has established procurement category teams within key raw material categories such as aluminium, steel, transport and indirect costs.

The key financial risks of the Group are described in Note 17 in the Annual Financial Statements.

Outlook

The Group expects underlying growth in most markets in 2016. EU-funded road construction programs are expected to result in high activity in the CEE region and in the Baltics. Political initiatives to improve instracture efficiency, increase safety and close the maintenance gap in the Nordic region support continuous growth in this region as well. The programs to improve the Group's cost position, such as optimising the supply chain and procurement functions, continue. In addition, the Group ceased its operations in Russia, exited the non-core Balcony business and strengthened its position in some segments through accretive acquistions in 2015. As a result, the Group expects to improve its financial performance in 2016.

Key financial Information for the Group

	2015	2014	2013	2012
Net revenue	5 749 423	5 382 540	4 960 996	5 417 553
Operating profit/(loss)	-15 288	26 291	177 053	76 199
Profit /(loss) before tax	-228 612	-160 383	-112 400	-299 962
Operating margin (%)	0 %	0.5%	3.6%	1.4%
Return on equity	-22,7 %	-14.1%	-15.1%	-41.8%
Total assets	5 264 891	5 348 727	5 533 262	5 574 872
Equity ratio	18,8 %	26.0%	31.5%	16.5%
Equity ratio * incl. shareholders' loans	23,7 %	31.8%	36.1%	34.9%
Number of employees - 31 December	2 644	2 580	2 464	2 685

* The equity ratio is calculated as shareholders' equity + shareholder loans / total assets, as the shareholder loans have been granted without collateral.

	2015	2014	2013	2012
Net revenue	1 200	1 200	1 899	3 953
Profit /(loss) before tax	-80 311	-81 923	-126 698	-64 280
Operating margin (%)	-3463,8%	-1152,6%	-139,2%	-105,8 %
Return on equity	-3,6%	-5,1%	-10,9 %	-7,2 %
Total assets	3 354 822	3 183 990	3 330 599	3 704 877
Equity ratio	59,2%	64,7%	65,1%	36,2 %
Equity ratio * (%) incl. shareholders' loans	74,6%	73,4%	72,6%	63,5 %
Number of employees	1	2	1	2

* The equity ratio in this compilation has been calculated as shareholders' equity + shareholder's loans / total assets, as the shareholder loans have been granted without collateral.

Proposed disposition of profit

As the disposal of the Annual General Meeting is the following unrestricted equity (SEK):

Share premium reserve	2 307 595 859	kronor
Retained earnings	-248 774 380	kronor
Loss for the year	-72 902 638	kronor
Unrestricted equity 31. December 2015	**1 985 918 841**	kronor

The Board of directors proposes that the earnings are appropriated as follows;

To be carried forward:	1 985 918 841	kronor

All amounts in SEK 1000

Consolidated statement of comprehensive income (1.1 - 31.12)

	Notes	2015	2014
Net revenue		5 749 423	5 382 540
Other operating revenue		28 894	35 923
Total operating revenue	6	**5 778 317**	**5 418 463**
Cost of goods sold	8	3 367 503	3 076 775
Personnel costs	10,11	1 222 358	1 145 349
Depreciation and impairment	14	194 318	179 008
Amortisation and impairment	15	112 381	213 623
Other operating costs	9	897 045	777 417
Total operating cost		**5 793 606**	**5 392 172**
Operating profit/(loss)		-15 288	26 291
Financial income	12	24 535	13 765
Financial expenses	12	307 444	247 409
Net exchange rate gain (loss)	12	63 728	41 075
Share of profit/(loss) of associated companies	5	5 856	5 895
Net financial income/expenses		**-213 324**	**-186 674**
Profit/(loss) before tax		-228 612	-160 383
Tax	13	-47 243	-63 603
Profit /(loss) for the year		**-275 855**	**-223 986**
Other comprehensive income			
Items to be reclassified to profit/loss in subsequent periods			
Exchange difference on translation of foreign operations		-107 365	24 378
Items not to be reclassified to profit/loss in subsequent periods			
Remeasurement of net defined benefit liability	11,13	1 741	-3 959
Other comprehensive income for the year, net of tax		**-105 624**	**20 419**
Total comprehensive income for the year		**-381 480**	**-203 566**
Profit/(loss) for the year attributable to:			
Equity holders of the parent company		-304 412	-217 398
Non-controlling interests		28 556	-6 587
		-275 855	-223 986
Total comprehensive income attributable to:			
Equity holders of the parent company		-403 590	-205 548
Non-controlling interests		22 110	1 982
		-381 480	-203 566

All amounts in SEK 1000

Consolidated statement of financial position (assets)

	Notes	31.12.2015	31.12.2014
Assets			
Non-current assets			
Intangible assets			
Development	15	64 948	71 380
Licenses, product rights etc	15	35 892	39 595
Goodwill	15	1 442 658	1 446 977
Customer relationships	15	326 310	381 499
Other intangibles	15	9 177	11 811
Total intangible assets		**1 878 985**	**1 951 262**
Tangible assets			
Land	14	30 197	38 126
Buildings	14	373 242	450 872
Machines and equipment	14	345 260	360 295
Construction in progress	14	3 439	4 782
Rental equipment, furniture and vehicles	14	190 826	190 914
Total fixed assets		**942 963**	**1 044 988**
Financial non-current assets			
Shares in associated companies	5	4 744	8 742
Loans to associated companies	28	0	532
Other investments	5,18	12 397	13 262
Non-current receivables		23 231	15 758
Total financial assets		**40 372**	**38 294**
Deferred tax assets	13	14 303	20 842
Total non-current assets		**2 876 623**	**3 055 387**
Current assets			
Inventories	8	**815 259**	**855 209**
Receivables			
Trade receivables	17	813 644	767 185
Other receivables	7,20	274 730	219 693
Total receivables		**1 088 374**	**986 878**
Cash and cash equivalents	21	**484 635**	**451 254**
Total current assets		**2 388 268**	**2 293 341**
Total assets		**5 264 891**	**5 348 727**

All amounts in SEK 1000

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

	Notes	31.12.2015	31.12.2014
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	24	193	193
Share premium reserve	24	2 307 596	2 307 596
Other paid in capital		418 589	418 589
Other equity		-378 362	-277 443
Retained earnings		-1 607 063	-1 235 718
Total shareholders' equity attributable to the shareholders of the parent company		**740 953**	**1 213 217**
Non-controlling interests	24	247 834	228 608
Total equity		**988 784**	**1 441 823**
Liabilities			
Non-current liabilities			
Liabilities to credit institutions	17,18,22,26	1 889 409	1 514 215
Other long-term liabilities	17,18,22,26	592 494	352 396
Provisions for pensions	11	36 106	37 582
Deferred tax liabilities	13	91 227	121 701
Other provisions	16	260 475	120 533
Total long-term liabilities		**2 869 711**	**2 146 426**
Current liabilities			
Liabilities to credit institutions	22,26	418 636	400 818
Accounts payable	17	457 755	441 071
Current tax liabilities	13	44 352	7 134
Public duties (VAT, soc.benefits etc)		97 950	109 831
Other current liabilities	7, 23	312 819	229 042
Other provisions	16	9 663	5 608
Financial derivatives	18,19	13 255	24 574
Current portion of non-current liabilities	22,26	51 965	542 400
Total current liabilities		**1 406 395**	**1 760 478**
Total liabilities		**4 276 107**	**3 906 904**
Total shareholders' equity and liabilities		**5 264 891**	**5 348 727**
Pledged assets	26	7 215 394	8 043 450

All amounts in SEK 1000

Consolidated statement of changes in equity

	Share capital	Share capital, under registration	Share premium reserve	Share premium reserve, under registration	Other paid in capital	Reserves/ CTA [1]	Retained earnings	Total	Non controlling interest	Total equity
	Note 24	Note 24	Note 24	Note 24		Note 24				
Equity at 31.12.2013	**168**	**25**	**1 177 379**	**1 130 217**	**418 589**	**-293 252**	**-968 345**	**1 464 781**	**277 020**	**1 741 799**
Shareholders capital increase, under registration 2013	25	-25	1 130 217	-1 130 217				**0**		**0**
Non controlling interests capital increase									50	**50**
Dividends to non controlling interests									-12 009	**-12 009**
Buy-out non-controlling interests							-46 015	**-46 015**	-38 436	**-84 451**
Profit/(loss) for the year							-217 398	**-217 398**	-6 587	**-223 986**
Other comprehensive income net of tax:										
Actuarial gain/(loss)							-3 959	**-3 959**		**-3 959**
Exchange differences, loans treated as net investments						15 809		**15 809**	8 569	**24 378**
Total other comprehensive income net of tax						15 809	-3 959	**11 850**	8 569	**20 419**
Total comprehensive income						**15 809**	**-221 357**	**-205 548**	**1 982**	**-203 566**
Equity at 31.12.2014	**193**	**0**	**2 307 596**	**0**	**418 589**	**-277 443**	**-1 235 718**	**1 213 217**	**228 608**	**1 441 823**
Non controlling interests companies acquired									2 461	**2 461**
Dividends to non controlling interests									-16 901	**-16 901**
Disposals and buy-out non-controlling interests							-68 675	**-68 675**	11 556	**-57 119**
Profit/(loss) for the year							-304 412	**-304 412**	28 556	**-275 855**
Other comprehensive income net of tax:										
Actuarial gain/(loss)							1 741	**1 741**		**1 741**
Exchange difference on translation of foreign operations						-100 919		**-100 919**	-6 446	**-107 365**
Total other comprehensive income net of tax						-100 919	1 741	**-99 178**	-6 446	**-105 624**
Total comprehensive income						**-100 919**	**-302 670**	**-403 590**	**22 110**	**-381 480**
Equity at 31.12.2015	**193**	**0**	**2 307 596**	**0**	**418 589**	**-378 362**	**-1 607 063**	**740 953**	**247 834**	**988 784**

[1] Currency translation adjustments

Consolidated cash flow statement (1.1 - 31.12)

	Notes	2015	2014
Profit/loss before tax		-228 613	-160 383
Income tax paid	13	-46 762	-28 117
Profit from sale and disposal of tangible assets		-8 348	-7 912
Loss on sale of tangible assets		1 625	2 848
Loss on sale of subsidiaries		27 214	0
Net depreciation and amortisations	14,15	306 699	392 630
Impairment of other assets	8	34 780	4 345
Change in fair value of financial assets	12,19	-10 961	16 070
Unrealised currency (gains)/losses		-134 762	-23 686
Interest income	12	-11 637	-6 353
Interest costs and other financial expenses	12	203 659	196 146
Changes in inventory	8	-4 052	-39 454
Changes in trade receivable	18	-77 012	17 217
Changes in accounts payable	18	36 753	-69 236
Income from using equity method		-5 856	-5 895
Changes in other current receivables and liabilities		144 270	-5 576
Net cash flow from operations		**226 997**	**282 646**
Cash flow from investment activities			
Interest received	12	11 637	6 353
Acquisition of subsidiaries	4	-67 965	0
Purchase/production of fixed and intangible assets	14,15	-172 702	-199 008
Sale of subsidiaries		-12 163	0
Proceeds from sale of fixed assets		17 233	15 172
Other changes		-1 543	870
Net cash flow from investment activities		**-225 503**	**-176 613**
Cash flow from financing activities			
Proceeds from borrowings		325 100	222 044
Repayment of borrowings		-111 102	-113 888
Proceeds from other shareholders		2 461	50
Dividends to non-controlling interests		-16 901	-12 009
Buy-out of non-controlling interests	16	0	-95 734
Interest paid		-179 051	-172 051
Net cash flow from financing activities		**20 507**	**-171 588**
Net increase in cash and cash equivalents		22 001	-65 556
Effect of exchange rate differences on cash and cash equivalents		11 380	-2 924
Cash and cash equivalents at beginning of the year		451 254	519 733
Cash and cash equivalents at the end of the year	**21**	**484 635**	**451 254**

Notes to the consolidated financial statements

Note 1 Company information

Saferoad Holding AB, Corp. ID No. 556753-5470, is a limited liability company registered with the Swedish Companies Register, and the parent company of the Saferoad Group since 1 September 2008. The address for the parent company is Skolgatan 1, 291 12 Önnestad, Sweden.

The Group conducts its business through subsidiaries in the Nordic countries, Germany, Poland, the Baltic countries and other European countries. See Note 9 for Saferoad Holding AB for a list of companies that belong to the Group. For additional information regarding the Group, please visit www.Saferoad.com.

The Saferoad Group was acquired by Nordic Capital VII LP through Saferoad Holding AB in September 2008. Nordic Capital consists of a group of private equity funds that seek to create value in their investments through committed ownership, and by targeting strategic development and operational improvements. Nordic Capital was established in 1989, and has been a pioneer in private equity in northern Europe. Nordic Capital's portfolio currently consists of about 30 different companies. Well-known Nordic, as well as international institutions, including public and private pension funds, insurance companies and other funds, have invested in the funds of Nordic Capital. For additional information about Nordic Capital, visit www.nordiccapital.com.

These consolidated annual accounts have been approved for publication by the Board of Directors on 13 June 2016 and are to be adopted at the Annual General Meeting.

Note 2 Accounting principles

Basis for preparation and statement of compliance

The consolidated annual accounts for the Saferoad Group have been prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), as well as the Interpretations of the International Financial Reporting Interpretation Committee (IFRIC), which have been approved by the European Commission for application within the European Union. In addition, the Group applies the Annual Accounts Act and RFR 1 *Supplemental principles for consolidated accounts.*

The consolidated statements have been prepared on a historical cost basis, except for derivative financial instruments and available-for-sale financial assets that have been measured at fair value. The financial statements have been prepared based on the going concern principle.

The parent company, Saferoad Holding AB, applies the Annual Accounts Act and RFR 2 *Accounting for legal entities,* see Notes to the financial statements for Saferoad Holding AB, 'Accounting principles'.

Changes in accounting principles and disclosure requirements

New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year. No new standards issued by IASB were implemented in 2015 that have had any material impact on the Group's financial statements.

Future IFRS amendments

The consolidated financial statements will be affected by IFRS amendments in the future. Below are commented on new or amended standards and interpretations published as of 31 December 2015, but not yet effective for the annual period from 1 January – 31 December 2015, and considered may have an impact on the Group's consolidated financial statements:

IFRS 15 Revenue from Contracts with Customers (effective from 1 January 2018, but not approved by the EU). IFRS 15 establish a new five-step model that will apply to revenue arising from contracts with customers.

IFRS 9 Financial Instruments (effective from 1 January 2018, but not approved by the EU). The standard replaces IAS 39. The standard introduces new requirements for classification and measurement, impairment and hedge accounting.

IFRS 16 Leases (effective from 1 January 2019, but not approved by the EU). IFRS 16 replaces existing IFRS leases requirements, IAS 17. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, ie the customer ('lessee') and the supplier ('lessor'). The new leases standard requires lessees to recognise assets and liabilities for most leases, which is a significant change from current requirements. For lessor, IFRS 16 substantially carries forward the accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group has not yet completed an assessment of IFRS 15, IFRS 9 and IFRS 16's impact on the financial statements for Saferoad. Saferoad will implement the standards when they enter into force, provided they have been approved by the EU.

Basis of consolidation and business combinations

The consolidated financial statements include Saferoad Holding AB and all companies in which Saferoad Holding AB controls more than 50% of the number of votes, or otherwise has a controlling interest. Non-controlling interests, which consist of the share of the profits/losses and the part of the net assets of Group companies that do not belong to the shareholders of the parent company, are reported as a separate item in the consolidated shareholders' equity. The statement of comprehensive income includes the non-controlling share of the reported profit or loss.

The purchase method is applied when accounting for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any put option granted to non controlling interests gives rise to a financial liability for the present value of the redemption amount.The financial liability is recognised by reclassifying the present value of the amount payable upon exercise of the option from equity to financial liability. The financial liability is subsequently re-measured at the end of each reporting period in accordance with IAS 39.

If the terms of the transaction provide the parent with a present ownership interest in the shares subject to the put, the shares are accounted for as acquired and no non-controlling interest remains. Factors that are considered when determining whether or not present ownership interest is granted to the acquirer are pricing terms of the put, voting rights, dividend rights and the combined effect of any call and put options. If it is concluded that the parent does not have a present ownership interest in the shares concerned, the Group must decide which standard takes precedence, IAS 32 or IFRS 10. That is, does the liability classification result in no non-controlling interest remaining in equity. The Group has concluded that IFRS 10 takes precedence and that full recognition of a non-controlling interest is recognised at the date of the business combination. If the option is exercised, it is accounted for as an acquisition of the non-controlling interest, plus the settlement of the liability against the same component of equity that was previously reduced. Changes in the carrying amount of the financial liability are recognised in profit or loss.

Acquisition-related costs are expensed as incurred. Companies which have been acquired or sold during the year are included in the consolidated financial statement as from the date when control is achieved and until the date when control ceases. Goodwill is determined at the acquisition date only, with no subsequent adjustments as a consequence of increased ownership.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The Group has opted to recognise the non-controlling interest at fair value for large acquisitions in 2010 (ViaCon and B&L) and for Outimex in 2011. The non-controlling interest in the other less significant acquisitions have been recognised at the proportionate share of the net assets in these companies.

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

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

Investment in associated companies

The Group's holdings in associated companies are reported in accordance with the equity method. Associated companies are companies in which the Group has significant influence. Investments in associated companies are reported on the balance sheet at their acquisition value, with the addition of any changes in the Group's share of the net assets of the associated company, minus any write-downs. The profit or loss reflects the Group's share of the profit or loss of the associated companies. After the interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the

extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If these associates subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

Foreign currency

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

Transactions in currencies different from the functional currency

Transactions in non-functional currencies are translated at the rate in effect on the transaction date. Monetary assets and liabilities that are expressed in non-functional currencies are reported on the balance sheet date, translated to the rate in effect on that date. Non-monetary assets and liabilities that are reported at their fair value in non-functional currency are translated at the rate in effect on the balance sheet date. All exchange rate differences are reported in profit or loss.

Currency effects in the consolidation

The statement of financial position of subsidiaries with a different functional currency, including goodwill and adjustments for fair value made in connection with consolidation, is translated at the exchange rate at the end of the reporting period, while the profit or loss is translated at an average of the year's exchange rates. The exchange rate differences that arise as a result of the translation are reported directly in other comprehensive income.

Exchange rate differences that arise from the translation of foreign subsidiaries are specified as exchange rate differences in other comprehensive income. In the event of a sale or other disposal of a foreign company, the accrued accumulated translation difference is recognised in profit or loss together with the gain or loss resulting from the sale or disposal.

Revenue recognition

Revenue is recognised when it is probable that transactions will generate future economic benefits that will flow to the company and the amount can be reliably estimated. Revenues are presented net of value added tax and discounts.

Revenues from the sale of goods are recognised in the profit or loss once delivery has taken place and most of the risk and rewards has been transferred.

Revenues from the sale of services and long-term manufacturing projects (Construction contracts) are recognised in the profit or loss according to the project's level of completion. The percentage of completion is determined either as the proportion of the incurred contracts costs to the estimated total contract costs ("cost to cost") or as the physical proportion of the contract work to the estimated total physical contract work. Contract revenue includes the amount agreed in the initial contract, plus revenue from alterations according to variation orders. Additional claims and disputed amounts are normally not recognised in income until agreement has been reached or a legally binding court ruling has been given. When the outcome of the transaction cannot be estimated reliably, only revenues equal to the project costs that have incurred will be recognised as revenue. The total estimated loss on a contract is recognised in the profit or loss during the period when it is identified that a project will generate a loss. The revenue recognised in one period is the revenue attributable to the period's progress and the progress to date effect of any changes to the estimated final outcome. Contract costs include costs that relate directly to the specific contract and allocated costs that are attributable to general contract activity. Costs that cannot be attributed to contract activity are expensed.

Expenses attributable to construction contracts are recorded as they are incurred.

Construction work in progress represents the value of construction work performed less payments by customers. The value of construction work performed is measured at revenue recognised to date. Payments by customers are deducted from the value of the same contract or, to the extent they exceed this value, reported as advances from customers.

Dividends are recognised in the profit or loss at the time the right of the shareholders to receive the payment has been determined.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Income tax

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

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

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

Deferred tax liabilities and deferred tax assets are measured on the basis of the expected future tax rates applicable to the companies in the Group where temporary differences have arisen. Deferred tax liabilities and deferred tax assets are recognised at their nominal value.

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

Property, plant and equipment

Property, plant and equipment are stated at their cost less accumulated depreciation and impairment losses, if any. When assets are sold or disposed of, the carrying amount is derecognised and any gain or loss is recognised in the profit or loss.

The cost of property, plant and equipment include taxes/duties and costs directly linked to preparing the asset ready for its intended use. Costs incurred after the asset is in use, such as regular maintenance costs, are recognised in the profit or loss, while other costs that are expected to provide future financial benefits are capitalised. The assets are depreciated on a linear basis over the estimated useful life of the asset. Useful life and depreciation methods are reviewed annually. The residual value is reviewed at the end of each year, and changes in the residual value are accounted for as a change in estimates.

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

Leasing

The Group as a lessee:

Financial leasing

Leases, which for all intents and purposes, transfer all the risks and advantages with respect to the leased asset associated with ownership, are classified as financial leases. At the inception of the lease, finance leases are recognised at the lower of their fair value and the present value of the minimum lease payments. When calculating the lease's present value, the implicit interest cost in the lease is used if it is possible to calculate this. If this cannot be calculated, the company's marginal borrowing rate is used. Direct costs linked to establishing the lease are included in the asset's cost price.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Operating leasing

Leases for which most of the risk and return associated with the ownership of the asset have not been transferred to the Group are classified as operating leases. Lease payments are classified as operating costs and recognised in the profit or loss in a straight line during the contract period.

The Group as a lessor:

Assets that the Group uses in operational leasing as a lessor are presented in the statement of financial position according to the nature of the asset. Lease income from operating leases is recognised in income on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Material initial direct costs incurred by lessors in negotiating and arranging an operating lease is added to the carrying amount

of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. The depreciation policy for depreciable leased assets are consistent with the Group`s normal depreciation policy for similar assets.

Intangible assets

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

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

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

Patents and licences

Expenditures for patents and licences are capitalised and depreciated over their expected useful life. The expected useful life for patents and licences varies between five and ten years.

Software

Expenses linked to the purchase of new computer software are capitalised as an intangible asset provided these expenses do not form part of the hardware acquisition costs. Software is normally depreciated on a a straight line basis over 3 years. Costs incurred as a result of maintaining or upholding the future utility of software is expensed unless the changes in the software increase the future economic benefits from the software.

Product rights

Expenditures for rights are capitalised and depreciated over their expected useful life.

Contractual customer relationships

An intangible that arises from contractual or other legal rights is identifiable regardless of whether those rights are transferable or separable from the acquiree or from other rights and obligations. If an entity establishes relationships with its customers through contracts, those customer relationships arise from contractual rights. Therefore, customer contracts and the related customer relationships acquired in a business combination meet the contractual-legal criterion, even if confidentiality or other contractual terms prohibit the sale or transfer of a contract separately from the acquiree. Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date.

The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationship.The expected useful life varies between two and three years.

Non-contractual customer relationships

Customer relationships may also arise through means other than contracts, such as through regular contact by sales, service or other representatives. Non-contractual customer relationships acquired in a business combination are recognised at fair value separately from goodwill at the acquisition date, if they meet the separability criterion. That is; is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so. Exchange transactions for the same asset or a similar asset that indicate that other entities have sold or otherwise transferred a particular type of non-contractual customer relationship would provide evidence that the relationship is separable.

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

Research and development

Expenses relating to research activities are recognised in profit or loss as they incur. Development costs that are attributable to an individual project are reported as an asset on the balance sheet when there is reason to assume that the amount in question can be recovered in the future. Costs that are capitalised include costs of material, direct salary costs, and a share of directly attributable common expenses.

An intangible asset arising from development (or from the development phase of an internal project) shall be recognised if, and only if, an entity can demonstrate all of 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
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- its ability to measure reliably the expenditure attributable to the intangible asset during its development

Capitalised development cost is amortised over its expected useful life.

Goodwill

The difference between the cost of an acquisition and the fair value of net identifiable assets on the acquisition date is recognised as goodwill. For investment in associates, goodwill is included in the investment's carrying amount. Goodwill is recognised at cost in the balance sheet, less any accumulated impairment losses.

Goodwill is not amortised but is tested annually for impairment or if any impairment indicators exists. In connection with this, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the business combination.

Impairment of non-financial assets

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

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

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The recoverable amount of an asset or a cash-generating unit is the higher of fair value, less cost to sell, and value in use. Impairment is recognised when the carrying value exceeds the recoverable value of the asset or cash-generating unit. Previously recognised impairments are reversed if the conditions on which the recognised impairments are based are no longer applicable. Impairments are reversed to the extent that the capitalised amount after reversal does not exceed the capitalised amount net of depreciation that would have been the carrying amount if no impairment had been recognised. Impairments are not reversed for goodwill.

Financial instruments

Financial assets and liabilities classification and initial recognition
Financial instruments within the scope of IAS 39 are classified in the following categories: at fair value with changes in value through profit or loss, loans and receivables, held to maturity investments, financial instruments available for sale, and other financial liabilities.

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges- see under heading " Derivative instruments".

Financial assets with fixed or determinable cash flows that are not quoted in an active market, except for derivatives, are classified as loans and receivables. All other financial assets, except for derivatives, are classified as being available for sale. Available for sale financial investments would include equity and debt securities.

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. In the case of investments classified at fair value through profit or loss, transaction cost is not capitalised.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequent measurement of financial instruments

Financial instruments that are classified as held for trading purposes and as available for sale are measured at their fair value, as observed in the market at the end of the reporting period, without deducting costs linked to a sale. Loans and receivables, investments that are held to maturity and loans and borrowings are measured at their amortised cost using the effective interest rate method (EIR). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The gain or loss resulting from changes in the fair value of financial investments that are classified as available for sale is recognised in other comprehensive income until the investment is sold. When the investment is sold, the accumulated gain or loss on the financial instrument that has previously been recognised in other comprehensive income is reversed and the gain or loss is recognised in profit or loss.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transaction; reference to the current fair value of other instruments that is substantially the same; discounted cash flow analysis or other valuation models.

Derivative instruments

The Group does not apply hedge accounting.

Financial derivatives that are not designated as hedging instruments are categorised as held for trading and measured at their fair value. Changes in the fair value are recognised in the profit or loss. An embedded derivative is separated from the host contract and recognised as a derivative if, and only if, all the following conditions are met:

- The financial characteristics of and financial risk relating to the embedded derivative are not closely related to the financial characteristics of and financial risk relating to the host contract.
- A separate instrument with the same conditions as the embedded derivative would have complied with the definition of a derivative.
- The combined instrument (the main contract and embedded derivative) is not measured at its fair value with changes in value recognised in profit or loss.

Impairment of financial assets

Financial assets valued at amortised cost are written down when it is probable, based on objective evidence, that the instrument's cash flows have been negatively affected by one or more events occurring after the initial recognition of the instrument. The impairment loss is recognised in the profit or loss.The loss is measured as the difference between the asset`s carrying value and the present value of estimated future cash flows. If the reason for the impairment loss disappears in a later period and this disappearance can be objectively linked to an event which takes place after the impairment loss has been recognised, the previous write-down is reversed. The reversal must not result in the carrying amount of the financial asset exceeding the amount that the amortised cost would have been if the impairment loss had not been recognised on the date when the write-down was reversed.

Financial assets that are classified as available for sale are written down when there are objective indications that the asset has fallen in value. The accumulated loss that has been recognised directly in other comprehensive income (the difference between the cost and fair value minus impairment that has previously been recognised in profit or loss) is removed from other comprehensive income and recognised in the profit or loss. If the fair value of a debt instrument which is classified as available for sale increases during a later period and the increase can be objectively linked to an event which took place after the impairment loss was recognised in profit or loss, the impairment loss is to be reversed in the profit or loss. Impairment loss on equity instrument are not reversed through profit or loss, increases in their fair value after impairment are recognised directly in other comprehensive income.

Inventory

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

Accounts receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and other short-term investments

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

Shareholders' equity

Equity and liabilities

Financial instruments are classified as liabilities or equity in accordance with the underlying economic realities. Interest, dividend, gains and losses relating to a financial instrument classified as a liability will be presented as an expense or income. Amounts distributed to holders of financial instruments that are classified as equity will be recorded directly in equity.

a) Share capital, share premium reserve and other paid in capital

Includes capital contributed by shareholders

b) Other equity

Exchange difference on translation of foreign operations
Currency translation adjustments (CTA) arise as a consequence of consolidated foreign entities being translated from the functional currency into the presentation currency at the rate prevailing at the reporting date. The CTA movement is included in other comprehensive income.

Exchange differences, loans treated as net investments
These are translation differences in monetary amounts which are in reality a part of the Group's net investment in foreign entities, such as the Group loans. The translation differences are presented in the statement of other comprehensive income.

c) Retained earnings

Retained earnings include the controlling interest share of profit or loss and actuarial gains/losses from defined benefit liabilities which is recognised in other comprehensive income.

Non-controlling interests

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at its proportionate share of the acquiree's net assets.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

When the terms of the transaction provide the parent with a present ownership interest in the shares held by a non-controlling shareholder, the shares are accounted for as acquired and no non-controlling interest remains. Factors that are considered when determining whether or not present ownership interest is granted to the acquirer, is pricing terms of any put options, voting rights, dividend rights and the combined effect of any call and put options. If it is concluded that the parent does not have a present ownership interest in the shares concerned, the Group must decide which standard takes precedence, IAS 32 or IFRS 10. That is, does the liability classification result in no non-controlling interest remaining in equity. The Group has concluded that IFRS 10 takes precedence and that full recognition of a non-controlling interest is recognised at the date of the business combination. If the option is exercised, it is accounted for as an acquisition of the non-controlling interest, plus the settlement of the liability against the same component of equity that was previously reduced. Changes in the carrying amount of the financial liability are recognised in profit or loss.

Remunerations to employees

Defined benefit pension plans

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

Actuarial gains and losses are reported in other comprehensive income. The difference between actual return for plan asset and the amount included in net interest is reported in other comprehensive income.

Changes in the pension obligation due to changes in pension plans:
- If the pension plan change is dependent on future employee service (employment in the Group), the effect of the change is recognised on a straight-line basis over the estimated average period until the benefits become vested
- If the pension plan change is not dependent on future service, past service cost should be recognised in the profit or loss in the period the plan is changed (past service cost is defined as the change in the present value of the defined benefit obligation for employee service in prior periods)

Defined contribution plans

The pension contributions are charged to expenses as they are incurred.

Multi-employer plans

Multi-employer plans are defined contribution plans or defined benefit plans that: (a) pool the assets contributed by various entities that are not under common control; and (b) use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

An entity shall classify a multi-employer plan as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

When sufficient information is not available to use defined benefit accounting for a multi-employer plan that is a defined benefit plan, IAS 19 (34) prescribes the entity to account for the plan as if it was a defined contribution plan.

Provisions

A provision is recognised when the Group has an obligation (legal or constructive) as a result of a past event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is material, the provision is calculated by discounting estimated future cash flows using a pre-tax discount rate that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

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

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

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

Contingent liabilities and assets

Possible liabilities (obligations) that do not satisfy the three provision criterions are categorised as 'contingent' under IAS 37 and are not recognised in the financial statements. Significant contingent liabilities are disclosed, with the exception of contingent liabilities that are unlikely to be incurred. In a business combination a contingent liability may have to be recognised in a business acquisition regardless of probability, if they can be measured reliably.
Contingent assets are not recognised in the annual accounts but are disclosed if there is a certain probability that a benefit will be added to the Group.

Events after the balance sheet date

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

Note 3 Significant accounting estimates and judgments

During the preparation of the annual accounts and consolidated annual accounts, assessments and assumptions are made that will affect the accounts and disclosures. Situations and changes in market conditions can occur that require changes in previous assessments and key assumptions. This may have significant effect and may cause material adjustments to the carrying amounts of assets and liabilities, equity and the profit for the year. All estimates are assessed to the most probable outcome based on the management's best knowledge.

Sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets or liabilities within the next year is discussed below:

Depreciation of tangible assets and amortisation of intangible assets, see Note 14 and 15.

The expected useful life of the production equipment in the Group is to a large extent affected by technological development, and assumptions that have been made. The useful life may deviate from the reported current life.

Impairment of goodwill, other intangible assets and of property, plant and equipment, and the reversal of impairment of intangible assets and property, plant and equipment, see Note 15.

The reported goodwill of the Group has been tested for impairment based on December 2015 Group figures. The key assumptions used to determine the recoverable amount are provided in Note 15. An impairment loss of SEK 27.7 million is recognised in the profit or loss statement in 2015, relating to the goodwill of the cash generating unit Europe. No significant events or changes in business or market that potentially would change the conclusions were identified from 31 December 2015 till the reporting date. The business is however, significantly affected by the economic climate, which may result in fluctuations in value in use calculations.

Net realisable value of inventory, see Note 8.

Inventories are recognised at the lower of cost and net realisable value. The net realisable value is sensitive to management assumptions regarding the future selling price and estimated cost of completion.The development in world market prices for the main commodities utilised by the Group are core element in this assessment.

Accounts receivable, see Note 17.

Accounts receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Provisions are measured at the management's best estimate. Estimation uncertainty is related to correct and adequate estimates of credit risk, timing and size of payment from the customers.

Deferred tax assets, see Note 13.

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

Put options on shares, see Note 16.

In some acquisitions of companies with non-controlling interests, put options are issued to the minority shareholders enabling them to sell their remaining shares to the Group. These put options are recognised at the discounted value of the estimated future payment. The key assumptions take into consideration the probability of meeting performance targets and the discount factor. The actual payments may differ from the estimates.

Judgements in applying the Group's accounting policies

Management is required to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated, and which entities in which the Group has significant influence, and therefore required to be accounted for as associated companies. The assessments are sensitive to management assumptions.

Note 4 Business combinations and changes in the Group structure

Changes in the Group structure in 2015

Acquisitions in 2015

Acquired company	**FLA Geo-produkter AB**	**Nordic Culvert AB**	**Stolper AS**	**Antin Kaide OY**	**Viacon Technologii OOO**
Acquisition made by subsidiary	Saferoad V Holding AB	Viacon AB	Saferoad AS	Saferoad Finland OY	Viacon International AB
Total consideration for the shares	73 663	16 387	16 441	7 608	14 747
Non controlling interest	0	0	0	492	1 969
Goodwill and other intangibles	45 785	11 857	15 067	5 100	11 739
Proforma Profit or loss for 2015:					
Total operating revenue	121 989	12 613	11 424	26 505	34 096
Profit/(loss) for the year	3 394	1 869	309	-1 058	5 358

Total consideration for the shares acquired in 2015 consists of cash consideration of SEK 75 million, in addition to future payment included in short term and long term liabilities, contingent consideration and fair value of previously held equity interest in ViaCon Technologii OOO, see Note 5. Acquisition costs of a total of SEK 3 million are expensed in 2015.

FLA Geoprodukter AB and Nordic Culvert AB

ViaCon acquired FLA Geoprodukter AB and Nordic Culvert AB in October 2015. The companies are active in Sweden, Norway and Finland within the ViaCon product and services segments. Synergies within cost and market are expected to be realised during 2016 and going forward.

Viacon Technologii OOO

ViaCon increased its ownership from 50% to 60% in ViaCon Technologii OOO in Belarus in October 2015. Consequently the company is reclassified from an associated company to a subsidiary and consolidated as such with the 40% minority presented as a non controlling interest. The revaluation of the previous holding of shares resulted in a gain of SEK 8 million. Saferoad has an option (call) to acquire the remaining 40% of the shares. The estimated value of the option has been reclassified from the Group`s equity and is presented as a liability in accordance with IFRS.

Stolper AS

Saferoad AS acquired Stolper AS in December 2015. The company is active in the lightning column market and emphasises design and tailor made solutions. The company is included in CGU Norway.

Antin Kaide OY

In January 2015 Saferoad Finland OY acquired 80% of the shares in Antin Kaide OY. The company performs guardrail installation services in Finland and will give the Group further access to the Finnish guardrail market. The company is included in CGU Nordic.

Divestments in 2015

Saferoad made some small divestments in 2015. 100% of the shares in Montal AB, Montal Systems AS (the Balcony business) and Gävle Galvan AB was sold during 2015, to a total consideration of SEK 3 million. The assets of Marina Systeme GmbH in Germany were sold in August 2015, at a price of SEK 3.7 million.

Saferoad recognised an accounting loss of SEK 27.2 million as a consequence of the above divestments. The amount is included in other operating costs.

Late 2015 ViaCon winded up all its activities in St Petersburg, Russia. Some minor formalities that were outstanding at year end is finalised within the first quarter of 2016. Operational losses and losses connected to the wind up are reflected in the 2015 accounts.

Changes in the Group structure in 2014

ViaCon established ViaCon Kisan in Turkey in 2014 with a Turkish local partner Kisan (minority shareholder with 30% of the shares), to develop a business focusing on innovative infrastructure project in one of the largest growing markets for infrastructure. ViaCon has built up part of the production capacity in Turkey.

Also Saferoad RRS GmbH has established a business in Turkey (Saferoad Kisan) with Turkish local partner Kisan (minority shareholder with 30% of the shares). The Turkish market is growing and the newly established company (year end 2013) will strengthen RRS's market presence.

The subsidiary Saferoad RRS GmbH sold their 25% holding of the shares in GfS GmbH in December 2014, see Note 5.

Note 5 Associated companies and other investments

Associated companies

The associated companies are companies in which the Group has significant influence. The assessment of influence is based on a judgement of ownership in combination of voting rights, and other contractual arrangements.

The Group has ownership in the following associated companies as of 31 December 2015:

Associated companies	Country	Owner share	Time of aquisition
Ferrozink Trondheim AS	Norway	40 %	01.09.2008
IBOS Sp. z.o.o.	Poland	50 %	15.02.2011
RindeRekon AS	Norway	42 %	01.09.2008
Bjartmar Rinde AS	Norway	42 %	01.09.2008

The Norwegian associated companies are not strategic to the Group activities, while IBOS SP z.o.o is a company that performs crash test services for the Polish market.

ViaCon increased its ownership from 50% to 60% in ViaCon Technologii OOO in Belarus in October 2015. Consequently the company is reclassified from an associated to a subsidiary and consolidated as such with 40% presented as a non controlling interest.

Rinde Rekon was part in a legal proceeding with a customer for which a settlement was reached in May 2014. Saferoad´s obligations related to guarantees to Rinde Rekon and to the legal proceeding were provided for with SEK 9.5 million as of 31 December 2013. In 2014 Saferoads obligations were settled without further profit or loss effects.

Change in carrying value associated companies

2015	Rinde Rekon AS	Bjartmar Rinde AS	Ferrozink Trondheim AS	Lade Metall AS	IBOS SP. z o.o.	Viacon Technologies Belarus	Total
Opening balance 01.01.15	0	0	5 115	0	70	3 557	8 742
Share of this year's profit/loss	0	0	0	0	0	-237	-237
Equity transactions, dividends	0	0	0	0	0	-1 358	-1 358
Sales (+) and disposals (-)	0	0	0	0	0	-1 901	-1 901
Other	0	0	0	0	0	-61	-61
Translation difference	0	0	-429	0	-12	0	-441
Carrying value 31.12.15	**0**	**0**	**4 686**	**0**	**57**	**0**	**4 744**

2014	Rinde Rekon AS	Bjartmar Rinde AS	Ferrozink Trondheim AS	Lade Metall AS	IBOS SP. z o.o.	GfS GmbH	Viacon Technologies Belarus	Total
Opening balance 01.01.14	-9 502	0	4 544	556	58	3 492	3 762	2 910
Share of this year's profit/loss	0	0	658	-573	0	1 608	26	1 719
Equity transactions, dividends	0	0	0	0	0	0	-220	-220
Sales (+) and disposals (-)	0	0	0	0	0	-5 318	0	-5 318
Other	9 797	0	0	0	0	0	0	9 797
Translation difference	-296	0	-87	17	12	219	-11	-147
Carrying value 31.12.14	**0**	**0**	**5 115**	**0**	**70**	**0**	**3 557**	**8 742**

Share of profit/(loss) of associated companies' in the statement of comprehensive income includes share of this year's profit, gain from sale of shares in associated companies and gain from reclassification of shares in associated companies to financial asset.

Financial information regarding associated companies (100% basis)

Financial information 31.12.2015	Rinde Rekon AS	Bjartmar Rinde AS	Ferrozink Trondheim AS	IBOS SP. z o.o.	Total
Assets	1 453	84	18 767	2 103	22 407
Liabilties	45 427	3 011	7 223	558	56 219
Revenues	0	0	44 172	4 726	48 898
Profit+ / Loss- (1.1 - 31.12)	-1 628	-362	612	256	-1 121
Ownership share	42 %	42 %	40 %	50 %	

Financial information 31.12.2014	Rinde Rekon AS	Bjartmar Rinde AS	Ferrozink Trondheim AS	Lade Metall AS	IBOS SP. z o.o.	Viacon Technologies Belarus	Total
Assets	1 586	18	20 264	4 840	0	12 881	39 589
Liabilties	43 821	2 974	7 851	7 320	0	5 768	67 734
Revenues	6	0	45 373	17 243	0	26 487	89 109
Profit+ / Loss- (1.1 - 31.12)	-1 628	-362	1 646	-1 904	0	7 113	4 865
Ownership share	42 %	42 %	40 %	40 %	50 %	50 %	

Other investments

	31.12.2015	Ownership share 2015	31.12.2014	Ownership share 2014
BBV GmbH	9 183	15.00%	9 416	15.00%
Bostadsföreningen Mora 1	480	0.98%	480	0.98%
Juralco AS	1 965	19.87%	2 144	19.87%
Ørstahytta AS	611	47.06%	684	48.24%
Other shares	159	Na	539	Na
Total shares	12 397		13 263	

Note 6 Operating revenues

The Group changed its composition of the divisions from 1.1.2015, where the Road Safety area has reorganised from the previous product oriented "Signs" and "Infrastructure " divisions to a more customer oriented and geographic organisation ie "Europe", "Nordics" and "Norway" divisions, in addition to a production and sourcing division included in Holdings/Other in the table below . ViaCon Division already had a geographic structure and no changes were made to this division that represents the Road Infrastructure part of our business.The Groups total external operating revenues for 2015 and 2014 can be summarised in the following tables:

2015

Division	Europe	Nordic	Norway	ViaCon	Holdings/ Other [1]	Total
Net revenue - products	888 182	1 368 395	947 011	1 672 081	189 682	5 065 352
Net revenue - services	402 834	58 264	144 973	73 216	4 784	684 071
Other operating revenue	7 597	4 989	(1 349)	13 550	4 108	28 894
Total revenue	**1 298 613**	**1 431 649**	**1 090 635**	**1 758 847**	**198 574**	**5 778 317**

Geographical area	Norway	Sweden	Denmark /Finland	Germany	Poland	Baltic	Other	Total
Net revenue - products	1 348 493	1 314 400	402 975	731 790	438 908	371 291	457 494	5 065 352
Net revenue - services	65 162	78 978	81 570	77 881	281 959	31 788	66 733	684 071
Other operating revenue	4 960	4 180	2 639	12 040	1 742	927	2 407	28 894
Total revenue	**1 418 614**	**1 397 558**	**487 185**	**821 711**	**722 609**	**404 006**	**526 634**	**5 778 317**

2014

Division	Europe	Nordic	Norway	ViaCon	Holdings/ Other [1]	Total
Net revenue - products	586 671	1 332 987	928 838	1 374 471	265 386	4 488 353
Net revenue - services	634 771	55 414	121 451	76 750	5 801	894 187
Other operating revenue	10 958	4 196	724	14 273	5 773	35 923
Total revenue	**1 232 400**	**1 392 597**	**1 051 013**	**1 465 494**	**276 959**	**5 418 463**

Geographical area	Norway	Sweden	Denmark /Finland	Germany	Poland	Baltic	Other	Total
Net revenue - products	1 427 081	1 282 431	361 129	509 890	169 576	400 862	337 383	4 488 353
Net revenue - services	65 064	92 110	52 480	209 136	361 419	21 684	92 294	894 187
Other operating revenue	2 833	7 386	3 030	9 631	4 945	2 221	5 878	35 923
Total revenue	**1 494 978**	**1 381 927**	**416 639**	**728 657**	**535 940**	**424 767**	**435 555**	**5 418 463**

[1] *The Holdings/Other Business area includes the Balcony division and the holding companies in the Group*

Other operating revenue includes rental revenue and revenue from recycling and sale of scrap.

The Group does not present segment information in accordance with IFRS 8 as the Group has no debt or equity that are traded in a public market and does not file the financial statements with any regulatory organisation.

Note 7 Construction contracts

Saferoad is involved in contracts specifically negotiated to provide construction of assets to the buyers specification. These contracts are often relatively short term in nature but in many cases reaching over several months and sometimes years.

At 31 December 2015 Saferoad had ongoing road infrastructure projects and multi-year maintenance contracts.

The status of Saferoad's contracts in progress at the end of 2015 is as follows:

	2015 Contracts to date	2014 Contracts to date
Contract revenue recognised	279 225	383 755
Contract expenses recognised	216 266	299 494
Recognised profits less losses	62 959	84 262
Earned not invoiced on ongoing contracts (included in other receivables)	48 843	16 321
Prepayments from customers (included in other current liabilities)	0	-17 380
Advances received	828	0
Retentions	4 806	4 607

Note 8 Cost of goods sold and inventory

Cost of goods sold	2015	2014
Purchase of goods and changes in inventory	3 406 540	3 088 263
Write-down of inventory	-39 038	-11 487
Total cost of goods sold	**3 367 503**	**3 076 776**

Inventory	Carrying value 31.12.2015	Carrying value 31.12.2014
Raw materials	300 146	393 330
Work in progress	82 333	55 247
Own produced goods	163 144	138 823
Goods purchased for resale	269 635	267 809
Total inventory	**815 259**	**855 209**

At year end 2015 an inventory writedown of PLN 9.9 million (SEK 21.4 million) was made in the Polish entity Intermetal. The writedown related mainly to slow moving items as well as reflecting the significant drop in world market prices for steel.

Note 9 Other operating expenses

Other operating costs includes:	2015	2014
Fees to auditors	14 117	12 169
Rent	73 389	70 091
Other costs related to premises	56 162	61 069
Operational lease	19 758	32 836
Direct operating costs (incl. repairs and maintenance)	195 549	175 486
Selling and distribution costs	254 081	221 953
Administrative costs	158 899	122 843
Membership, insurance, license- and guarantee costs	32 453	27 833
Capital losses upon sales of fixed assets	1 625	2 848
Bad debts	30 959	20 259
Other operating costs	60 052	30 030
Total other operating costs	**897 045**	**777 417**

The Group has entered into different operational lease and rental agreements for machinery, offices and other facilities. Rental agreements are mainly rental of premises for own use. Most of the agreements contain an option for extension. For details related to these agreements see Note 25 Leasing, rental agreements.

Fees to auditors	2015	2014
Fees for audit	9 659	10 429
Fees for attestation services	240	161
Fees for tax services	1 029	1 086
Fees for other services	3 189	493
Total fees	**14 117**	**12 169**
Of which is auditing fees to Ernst & Young	7 678	7 949
Of which is other fees to Ernst & Young	2 757	836

Note 10 Employees, total personnel costs

	2015			2014		
No of employees	Men	Women	Total	Men	Women	Total
Norway	421	82	503	439	76	515
Sweden	475	66	541	476	58	534
Denmark	91	17	108	89	20	109
Poland	531	91	622	575	93	668
England	52	10	62	58	5	63
Germany	193	44	237	178	73	251
Balticum	184	41	225	169	31	200
Holland	7	2	9	6	2	8
Others	294	43	337	189	43	232
Total no of employees	**2 248**	**396**	**2 644**	**2 179**	**401**	**2 580**
Distribution %	85 %	15 %		84 %	16 %	

Women in Board of Directors and Group Management	Percentage women	
	2015	2014
Board of Directors Saferoad Holding AB	0 %	0 %
Board of Directors Saferoad AS	36 %	13 %
Group Management	0 %	0 %

Salaries and remuneration

	2015	2014
Salary	933 286	890 331
Social security tax on salaries, pensions, bonuses etc	177 303	166 103
Other personnel expenses	27 380	22 807
Pension expenses	55 525	51 336
Bonuses	28 864	14 772
Total salaries and remuneration	**1 222 358**	**1 145 349**

Whereof Salaries and remuneration for Board of Directors, Group CEO and Group Management

	2015	2014
Salary	18 665	15 937
Other Renumeration	2 814	2 170
Pension expenses	1 982	1 423
Total salaries and remuneration	**23 461**	**19 529**

The Board of Directors of Saferoad Holding AB consists of two members in 2015 and 2014, and no remuneration has been paid, see Note 4 in the parent company's financial statement . Remuneration to the Board of Directors in the table above applies to the Board of Directors of the subsidiary Saferoad AS, which consists of 11 members in 2015 (8 members in 2014). Remuneration is set to a fixed fee for the year.

The members of the Group Management which consists of 7 members in 2015 (and 7 members in 2014) have agreed remuneration and conditions on standard terms and are entitled to benefits such as pensions- and insurance arrangements, company car or car allowance, and performance based bonus. One member of the management team has a fixed term contract until June 2018. The contract includes an option to extend the term of the contract and a mutual option to terminate the contract at an earlier date combined with a penalty fee.

Morten Holum assumed the position as CEO in October 2015. His employment contract is with the subsidiary Saferoad AS. The CEO received a remuneration of SEK 942 thousand for the period 1 October – 31 December 2015. The pension cost for the CEO for this period is SEK 18 thousand. The CEO has a performance based bonus agreement. In addition, the CEO has a stay-on-bonus agreement for the period until 30 September 2017 which is paid pro rata on an annual basis. The remaining part of the bonus becomes due if Saferoad terminates the employment contract or if there is a change of ownership of more than a majority of the ownership interest in Saferoad during the period.

See Note 4 in the parent company's financial statement for further details on the remuneration of the previous CEO who left the Group in October 2015.

Shares, options and loans from shareholders

The previous management investment program has been closed during 2015. All management members have sold their shares to the majority shareholder. The shares have been sold on market terms. Certain managers also had granted shareholder loans to Saferoad Holding AB which have been transferred to the majority shareholder at market terms. The remaining minority shares are owned either by employees that have resigned or who are not part of the management team. One previous employee has granted shareholder loan to Saferoad Holding AB on market terms. Reference is made to Note 24 for specification of shareholders and shareholder' loans.

Note 11 Pensions

The Group policy is to offer pension contribution plans to its employees. The Norwegian companies in the Group are required by law to have a pension scheme. This requirement is fulfilled by the Norwegian entities. The main characteristic of a defined contribution plan is that the employer`s obligation is limited to the amount it agrees to contribute to the plan. For such plans the contribution is expensed as they are incurred.

In line with the Group policy, most defined benefit plans was terminated in 2008 or earlier. For historical reasons there are still a limited number of such plans in place in Sweden, Norway and in Germany. The main financial and accounting impact of the remaining defined benefit plans have been summarised below, under the heading 'defined benefit expense' and 'defined benefit assets and liabilities'.

Pension expense for the year	**2015**	**2014**
Defined benefit expense:		
Service cost	868	380
Interest expense on benefit obligations	1 568	2 356
Expected return on assets	-731	-1 012
Social security tax	846	722
Total defined benefit expense	2 551	2 446
Defined contribution expense:	52 974	48 890
Total pension expense	**55 525**	**51 336**
Defined benefit assets and liabilities		
Accrued pension obligations	57 731	60 751
Pension plan assets	-22 331	-23 530
Net benefit obligations	**35 400**	**37 221**
Plans with a surplus is recognised separately from plans with a deficit:		
Recognised pension assets	706	361
Recognised pension obligations	36 106	37 582

Actuarial and financial assumptions (defined benefit plans):

	2015			**2014**		
	Norway	Sweden	Germany	Norway	Sweden	Germany
Discount rates	2.7%	2.8%	2.4%	3.0%	2.8%	1.9%
Salary increase	2.5%	3.0%	0.0%	3.3%	3.0%	0.0%

Actuarial gain of SEK 1 741 thousand (after tax) in 2015 and actuarial losses of SEK 3 959 thousand (after tax) in 2014, have been recognised in other comprehensive income.

Note 12 Financial items

	2015	**2014**
Interest income	11 637	6 353
Fair value gains on derivatives	11 335	0
Other financial income	1 563	7 412
Total financial income	**24 535**	**13 765**
Interest expenses	200 065	196 146
Fair value loss on derivatives	374	16 071
Other financial expenses	107 005	35 192
Total financial expenses	**307 444**	**247 409**
Currency exchange gain	310 194	159 572
Currency exchange loss	246 466	118 497
Net exchange rate gain (loss)	**63 728**	**41 075**
Share of profit/(loss) of associated companies	5 856	5 895
Net financial income/expenses	**-213 324**	**-186 674**

All financial income and expenses relates to financial assets and liabilities that are not at fair value through profit or loss, except for the fair value gains and losses on derivatives. Other financial expenses in 2015 includes changes in estimates for future payments and contingent considerations with SEK 67 million, see Note 16, and bank fees. Other financial expenses in 2014 consist mainly of various bank charges.

Currency exchange gains and losses are mainly related to the multi-currency cash pool systems within the Group, Group internal loans, Shareholder loans and liabilities to credit institutions in non-functional currencies. The gains and losses arrive from translation of monetary assets and liabilities expressed in non-functional currencies to the exchange rate in effect on the balance sheet date, and from transactions in non-functional currencies translated at the rate in effect on the transaction date. The gains and losses are netted per currency per entity.

Note 13 Income tax

Tax income/(expense):	2015	2014
Tax payable	-69 665	-28 987
Changes in deferred tax	22 422	-34 616
Tax income/(expense)recognised in the Consolidated statement of comprehensive income	**-47 243**	**-63 603**
Prepaid tax (included in other receivables)	17 855	11 965
Tax payable for the year	-44 352	-7 134
Total (net) tax payable 31 December (+receivable/-liability)	**-26 497**	**4 831**

A reconciliation of the effective rate of tax and the tax rate in Saferoad Holding AB's country of registration:

	2015	2014
Profit /(loss) before tax:	-228 612	-160 383
Expected income taxes according to income tax rate in Sweden 22%	50 295	35 284
Adjustment in respect of current income tax of previous years	-306	-5 499
Deferred tax assets not recognised current year	-45 528	-58 598
Use of previously unrecognised loss carried forward	548	11 008
Impairment of goodwill, non deductable	-5 886	-37 722
Non deductable expenses	-43 290	-17 172
Non-taxable income	954	4 009
Tax rate outside Sweden other than 22%	-2 885	3 865
Change in deferred tax assets/liabilities due to change in tax rates [1]	1 010	2 493
Other	-2 155	-1 272
Tax income/(expense)recognised in the Consolidated statement of comprehensive income	**-47 243**	**-63 603**

Income tax income/ (expense)reported in other comprehensive income:		
Pensions	147	330
Income tax on other comprehensive income	**147**	**330**

Deferred tax liabilities/(deferred tax assets):	2015	2014
Non- current assets and liabilities:		
Intangible assets	83 946	105 342
Tangible fixed assets	44 836	59 874
Pensions	-3 893	-5 081
Other non- current items	1 266	2 642
Total non current assets and liabilities	**126 156**	**162 778**
Current assets and liabilities:		
Inventory	-1 273	704
Liabilities	-3 536	-3 557
Receivable trade	-5 823	-2 291
Other investments at fair value	-1 649	-3 255
Other current items	-6 831	-3 944
Total current assets and liabilities	**-19 113**	**-12 343**
Tax losses carried forward	-237 736	-212 805
Of which assets not recognised (valuation allowance)	-207 616	-163 230
Net recognised deferred tax liabilities	**76 924**	**100 860**
Of which deferred tax assets	14 303	20 842
Of which deferred tax liabilities	-91 227	-121 701

The Group has a total tax loss carried forward of MSEK 1 080 (MSEK 970) which expires as follows:

	Sweden	Kingdom	Germany	Other	2015	2014
Current year +1 year				8 905	8 905	12 147
Current year + 2 year				32 643	32 643	16 129
Current year +3 years				15 637	15 637	15 414
Current year +4 years				11 152	11 152	29 951
Current year +5 years or later				83 585	83 585	54 736
No due date	662 628	162 942	100 143	2 496	928 209	841 986
Total tax loss carried forward	**662 628**	**162 942**	**100 143**	**154 419**	**1 080 131**	**970 363**
On which deferred tax assets have not been recognised	557 731	157 954	100 143	122 910	938 738	741 656
Total tax loss on which deferred tax assets have been recognised	**104 897**	**4 988**	**0**	**31 508**	**141 393**	**228 708**

Changes in net deferred taxes:

	2015	2014
As of 1 January	**100 860**	**61 155**
Recognised in profit and loss	-22 422	34 616
Recognised as other comprehensive income	147	330
Acquistions and disposals	3 953	0
Translation differences	-5 613	4 758
As of 31 December	**76 924**	**100 860**
Of which deferred tax assets	14 303	20 842
Of which deferred tax liabilities	-91 227	-121 701

[1] Deferred tax assets/liabilities are measured at new tax rate 25% from year end 2015 for Norwegian entities. Deferred tax assets/liabilities were measured at new tax rate 22% from year end 2014 for Danish entities. Norway has decided to reduce the corporate income tax to 25% in 2016, and Denmark has decided to reduce the corporate income tax to 22% in 2016.

The Group's Expected income taxes in 2015 and 2014 are measured according to income tax rate in Sweden (22%). The non-deductable expenses in 2015 includes other financial expenses related to changes in estimated future payments for put options on shares (see Note 12 and Note 16), non-deductable interest expenses, and loss on sale of subsidiaries (see Note 4).

For all countries a net deferred tax liability is recognised at year end 2015, except for smaller amounts for the Netherlands, Poland and Turkey, where a net tax asset is recognised. There is no due date on tax losses carried forward in Sweden, and the tax loss carried forward in Sweden is expected to be utilised over time. However, for parts of the tax losses carried forward in Sweden a deferred tax asset has not been recognised as per 31 December 2015 and per 31 December 2014, due to uncertainty related to time of utilisation and the strong evidence requirement of future profit.

Note 14 Property, plant and equipment

2015	Land	Buildings	Machines / equipment	Work in progress	Rental equipment /furniture /vehicles 2)	2015
Accumulated cost 1 January 2015	38 130	689 668	657 166	4 866	327 654	1 717 484
Reclassifications 1)	1 517	-3 854	10 274	-2 866	5 925	10 996
Additions, acquisition of subsidiaries	115	1 376	3 922	0	2 623	8 037
Additions, other	592	6 736	80 845	3 601	62 968	154 743
Disposals	-8 681	-41 302	-52 149	-66	-25 763	-127 962
Translation differences	-1 077	-29 174	-39 340	-97	-18 522	-88 210
Accumulated cost 31 December 2015	**30 597**	**623 451**	**660 717**	**5 438**	**354 886**	**1 675 088**

Depreciation method Useful life	No depreciation	Linear 10-40 year	Linear 5-10 year	No depreciation	Linear 3-5 year	2015
Accumulated depreciations 1 January 2015	4	238 795	296 871	85	136 741	672 495
Reclassifications 1)	370	-271	6 538	0	4 266	10 902
Disposals	0	-35 279	-45 711	-56	-19 874	-100 919
Depreciations	0	34 834	75 710	0	51 482	162 026
Impairments 3)	0	24 711	4 431	2 039	1 111	32 292
Translation differences	26	-12 580	-22 382	-69	-9 666	-44 671
Accumulated depreciations and impairments 31 December 2015	**400**	**250 209**	**315 457**	**1 999**	**164 060**	**732 126**
Carrying value 1 January 2015	**38 126**	**450 872**	**360 295**	**4 782**	**190 914**	**1 044 989**
Carrying value 31 December 2015	**30 197**	**373 242**	**345 260**	**3 439**	**190 826**	**942 963**

1) Reclassifications mainly relates to corrections between accumulated cost and accumulated depreciation in Lithuania.
2) This category includes rental equipment where the Group is the lessor.
3) The impairment of TSEK 24 711 relates to buildings in Rumtikli OY.

2014	Land	Buildings	Machines / equipment	Work in progress	Rental equipment /furniture /vehicles 2)	2014
Accumulated cost 1 January 2014	37 485	665 191	516 865	10 183	323 965	1 553 690
Reclassifications	0	8 245	31 756	-11 906	-37 075	-8 979
Additions	37	4 623	126 879	6 505	49 312	187 356
Disposals	0	-217	-29 623	-210	-15 675	-45 725
Translation differences	608	11 826	11 289	294	7 127	31 143
Accumulated cost 31 December 2014	**38 130**	**689 668**	**657 166**	**4 866**	**327 654**	**1 717 484**

Depreciation method Useful life	No depreciation	Linear 10-40 year	Linear 5-10 year	No depreciation	Linear 3-5 year	2014
Accumulated depreciations 1 January 2014	146	178 012	217 975	27	123 495	519 655
Reclassifications	0	-633	27 585	0	-26 951	0
Disposals	0	-29	-24 623	0	-11 024	-35 676
Depreciations	0	37 635	70 875	0	47 594	156 105
Impairments 1)	0	22 476	0	58	369	22 903
Translation differences	-142	1 334	5 059	0	3 257	9 508
Accumulated depreciations and impairments 31 December 2014	**4**	**238 795**	**296 871**	**85**	**136 741**	**672 495**
Carrying value 1 January 2014	**37 339**	**487 179**	**298 890**	**10 156**	**200 469**	**1 034 034**
Carrying value 31 December 2014	**38 126**	**450 872**	**360 295**	**4 782**	**190 914**	**1 044 989**

1) SEK 22.476 thousand represents impairment of buildings at Gävle Galvan AB.
2) This category includes rental equipment where the Group is the lessor.

There is no material capitalised interest cost on property, plant and equipment per 31 December 2015 and per 31 December 2014.

Financial leasing

The Group has financial and operating leases, see Note 25 for operating leases. The Group's assets under financial lease agreements, where the Group is the lessee, include machinery and equipment, furniture and vehicles. In addition to the rental payments, the Group has obligations relating to the maintenance and other user-related costs of the assets. The lease periods vary from three to ten years, and several agreements involve a right of renewal.

The carrying value of capitalised leases is:

Carrying value capitalised leases	31 December 2015	31 December 2014
Machinery and equipment, furniture and vehicles	59 126	34 524
Total	**59 126**	**34 524**

Note 15 Intangible assets

2015	Product rights	Development	Goodwill	Customer relationship	Other	2015
Accumulated cost 1 January 2015	60 569	144 177	1 578 960	730 752	77 309	2 591 766
Reclassifications	482	0	-57	0	115	539
Additions, acquisition of subsidiaries	0	0	81 103	13 000	3	94 105
Additions, other	418	11 872	0	0	5 670	17 961
Derecognition	0	-203	-29 031	0	-39	-29 272
Translation differences	-2 065	-5 355	-59 776	-24 957	-1 999	-94 152
Accumulated cost 31 December 2015	**59 405**	**150 490**	**1 571 198**	**718 795**	**81 059**	**2 580 947**

Amortisation method / Useful life	Linear 5-10 year	Linear 3-15 year	No amortization	Linear 5-15 year	Linear 3-15 year	2015
Accumulated amortisations 1 January 2015	20 975	72 796	131 984	349 253	65 497	640 504
Reclassifications	424	0	0	0	120	544
Amortisations	3 460	16 221	0	56 403	7 937	84 021
Derecognition	0	0	-29 031	0	-32	-29 063
Impairments 1)	0	0	28 360	0	0	28 360
Translation differences	-1 345	-3 476	-2 773	-13 172	-1 640	-22 406
Accumulated amortisations and impairments 31 December 2015	**23 513**	**85 541**	**128 540**	**392 485**	**71 882**	**701 962**
Carrying value 1 January 2015	**39 595**	**71 380**	**1 446 976**	**381 499**	**11 811**	**1 951 262**
Carrying value 31 December 2015	**35 892**	**64 948**	**1 442 658**	**326 310**	**9 177**	**1 878 986**

1) SEK 27.656 thousand represents impairment of goodwill related to CGU Europe.

2014	Product rights	Development	Goodwill	Customer relationship	Other	2014
Accumulated cost 1 January 2014	59 243	116 059	1 562 021	712 116	71 698	2 521 138
Reclassifications	0	8 979	0	0	0	8 979
Additions	1 417	11 443	0	0	3 693	16 552
Derecognition	0	357	0	0	-370	-13
Translation differences	-91	7 339	16 939	18 636	2 288	45 111
Accumulated cost 31 December 2014	**60 569**	**144 177**	**1 578 960**	**730 752**	**77 309**	**2 591 766**

Amortisation method / Useful life	Linear 5-10 year	Linear 3-15 year	No amortization	Linear 5-15 year	Linear 3-15 year	2014
Accumulated amortisations 1 January 2014	18 359	52 342	0	286 039	55 801	412 541
Reclassifications	0	0	0	0	0	0
Amortisations	3 412	15 579	0	55 924	8 158	83 072
Derecognition	0	0	0	0	-58	-58
Impairments[1]	0	745	129 806	0	0	130 551
Translation differences	-796	4 130	2 178	7 290	1 597	14 398
Accumulated amortisations and impairments 31 December 2014	**20 975**	**72 796**	**131 984**	**349 253**	**65 497**	**640 504**
Carrying value 1 January 2014	**40 885**	**63 717**	**1 562 021**	**426 077**	**15 897**	**2 108 597**
Carrying value 31 December 2014	**39 595**	**71 380**	**1 446 976**	**381 499**	**11 811**	**1 951 262**

[1] SEK 29 861 thousand related to CGU Balcony, including companies Montal Systems AS and Montal AB, and SEK 99 945 thousand related to CGU RRS Europe.

Impairment testing of goodwill

The Group tests goodwill for impairment annually or more frequently if there are indications that goodwill is impaired. The impairment test has been carried out in March and April 2016, based on preliminary December 2015 Group figures. Recognised goodwill in the Group as of 31st of December 2015 is SEK 1 442 658 thousand and is mainly derived from the acquisition of Saferoad AS that was completed in 2008 and further acquisitions in 2010 and 2011.

Changes in Groups of Cash-Generating Unit composition

The cash-generating units (CGU) composition has been changed from 2014 to 2015. Several CGUs have changed their name and composition. CGU Balcony from 2014 was sold during 2015. Below a short description of each CGU is provided:

- CGU Norway: This CGU is in 2015 comprised of entities that in 2014 were included in the previous CGUs CGU Signs and CGU Infrastructure. The composition now is based on the entities with a geographical presence in Norway. In addition, the Road Marking entities in Norway and Sweden and the operations in UK are included.
- CGU Nordic: This CGU comprises entities in the Nordic region except those being included in the CGU Norway, thus it is comprised of entities that in 2014 were included in the previous CGUs CGU Signs and CGU Infrastructure.
- CGU Europe: This CGU is in 2015 comprised of all entities that in 2014 were included in the previous CGU RRS Europe. In addition, four entities that in 2014 belonged to the previous CGU Infrastructure has been included in this CGU.
- CGU ViaCon: There has been no changes in CGU ViaCon from 2014 to 2015.
- CGU Other: This CGU is in 2015 comprised of entities that in 2014 were included in the previous CGU Infrastructure. The CGU comprise Marina Systeme GmbH, Brødrene Berntsen AS in Norway and Brødrene Berntsen AB in Sweden. The assets of Marina Systeme GmbH was sold during 2015. No further cash generating activities are expected in Marina Systeme GmbH, save for some insignificant lease.

As there were significant changes in the composition of the groups of cash-generating units (CGU) during 2015, comparable figures for required return and growth rates do not exist.

Goodwill has been reallocated according to the new composition of CGUs. The reallocation has been performed using the goodwill associated with the reorganised units, ie the specific goodwill initially recognised at the different acquisitions of entities or groups of entities, allocated at a more decomposed level than the goodwill at the CGU level.

Goodwill has been allocated to the five groups of cash-generating units for impairment testing as follows:

CGU	31 December 2015	31 December 2014
Norway	586 004	621 065
Nordic	447 344	446 009
Europe	107 371	135 889
ViaCon	278 039	217 949
Other	23 901	26 065
Total	**1 442 658**	**1 446 977**

Saferoad has applied value in use to determine the recoverable amount in the cash generating units. The model is built on Division- and entity specific cash-flows the coming 5 years. Saferoad has applied a weighted average cost of capital (WACC) specific for each Cash generating unit (CGU). The value in use is the net present value of the estimated cash flow before tax, using a discount factor reflecting the timing of the cash flows and the expected risks.

The cash-flows in the calculations are based on the long term budgets 2016 to 2020, approved by the Group Management. Cash flows after year 2020 have been extrapolated using a long-term growth rate that is similar to the expected long term inflation per country.

The cash flows for the period 2016 to 2020 are different from reported figures in the past and assume revenue growth and better margins. Backed by long term governmental budgets for infrastructure spend in key markets, the outlook for good growth on the demand side are solid. The Group is well positioned to capture this growth. A number of re-structuring initiatives and divestments of some non core business areas have improved the Group's position to increase the cash flow. Strong market and cost synergies are expected from acquisitions made in 2015.

The calculations of terminal value are based on Gordon's formula.

Key assumptions used in value-in-use calculations

The calculations of value-in-use for all the CGU are to a large extent based on key assumptions related to:

- Sales growth
- Discount rates
- Currency fluctuations
- Raw materials price level

Sales growth – The expected sales growth varies, both between entities within a CGU and between CGUs. Sales growth combines estimated market growth with strategic initiatives in the respective CGU.

Discount rates – Discount rates reflect the current market assessment of the risks specific to each CGU. The discount rate is estimated based on the average percentage of a weighted average cost of capital for the industry and is further adjusted to reflect the market assessment of any risk specific to the CGU for which future estimates of cash-flows have not been adjusted. The market risk premium of equity was 6%, at the same level as 2014.

Currency fluctuations – approximately 30% of the Enterprise Value derives from companies with NOK as operational currency. As a result, impairment sensitivity is tested for a 10% weaker NOK.

Raw material price level – The impact of improved sourcing from initiatives on Group and CGU levels is taken into account in both the short- and long-term financial plans and thus calculations of value in use. In calculating sales growth and gross margins, the raw material price market levels are kept unchanged. This implies an underlying assumption that changes in raw material markets are reflected in product sales prices.

The recoverable amounts have been determined based on the following key assumptions for the following units:

Norway

In the long-term budget the expected cumulative annual growth rate (CAGR) of sales for the division is 3.8%. The pre-tax discount rate applied to cash-flow projections is 9.85%. As a result of this analysis, no impairment loss has been recognised in the Norway division.

Nordic

In the long-term budget the expected cumulative annual growth rate (CAGR) of sales for the division is 5.8%. The pre-tax discount rate applied to cash-flow projections is 9.01%. As a result of this analysis, no impairment loss has been recognised in the Nordic division.

Europe

Due to a more conservative assessment of the approach to new markets in less developed regions causing lower expected cash-flows, the Group has reassessed the value in use of the CGU Europe. Based on the estimated value in use, an impairment loss of SEK 27.7 million is recognised in profit or loss in 2015, relating to the remaining goodwill of the CGU Europe. The following key assumptions are applied in the value in use calculation for the CGU Europe:

In the long-term budget the expected cumulative annual growth rate (CAGR) of sales for the division is 2.9%. The pre-tax discount rate applied to cash-flow projections is 9.03% .

After recognition of impairment loss relating to the remaining goodwill of the CGU Europe, the estimated recoverable amount is approximately at the same level as the carrying amount of the cash-generating unit (SEK 822 million), indicating that minor changes in assumptions could result in further impairment losses relating to the carrying amount of remaining assets.

ViaCon

In the long-term budget the expected cumulative annual growth rate (CAGR) of sales for the division is 4.4%. The pre-tax discount rate applied to cash-flow projections is 11.33%. As a result of this analysis, no impairment loss has been recognised in the ViaCon division.

Other

In the long-term budget the expected cumulative annual growth rate (CAGR) of sales for the division is 0.2% and pre-tax discount rate applied to cash-flow projectations is 9.82%.

Results

The results from the impairment test shows that recoverable amount exceeds carrying amount by 34% for CGU Norway, 59% for Nordic, 44% for Viacon and 132% for Other. The Group does not recognise impairment losses for the CGU's Norway, Nordics, ViaCon or Other, but does recognise impairment loss as of year end 2015 related to the CGU Europe, see descriptions above.

Sensitivity to changes in assumptions

Sensitivity analysis have been performed on three of the most sensitive assumptions: changes in sales growth, changes in discount rates and changes in currency rate NOK.

The sensitivity analysis shows that the results are relatively robust to changes in WACC for Norway, Nordic, ViaCon and Other. An increase of at least 1.8%, 3.0%, 2.6% and 7.2%-points in the WACC-rate is required to put respectively Norway, Nordic, ViaCon and Other in an impairment situation. For Europe, which is in an impairment situation, a decrease of 0.2%-points is required to avoid an impairment situation.

In terms of sensitivity to growth parameters, results are fairly robust for Norway, Nordic, ViaCon and Other as these CGUs require over 100% reduction in growth before carrying values start to exceed recoverable amounts (100% reduction in growth means no growth, whereas more than 100% reduction in growth implies a revenue decrease).

Currency simulation has shown that even 10-30% weakening of the NOK (the most important Group currency) reduces the recoverable amounts in SEK, but overall has relatively little effect on Group headroom figures in SEK.

Sensitivity analysis indicates that the conclusion is fairly robust to change in assumptions for all CGUs except for the CGU Europe. Other than for the CGU Europe the Group believes that no reasonably possible change in any of the key assumptions used for impairment testing would cause the carrying amount of the cash generating unit to exceed its recoverable amount.

Note 16 Other provision

Non-current

	2015	2014
Warranty provision	5 832	5 087
Estimated future payments for remaining shares	215 528	99 546
Other provisions	39 115	15 901
Total non-current provisions	**260 475**	**120 533**

Current

	2015	2014
Restructuring provisions	9 663	5 608
Total current provisions	**9 663**	**5 608**

Changes in provisions in 2015

Other provisions	Warranty provisions	Estimated future payments for remaining shares	Other provisions	Total non-current provisions	Restructuring provisions	Total current provisions
Opening Balance	5 087	99 546	15 901	**120 533**	5 608	**5 608**
Additions	2 497	117 598	34 024	**154 119**	9 875	**9 875**
Used (amount charged against provision)	-		-8 309	**-8 309**	-5 337	**-5 337**
Unused amounts reversed	-1 470		-1 194	**-2 663**	-93	**-93**
Translation difference	-283	-1 615	-1 306	**-3 204**	-390	**-390**
Closing balance	**5 832**	**215 528**	**39 115**	**260 475**	**9 663**	**9 663**

Put options on shares and estimated future payments

In some acquisitions of companies with non-controlling interests, put options are issued for the purchase of the remaining shares. The value of the estimated future payment is shown in the table below. Options that do not create any obligations are not reported.

The estimated future payments for remaining shares as of 31 December:

Company	Remaining shares	2015	2014
SafeRoad Europe GmbH	5.6%	16 589	16 139
OY ViaPipe AB (Viacon)	40.0%	99 854	83 407
ViaCon Sp Z.o.o.	25.0%	87 559	
ViaCon Technologii OOO	40.0%	8 178	
Antin Kaide OY	20.0%	3 348	
Total estimated payments (SEK 1000)		**215 528**	**99 546**

After an acquisition in 2015, Saferoad, through Saferoad Finland OY owns 80% of the voting shares in Antin Kaide OY. The Group also entered into a shareholders' agreement with an option to buy the remaining 20% of the shares. The shareholders' agreement contains clauses regarding put and call options on the shares owned by the minority shareholders that only can be exercised under certain circumstances. The price for the shares should be set at fair market value, but not higher than EUR 600.000. Future payment (discounted) for the remaining shares in Antin Kaide OY is estimated to SEK 3.3 million as per 31 December 2015.

After an acquisition in 2015, Saferoad, through Saferoad V Holding AB, owns 60% of the voting shares in Viacon Technologii OOO. The Group also entered into a shareholders' agreement with an option to buy the remaining 40% of the shares. The shareholders' agreement contains clauses regarding put and call options on the shares owned by the minority shareholders that only can be exercised under certain circumstances. The price for the shares is profit based and calculated according to a formula based on an average consolidated EBITDA and an EV/EBITDA multiple. Future payment (discounted) for the remaining shares in Viacon Technologii OOO is estimated to SEK 8.2 million as per 31 December 2015.

After an acquisition in 2011, Saferoad, through Saferoad V Holding AB, owns 75% of the voting shares in ViaCon Sp Z.o.o. In 2015 he Group also entered into a shareholders' agreement with an option to buy the remaining 25% of the shares. The shareholders' agreement contains clauses regarding put and call options on the shares owned by the minority shareholder that only can be exercised under certain circumstances. The price for the shares is profit based and calculated according to a formula based on an average consolidated EBITDA and an EV/EBITDA multiple. Future payment (discounted) for the remaining shares in ViaCon Sp Z.o.o is estimated to SEK 87.6 million as per 31 December 2015.

After an acquisition in 2011, Saferoad, through Saferoad V Holding AB owns 60% of the voting shares in OY ViaPipe AB. In 2014 the Group also entered into a shareholders' agreement with an option to buy the remaining 40% of the shares. The shareholders' agreement contains clauses regarding put and call options on the shares owned by the minority shareholder that only can be exercised under certain circumstances. The price for the shares is profit based and calculated according to a formula based on an average consolidated EBITDA and an EV/EBITDA multiple. Future payment (discounted) for the remaining shares in OY ViaPipe AB is estimated to SEK 99.9 million as per 31 December 2015.

On 31 October 2010, Saferoads wholly owned subsidiary B&L Holding GmbH (later renamed Saferoad Holding Germany GmbH) acquired 94.9% of the voting shares in Bongard & Lind GmbH Co KG (later renamed Saferoad Europe GmbH). Saferoad Holding Germany GmbH acquired the shares from one of the two remaining minority shareholders in Saferoad Europe GmbH in 2014 (1.49%), at the price of EUR 0.96 million. Saferoad Holding Germany GmbH also entered into a new shareholders' agreement in 2014 to acquire the shares from the remaining minority shareholder (5.6%) in January 2017. The agreed price is EUR 1.95 million. Future payment (discounted) for the remaining shares is estimated to SEK 16.6 million as per 31 December 2015. In the consolidation Saferoad Europe GmbH and its subsidiary Saferoad RRS GmbH is reported as wholly owned subsidiaries from 2014 (no non-controlling interests) as the conclusion is that the new shareholders' agreement provides Saferoad with a present ownership interests in the shares.

Restructuring provisions

The Group launched a restructuring program in the fall of 2015 to improve performance. The restructuring program included headquarter functions, general cost reductions and restructuring of some operating entities, including closure of production facilities. The provision related to the restructuring is SEK 9.7 million at year end 2015 (SEK 5.6 million at year end of 2014).

Note 17 Financial strategy and financial risks

Financial strategy and capital management

The financial risk management within the Group has two guiding principles:

- Firstly, to ensure the Group's access to adequate liquidity reserves enabling the day-to-day business activity, and
- Secondly, to minimise effects from short-term volatility in the financial markets on cash flow, balance sheet and covenants.

Speculative trading on the financial market is not permitted and it is not in line with the Group's business strategy to actively pursue financial risks.

The Group's capital management is designed to ensure that the Group has sufficient financial flexibility short-term and long-term. The main objectives are to generate sufficient cash flow to reduce the leverage ratio long-term and to have sufficient financial resources available to cover seasonal variations in the Group operations short-term.

The Group's capital structure consist of debt that includes the borrowings disclosed in note 22 and cash equivalents and equity attributable to the shareholders of Saferoad Holding AB as presented in the consolidated statement of changes in equity. The Group needs to comply with certain financial covenants that relates to the capital structure, see Note 22 for further description. Maintenance and adjustments to the capital structure is a strategic issue monitored and decided on by the majority shareholder of the Group.

Financial risks

The Group's financial policy has been approved by the Board and is carried out by the Group treasury department in cooperation with the individual operational subsidiaries. The most significant financial risks the Group is exposed to are interest rate risk, liquidity risk, credit risk and currency risk. The Group management evaluates these risks on an on-going basis and adopts guidelines for handling these continuously.

The Group uses financial instruments to hedge its risks associated with interest rate and foreign currency fluctuations. The Group uses financial derivatives to reduce these risks in accordance with the Group's strategy for its interest rate and exchange rate exposure. The accounting treatment of financial derivatives is described in Note 2.

The Group does not use financial instruments, including financial derivatives, for trading purposes.

Credit risks

The Group is exposed to credit risk primarily related to accounts receivable and other current assets. The Group limits the exposure to credit risk through credit evaluation of its customers before credit is given. Guarantees and credit insurance are used when deemed necessary.

The Group has no significant credit risk linked to individual customers or several customers that can be regarded as a group due to similarities in the credit risk.

The Group has guidelines for ensuring that sales are only made to customers that have not experienced any significant payment problems and that outstanding amounts do not exceed certain credit limits.

The Group has not provided any guarantees for third parties liabilities, except for subsidiaries.

The maximum risk exposure is represented by the carrying amount of the financial assets, including derivatives, in the statement of financial position.

The Group evaluates the concentration of risk with respect to accounts receivables as low, as its customers are located in several jurisdictions and industries.

Aging analysis trade receivables, 31 December 2015

	Total	Not due	< 30d	30-60d	60-90d	>90
Trade receivables	868 303	550 410	139 621	43 663	25 303	109 305
Provisionfor bad debt	-54 659	-2 794	-397	-1 597	-342	-49 529
Total Accounts receivables	813 644	547 616	139 224	42 067	24 961	59 776

Aging analysis trade receivables, 31 December 2014

	Total	Not due	< 30d	30-60d	60-90d	>90
Trade receivables	804 210	447 035	173 030	47 267	16 119	120 759
Provisionfor bad debt	-37 025	-1 525	-741	-73	-635	-34 051
Total Accounts receivables	767 185	445 510	172 289	47 194	15 483	86 708

Realised losses during the year are classified as other operating expenses in the profit or loss, see Note 9.

The Group's aging structure for outstanding trade receivable is relatively stable. Bad debt losses recognised in 2015 total SEK 31.1 million (SEK 20.3 million in 2014). The total provision for bad debt is SEK 54.7 million as of 31.12.2015 (SEK 37.0 million as of 31.12.2014).

The Group is exposed to credit risk through cash and cash equivalents. The Group normally has deposits in the countries where it operates. The credit risk on these deposits varies with the credit worthiness of the individual banks and the countries in which these banks are located.

Interest risks

The Group is exposed to interest-rate risk through its financing. Part of the interest bearing debt has floating interest rate. This makes the Group exposed to changes in the market rate.

The objective for the interest rate management is to minimise interest costs and volatility of future interest payments. The Group established a program for interest rate hedging in 2011. Interest rate swaps has been used to hedge interest rates at fixed rates for a minimum of 2 years, and historically approximately 66% of long-term interest bearing debt have been swapped into a fixed interest rate. Given the current and foreseeable low level global interest rates, the level of hedging will be gradually reduced.The Group monitors floating interest rates on a regular basis.

A sensitivity analysis of the interest risk can be summarised according to the following changes in market interest rate (all other variables unchanged):

Year	Change in interest	Effect on Profit/loss and Total equity before tax
2015	+/- 100 basis points	+/- 8 791
2014	+/- 100 basis points	+/- 7 114

inclusive the effect of interest rate swaps.

At the end of 2015, Saferoad still remains with 56% hedging ratio of its long term debt, this level will gradually be reduced going forward. The cost of doing the Interest Swaps are outweighing the increased variability in the table above. Interest sensitivity is calculated based on the unhedged share of long term loan facilities. Shareholder loans are not included in the calculation as the interest rate is fixed.

Liquidity risks

Liquidity risk is the risk that the Group will be unable to perform its financial obligations as they come due. The Group's strategy is to manage the liquidity risk so that at any given point the Group will have sufficient liquidity to be able to satisfy its obligations (see Note 22). Sufficient liquidity shall be attained without risking unacceptable losses, or at the expense of the reputation of the Group.

The refinancing solution entered into in May 2015 ensures that the Group has sufficient financial flexibility both in short term and long term.

The Group's cash pool systems, in which most of the subsidiaries are involved, is the most important tool in ensuring sufficient liquidity at any given point in time. Saferoad Group has established separate cash pool systems in Norway, Sweden Denmark, Finland and Lithuania. These are established as multi-currency cash pool systems and are administrated by Saferoad AS. There is no automated topping and sweeping between the different cash pools.

Excess liquidity is used to reduce debt. The Group's liquidity is seasonal similar to the Group's operations. In order to manage seasonal variations in cash the Group has revolving facilities available on short-term notice if needed.

Aging analysis accounts payables, 31 December 2015

	Total	Not due	< 30d	30-60d	60-90d	>90
Accounts payables	457 755	394 251	44 362	8 638	1 881	8 624

Aging analysis accounts payables, 31 December 2014

	Total	Not due	< 30d	30-60d	60-90d	>90
Accounts payables	441 071	332 144	86 759	8 105	4 014	10 049

The aging profile for outstanding accounts payable is relatively stable.

For the maturity profile of interest-bearing liabilities, see Note 22.

Currency risks

The Group is exposed to changes in the value of SEK relative to other currencies, due to production and sales operations in foreign entities with different functional currencies. The carrying amount of the Group`s net investment in foreign entities varies with changes in the value of SEK compared to other currencies. The net income of the Group is also affected by changes in exchange rates, as the profit or loss from foreign operations is translated into SEK using the weighted average exchange rate for the period.

The Group may enter into forward/futures contracts in order to safeguard the business margin and reduce volatility. Saferoad's policy for transaction exposure is to minimise the impact of short-term changes in foreign exchange rates on cost and revenues by firstly creating natural hedges and secondly by hedging Saferoad's contracted transaction exposure.

Transaction exposure also arises on other payments and receivables in foreign currencies. Examples are interest payments and amortisation of foreign debt, capital expenditure, divestments, dividends, asset injections in foreign currencies, tax payments and financial transactions. All these payments are included as part of the hedging program for transaction exposure. No hedge accounting is applied.

Translation exposure is an accounting risk arising when items denominated in foreign currencies are revaluated and consolidated in Saferoad's balance sheet and income statement.

Saferoad continuously monitors the exposure in order to evaluate the effects on financial statements, key ratios and covenants.

The translation exposure in the balance sheet derives from Saferoad's net foreign assets; equity and goodwill in foreign subsidiaries and long-term internal subsidiary borrowing and lending in foreign currencies.

Saferoad does not hedge the translation exposure related to net foreign assets (equity hedge). However, the translation exposure shall be limited by matching the currency distribution of the Group's external debt to the long-term forecasted currency distribution of the Group's net foreign assets.

Sensitivity analysis

The Group is primarily exposed to currency risk through the long term loans, the multi-currency cash pool systems within the Group, Group internal loans and the Shareholder loans, see also Note 12.

As of 31 December 2015 the Group had long term external debt denominated in foreign currencies equivalent to SEK 1.37 billion. Sensitivity analyses support the existence of a certain but modest risk within 1% of the total value of the debt. While management recognises that the currency risk is inherent and may never be completely eliminated, certain risk reducing actions have been undertaken.

Debt is distributed and serviced by entities who have their income in the relevant foreign currency. For covenant purposes, the calculation of net debt is based on a 12 months average currency rate in order to avoid the potential volatility of spot currency rates at any time.

Note 18 Fair values of financial instruments

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

2015	Notes	Derivatives at fair value through profit and loss	Loans and receivables	Available-for-sale financial assets	Financial liabilities at amortized cost	Total
Non-current assets						
- Long-term receivables			23 231			23 231
- Shares	5			12 397		12 397
Current assets						
- Trade receivable	17		813 644			813 644
- Other receivables	20		274 730			274 730
Total		-	1 111 605	12 397	-	1 124 002
- Fair value		-	1 111 605	12 397	-	1 124 002
Unrecognized gain/loss		-	-	-	-	-
Non-current liabilities						
- Liability to credit institutions, long-term	17,18,22,26				1 889 409	1 889 409
- Estimated obligations related to acquisitio	16				215 528	215 528
- Other non-current liabilities	17,18,22,26				592 494	592 494
Current liabilities						
- Accounts payables	17				457 755	457 755
- Other current liabilities	23				312 819	312 819
- Current part of long-term liabilities	22				51 965	51 965
- Current liabilities to credit institutions	22				418 636	418 636
- Financial derivatives	19	13 255				13 255
Total		13 255	-	-	3 938 606	3 951 861
- Fair value		13 255	-	-	3 938 606	3 951 861
Unrecognized gain/loss		-	-	-	-	-

All amounts in SEK 1000

2014	Notes	Derivatives at fair value through profit and loss	Loans and receivables	Available-for-sale financial assets	Financial liabilities at amortized cost	Total
Non-current assets						
- Loans to associated companies	28		532			532
- Long-term receivables			15 758			15 758
- Shares	5			13 262		13 262
Current assets						
- Trade receivable	17		767 185			767 185
- Other receivables	20		219 693			219 693
- Financial derivatives	19					-
Total		-	1 003 168	13 262	-	1 016 431
- Fair value		-	1 003 168	13 262	-	1 016 431
Unrecognized gain/loss		-	-	-	-	-
Non-current liabilities						
- Liability to credit institutions, long-term	17,18,22,26				1 514 215	1 514 215
- Estimated obligations related to acquisitio	16				99 546	99 546
- Other long-term liabilities	17,18,22,26				352 396	352 396
Current liabilities						
- Accounts payables	17				441 071	441 071
- Other current liabilities	23				229 042	229 042
- Current part of long-term liabilities	22				542 400	542 400
- Current liabilities to credit institutions	22				400 818	400 818
- Financial derivatives	19	24 574				24 574
Total		24 574	-	-	3 579 486	3 604 060
- Fair value		24 574	-	-	3 579 486	3 604 060
Unrecognized gain/loss		-	-	-	-	-

Fair value

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

The fair value of forward exchange contracts is determined using the forward exchange rate at the end of the reporting period. Interest rate swaps are valued using valuation techniques and market observable inputs. For all derivatives, the fair value is confirmed by the financial institution with which the Group has entered into the contracts.

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

The fair value of long term liabilities with floating interest rates is estimated by discounting future cash flows using rates currently available for debt in similar terms, credit risks and remaining maturities. The carrying value is considered to be a reasonable approximation of fair value.

The fair value of unquoted shares available for sale is estimated using appropriate valuation techniques. There is no material changes in fair value between 2015 and 2014.

Shareholder loans have been granted in several tranches during 2014 and 2015 and accumulate unpaid interest to the principal of the loans. The carrying amount is considered to be equal to fair value.

All amounts in SEK 1000

Fair value hierarchy

Saferoad Group applies the following hierarchy when assessing and presenting the fair value of financial instruments;
Level 1: Trading prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: Input for the asset or liability that is not based on observable market data.

The items accounted for at amortised cost are measured at Level 2.

For Other investments (shares) in Level 3 the carrying amount is assessed to be reasonable approximation of fair value.

Assets measured at fair value	Total 31.12.2015	Level 2 2015	Level 3 2015	Total 31.12.2014	Level 2 2014	Level 3 2014
Available for sale financial assets;						
Shares	**12 397**		12 397	**13 262**		13 262
Total assets measured at fair value	**12 397**	**-**	**12 397**	**13 262**	**-**	**13 262**

Liabilities measured at fair value	Total 31.12.2015	Level 2 2015	Level 3 2015	Total 31.12.2014	Level 2 2014	Level 3 2014
Financial liabilities at fair value through profit or loss;						
Interest rate swaps and foreign exchange contracts	**13 255**	13 255		**24 574**	24 574	
Total liabilities measured at fair value	**13 255**	13 255	**-**	**24 574**	24 574	**-**

There are no items in Level 1.

There were no transfers in 2015 or 2014 between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Opening balance assets measured at level 3, 01.01.2014	**19 409**
Write down Norsk Marinadrift AS	-6 365
Acquisition of shares in Ørstahytta AS	147
Other	71
Closing balance assets measured at level 3, 31.12.2014	**13 262**
Other	-865
Closing balance assets measured at level 3, 31.12.2015	**12 397**

See Note 5 for a specification of Other investments.

Note 19 Financial derivatives

The Group uses forward agreements to hedge selected currency positions, and interest swaps to hedge interest rate fluctuations, considered necessary for the business operations of the Group. At year end 2015 and at year end 2014 the Group had no forward currency contracts outstanding. The Group does not apply hedge accounting.

Interest swaps

The Group had interest swaps in which the group receives floating and pays fixed STIBOR, NIBOR and EURIBOR-based interest. The interest swaps are used for hedging against profit fluctuations that arises as a result of interest rate changes. The allocation of interest swaps among various currencies is symmetrical to the distribution of long-term debt in various currencies. Previously the Group has secured 66% of its interest. Currently 55% of the debt is hedged regarding interest fluctuations and this level will be further reduced going forward.

2015

Nominal amount	Currency	Due date	Interest	Fair value	Carrying value
100 000	SEK	21.09.2016	0,9600	-987	-987
50 000	NOK	21.12.2016	1,9190	-503	-503
200 000	NOK	21.12.2016	2,0750	-2 314	-2 314
20 000	EUR	21.09.2016	0,3300	-688	-688
300 000	SEK	21.12.2016	1,2100	-4 527	-4 527
270 000	SEK	21.12.2016	1,2700	-4 234	-4 234
Total Value				**-13 255**	**-13 255**

2014

Nominal amount	Currency	Due date	Interest	Fair value	Carrying value
160 000	NOK	21.12.2015	2,1949	-1 686	-1 686
100 000	NOK	21.12.2015	2,3033	-964	-964
20 000	EUR	21.09.2016	0,3300	-496	-496
152 309	SEK	20.03.2015	2,1680	-713	-713
70 000	NOK	21.09.2015	1,8920	-357	-357
300 000	SEK	21.09.2015	1,7520	-3 449	-3 449
17 000	EUR	21.09.2015	0,5250	-551	-551
10 000	EUR	21.09.2015	0,6320	-400	-400
170 000	SEK	21.12.2015	1,9420	-2 940	-2 940
100 000	SEK	21.12.2015	2,0630	-1 409	-1 409
10 000	EUR	21.12.2015	0,8380	-559	-559
100 000	SEK	21.09.2016	0,9600	-1 261	-1 261
50 000	NOK	21.12.2016	1,9190	-859	-859
200 000	NOK	21.12.2016	2,0750	-2 230	-2 230
9 472	EUR	20.03.2015	1,2950	-235	-235
96 123	NOK	20.03.2015	2,8950	-302	-302
300 000	SEK	21.12.2016	1,2100	-3 511	-3 511
270 000	SEK	21.12.2016	1,2700	-2 654	-2 654
Total Value				**-24 575**	**-24 575**

Note 20 Other current receivables

Other current receivables	2015	2014
Unbilled revenue	128 970	66 287
Prepayments to suppliers	27 907	34 284
Prepaid taxes and VAT	17 855	28 332
Other prepayments	30 986	21 994
Receivables on employees, associated- and related parties	3 866	5 666
Other receivables	65 146	63 130
Total other current receivables	**274 730**	**219 693**

Note 21 Cash and cash equivalents

Cash and cash equivalents	2015	2014
Cash and bank deposits	475 310	443 308
Restricted cash	9 325	7 946
Total Cash and cash equivalents	**484 635**	**451 254**

See Note 17 for description of cash pool systems.

Note 22 Interest-bearing liabilities

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

Liabilities to credit institutions 31.12.2015	Currency	Interest rate	Due date	Amount
Liabilites to credit institutions	SEK	STIBOR 3M+	2019-06-30	1 034 740
Liabilites to credit institutions	NOK	NIBOR 3M +	2019-06-30	416 811
Liabilites to credit institutions	EUR	EURIBOR 3M+	2019-06-30	346 325
Liabilites to credit institutions	DKK	CIBOR 3M +	2019-06-30	123 195
Total				1 921 071
Less current part				-31 662
Non-current				1 889 409

Liabilities to credit institutions 31.12.2014	Currency	Interest rate	Due date	Amount
Liabilites to credit institutions	SEK	STIBOR 3M+	2018-06-21	1 046 512
Liabilites to credit institutions	NOK	NIBOR 3M +	2018-06-21	461 785
Liabilites to credit institutions	EUR	EURIBOR 3M+	2017-12-21	353 450
Liabilites to credit institutions	DKK	CIBOR 3M +	2017-12-21	132 295
Total				1 994 042
Less current part				-479 832
Non-current				1 514 210

Covenants

Saferoad's external funding is regulated in a facility agreement with a syndicate of four banks. According to this agreement, Saferoad needs to comply with four financial covenants. Two of these are measured on quarterly basis, one on a monthly basis and the last one is measured on an annual basis.

As of 31 December 2015, quarterly covenants are:

- Net debt to EBITDA
- EBITDA to net interest
- Minimum liquidity (monthly)

As of 31 December 2015, the annual covenant is:

- Capital expenditure

Saferoad was in compliance with the financial covenants at 31 December 2015.

Nordic Capital has given a guarantee of 300 MNOK as remedy in case of covenant breaches. The guarantee matures one day after the maturity of the bank debt, ie July 1 2019.

Other non-current liabilities 31.12.2015	Currency	Interest	Due date	Amount
Shareholders' loans	EUR	4 %	2017-06-30	6 964
Shareholders' loans	SEK	12 %	2019-07-01	77 622
Shareholders' loans	NOK	12 %	2019-07-01	436 519
Shareholders' loans	TRY		2017-11-11	1 356
Financial leasing				63 858
Other long-term liabilities				18 253
Total				604 572
Less current part				-20 303
Non current				584 269

Other non-current liabilities 31.12.2014	Currency	Interest	Due date	Amount
Shareholders' loans	EUR	4 %	2017-06-30	6 985
Shareholders' loans	SEK	12 %	2019-07-01	26 332
Shareholders' loans	NOK	12 %	2019-07-01	250 973
Financial leasing				67 090
Other long-term liabilities				63 585
Total				414 964
Less current part				-62 568
Non current				352 396

The table below summarises the maturity profile of non-current interest bearing financial liabilities (specified in two preceeding tables) based on contractual payments, including interest:

2015	Due within one year	Due within two years	Due within three years	Due within four years	Due within five years	Due after five years	Total interest-bearing liabilities
Liabilities to credit institutions - principal amount	31 682	42 217	52 771	1 839 705	-	-	**1 966 375**
Liabilities to credit institutions - interest	94 437	83 742	81 951	39 225	-	-	**299 355**
Loan from shareholders	-	6 866		515 595	-	-	**522 461**
Financial leases	18 708	19 058	12 421	7 396	6 557	4 027	**68 167**
Other non- current liabilities	4 807	7 224	3 480	1 861	881	-	**18 253**
Total	**149 634**	**159 107**	**436 861**	**2 117 545**	**7 438**	**4 027**	**2 874 611**

2014	Due within one year	Due within two years	Due within three years	Due within four years	Due within five years	Due after five years	Total interest-bearing liabilities
Liabilities to credit institutions - principal amount	479 832	350 656	715 862	504 117	-	-	**2 050 467**
Liabilities to credit institutions - interest	119 145	86 270	57 118	12 066	-	-	**274 599**
Loan from shareholders	-	-	8 692	488 176	-	-	**496 869**
Financial leases	20 428	16 424	15 098	6 861	5 319	9 325	**73 455**
Other non- current liabilities	43 077	6 432	6 235	4 833	2 759	5 011	**68 347**
Total	**662 482**	**459 782**	**803 004**	**1 016 053**	**8 078**	**14 336**	**2 963 735**

The Group has the following current liabilities to credit institutions:

Current liabilities to credit institutions	2015 Carrying value	2014 Carrying value
Revolving facilities	334 145	364 700
Other current liabilities to credit institutions	84 491	36 118
Total current liabilities to credit institutions	**418 636**	**400 818**

Note 23 Other current liabilities

	2015	2014
Salary	44 167	28 273
Bonuses	17 872	9 790
Holiday pay	83 783	80 832
Other liabilities to employees	12 952	12 079
Prepayment from customers	31 462	9 927
Accrued interest	1 435	16 058
Other current liabilities	121 148	72 083
Total other current liabilities	**312 819**	**229 042**

Note 24 Share capital, shareholders' equity, shareholders' loans and non-controlling interests

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

Number of shares, nominal value SEK 0.025 pr share:

Number of shares 31.12.2015	7 730 888
Number of shares 31.12.2014	7 730 888

Share capital reminded unchanged during 2015:

	Number of shares	Share capital	Share premium
31.12.2011	**5 749 168**	**144**	**202 182**
11.12.2012	975 222	24	975 197
31.12.2012	**6 724 390**	**168**	**1 177 379**
20.12.2013	1 006 498	25	1 130 217
31.12.2013	**7 730 888**	**193**	**2 307 596**
31.12.2014	**7 730 888**	**193**	**2 307 596**
31.12.2015	**7 730 888**	**193**	**2 307 596**

Ownership structure:

Shareholders in Saferoad Holding AB on 31 December 2015:

Shareholders	Ordinary shares	Preference shares	Number of shares	Percentage
Cidron Triangle S.á.r.l	5 647 912	1 981 720	7 629 632	98.69%
Sten-Eric Lager	35 736		35 736	0.46%
Finden AS	16 233		16 233	0.21%
Randers Topp AS	14 199		14 199	0.18%
TeBo Invest AS	13 959		13 959	0.18%
CEE Konsulting PZ, Chojnacki :	11 525		11 525	0.15%
Merivælja AS	9 604		9 604	0.12%
Total	**5 749 168**	**1 981 720**	**7 730 888**	**100.0%**

Saferoad has a share capital of SEK 193 272 consisting of 5 749 168 Ordinary Shares and 1 981 720 Preference Shares with a face value of SEK 0,025 per share.

There are two classes of shares, Ordinary Shares and Preference Shares. The holders of Preference Shares have a preferential right over Ordinary Shares to receive dividends calculated in relation to a base amount of SEK 1 000 per each Preference Share.

The Preference Shares have the preferential right to receive a return on the investment of 12% per anno. The value accumulates until the shares are sold or the company is liquidated, assuming that no dividends are distributed.

The preference shares carry a prioritised right to dividends, but in accordance with limitations in the Facility Agreement there will be no dividend distribution before after the maturity of the facility debt on 30 June 2019.

Given a future transaction, the net debt will be deducted before the preference shareholders receive their investment with an accumulated return of 12%. The preference shareholders will receive the return of 12% from the sales consideration, while Saferoad Holding AB has no obligations to payments of this return. The remaining transaction amount will be distributed among the owners of the ordinary shares according to their respective holdings.

All shares have one vote at the General Assembly Meeting.

No dividend from the parent company has been proposed for 2015.

The carrying value of the loans given by the present or former shareholders per 31 December:

Lender/related party	2015	2014
Cidron Triangle Limited	510 903	272 098
Sten-Eric Lager	4 674	4 181
ANCA Invest AS	0	1 478
Elle Holding AS	0	882
Manfred Bongard	5 510	5 650
Other	1 356	0
Total	**522 443**	**284 289**

Non-controlling interests

Non-controlling interests 2015	Accumulated non-controlling interests	Non-controlling interests share of Profit/loss 2015	Dividends to non-controlling interests	Financial information (100% basis) Assets	Liabilities	Revenue	Profit/loss 2015
Viacon Baltic/Georgia	26 854	-411	6 205	254 879	189 828	384 430	-679
Viacon Poland	47 437	17 724	1 876	375 707	200 097	665 567	60 020
Viacon Denmark/Finland/Norway	55 731	11 141	4 169	149 581	24 355	230 128	27 854
Other minorities	9 844	103	4 651	260 157	259 836	360 745	-2 292
Sum Non-controlling interests	**139 867**	**28 556**	**16 901**	**1 040 324**	**674 116**	**1 640 869**	**84 902**
Excess values acquisition Viacon	107 967	-					
Total non-controlling interests	**247 834**	**28 556**	**16 901**				

Non-controlling interests 2014	Accumulated non-controlling interests	Non-controlling interests share of Profit/loss 2014	Dividends to non-controlling interests	Financial information (100% basis) Assets	Liabilities	Revenue	Profit/loss 2014
Viacon Baltic/Georgia	31 877	4 325		264 012	186 928	413 398	12 237
Viacon Poland	29 617	-9 919		313 036	186 364	398 904	-18 133
Viacon Denmark/Finland/Norway	49 942	6 106	5 839	147 648	36 452	218 180	16 569
Other minorities	9 205	896	6 170	171 090	157 586	222 055	-781
Sum Non-controlling interests	**120 641**	**1 408**	**12 009**	**895 786**	**567 330**	**1 252 538**	**9 892**
Excess values acquisition Viacon	107 967	-7 995					
Total non-controlling interests	**228 608**	**-6 587**	**12 009**				

For an overview of non-controlling interest ownership percentages and principal places of business, see Note 9 in the parent company accounts.

For the acquisitions of ViaCon, the non-controlling interests have been valued at fair value, thus full goodwill has been recognised.

In the ViaCon division there remain minority shareholdings in Finland, the Baltics, Poland and Turkey. The Saferoad Facility Agreement has restricitions regarding dividend payment to minority shareholders.

Note 25 Leasing, rental agreements

Aging structure of operational lease agreements	2015	2014
Minimum rental	**182 022**	**181 149**
Within one year	63 891	68 919
After one year but no more than five years	112 779	100 786
More than five years	5 353	11 444

The Group has entered into different operational lease and rental agreements for machinery, offices and other facilities. Most of the agreements contain an option for extension.

Note 26 Pledged assets and guarantees

Pledged assets

The Group has a financing agreement with a bank syndicate of four banks. As part of this agreement, assets have been furnished as collateral for the following liabilities:

	2015	2014
Liabilities to credit institutions, non-current	1 889 409	1 514 215
Other non-current liabilities	70 052	83 435
Current part of non-current liabilities	51 965	527 072
Liabilities to credit institutions, current	418 636	400 818
Total	**2 430 062**	**2 525 540**

Carrying value of assets pledged as collater	**2015**	**2014**
Product rights, trademarks and others	3 642	5 753
Tangible fixed assets	385 837	431 937
of which: Buildings and land	124 881	143 011
of which: Machinery and others	260 956	288 926
Accounts receivable	349 952	303 342
Inventory	300 605	311 294
Bank deposits	5 825	10 676
Total pledged assets from consolidated statement of financial position	**1 045 861**	**1 063 002**
Shares in subsidiaries, net asset value	6 169 534	6 980 448
Total	**7 215 394**	**8 043 450**

Through direct pledge of individual assets and through the indirect pledge of assets through pledge of shares in subsidiaries the majority of the group's assets are directly or indirectly pledged.

The following shares in subsidiaries are pledged in favor of the bank syndicates' financial agreement.

Borrowers	Registered Office	Corporate Identity no
Saferoad Holding AB	Sweden	556753-5470
Saferoad AS	Norway	958 103 069
Saferoad V Holding AB	Sweden	556826-4062
Saferoad Treasury AB	Sweden	556493-1573
Saferoad Holding Germany GmbH	Germany	HRB 22342
ViaCon Holding AB	Sweden	556661-6099
ViaCon International AB	Sweden	556619-6159
ViaCon AB	Sweden	556620-7519
ViaCon Production AB	Sweden	556457-4472
ViaCon Bridges AB	Sweden	556853-5073
Br. Berntsen AS	Norway	810 547 472
Br. Berntsen Eiendom AS	Norway	989 134 558
ViaCon AS	Norway	847 016 272
Saferoad Europe GmbH	Germany	HRB 22345
Saferoad RRS GmbH	Germany	HRB 22749
AS ViaCon Eesti	Estonia	10398015
Armat ViaCon Latvija SIA	Latvia	50003289621

Guarantors	Registered Office	Corporate Identity no
Saferoad Holding AB	Sweden	556753-5470
Saferoad Holding Denmark ApS	Danmark	315 89 487
Saferoad Holding Norway AS	Norway	992 090 014
Saferoad AS	Norway	958 103 069
Saferoad V Holding AB	Sweden	556826-4062
SafeRoad Treasury AB	Sweden	556493-1573
Saferoad Holding Germany GmbH	Germany	HRB 22342
ViaCon Holding AB	Sweden	556661-6099
ViaCon International AB	Sweden	556619-6159
ViaCon AB	Sweden	556620-7519
ViaCon Production AB	Sweden	556457-4472
ViaCon Bridges AB	Sweden	556853-5073
EKC Sverige AB	Sweden	556520-7478
Saferoad Smekab AB	Sweden	556099-6869
Saferoad Birsta AB	Sweden	556343-5220
Saferoad Traffic AB	Sweden	556030-8073
MoraMast AB	Sweden	556179-2598
Saferoad Vägbelysning AB	Sweden	556537-6059
Vik Ørsta AS	Norway	985 001 952
Euroskilt AS	Norway	890 729 142
Eurostar AS	Norway	976 962 699
Br Berntsen AS	Norway	810 547 472
Br Berntsen Eiendom AS	Norway	989 134 558
ViaCon AS	Norway	847 016 272
Saferoad Daluiso A/S	Denmark	21778702
Eurostar Danmark A/S	Denmark	26994896
Saferoad Europe GmbH	Germany	HRB 22345
Saferoad RRS GmbH	Germany	HRB 22749
Saferoad UK Ltd	UK	05697518
Saferoad VRS Ltd	UK	05697126
Saferoad Sp. z o.o.	Poland	0000293157
Saferoad Grawil Sp. z o.o.	Poland	KRS 152355/ Regon 830016808
Saferoad Holland B.V.	Holland	01177571
AS ViaCon Eesti	Estonia	10398015
Armat ViaCon Latvija SIA	Latvia	50003289621

All pledged assets belong to companies in the Group that are party to the agreement, either as guarantors or as debtors. The separate entity in the Group act as guarantors pursuant to the Groups financing agreement if one of the following three conditions is satisfied:

The company represents;

- More than 5% of the Group's sales,
- More than 5% of the Group's EBITDA, or
- More than 5% of the Group's total assets

In accordance with the Group's financing agreement, the aggregate unconsolidated gross assets of the Guarantors shall represent at least eighty per cent of the consolidated gross assets of the Group. The aggregate unconsolidated EBITDA of the Guarantors shall represent at least 80 per cent of the consolidated EBITDA and the aggregate unconsolidated turnover of the guarantors shall represent at least 80% of the consolidated turnover of the Group. In order to comply with these regulations the Group has acceded additional companies as guarantors that do not meet the three conditions listed above.

As per 31 December 2015, based on the above-mentioned criteria's, the following companies in the Group were borrowers and/or guarantors:

Saferoad Holding AB's shares in:

Saferoad Holding Norway AS
Saferoad Holding Denmark ApS
Saferoad V Holding AB
Saferoad Treasury AB

Saferoad Holding Norway AS's shares in:

Saferoad AS

Saferoad AS's shares in:

Vik Ørsta AS
Euroskilt AS
Eurostar AS
Br Berntsen Eiendom AS
Br Berntsen AS
Saferoad Birsta AB
EKC Sverige AB
Saferoad Smekab AB
Saferoad Traffic AB
MoraMast AB
Saferoad Vägbelysning AB
Saferoad UK Ltd
Saferoad Sp. z o.o
Saferoad Holland B.V.
Saferoad Holding Germany GmbH

Br Berntsen Eiendom AS shares in:

Br Berntsen AS

Saferoad Holding Denmark ApS's shares in:

Saferoad Dalusio A/S
Eurostar Denmark A/S

Saferoad UK Ltd shares in:

Saferoad VRS Ltd

Saferoad V Holding AB shares in:

ViaCon Holding AB

ViaCon Holdng AB shares in:

ViaCon International AB

ViaCon International AB shares in:

ViaCon AB
ViaCon Bridges AB
ViaCon AS
AS ViaCon Eesti
Armat ViaCon Latvija SIA
OY ViaCon AB
ViaCon Sp. z o.o
UAB ViaCon Baltic

ViaCon AB shares in:

ViaCon Production AB

Saferoad Holding Germany GmbH shares in:

Saferoad Europe GmbH
Saferoad RRS GmbH

Saferoad Europe GmbH shares in:

Saferoad RRS GmbH

Saferoad Sp. z o.o shares in:

Saferoad Grawil Sp. z o.o

Being a guarantor means that a company is jointly and severally liable for the financing according to the financing agreement and for the compliance by the Group with this agreement. The separate legal entity's liability as a guarantor is limited to that permitted according to the laws of the region where the company does business. This means that the companies do not have unlimited joint and several liability for the debts of the Group.

According to the financing agreement, debtors and guarantors have accepted a negative pledge clause. This means that they and other legal entities in the Group are not entitled to pledge assets or future income to anyone other than the creditors, according to the finance agreement.

Guarantees

Guarantee obligations for the Group amounts to SEK415 million in 2015, consisting of Bank guarantees and Parent company guarantees. Bank guarantees amounts to SEK 315 million in 2015, and are mainly performance guarantees, payment guarantees and letter of credit. SafeRoad AS has provided Parent company guarantees amounting to SEK 99 million in 2015. The Parent company guarantees are payment guarantees for present and future obligations towards specific suppliers on behalf of Group companies. Other guarantees provided where the related liability is included in the statement of financial position are not included in these numbers.

Note 27 Other commitments and contingencies

The Group is from time to time 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 the aggregate on the Group's financial position. For legal disputes, in which the Group assesses it to be 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.

For the subsidiary Eurostar Danmark A/S, a case was raised with Danish competition authorities in 2015. The case was related to a submitted consortium offer in a public tender. In April 2016 the Danish competition authorities decided that an anti-competitive agreement had been made. Prior to entering into the consortium cooperation Eurostar Danmark A/S had sought qualified legal advice, and according to the legal opinion received, the consortium agreement was in compliance with applicable competition law. The company is presently considering an appeal. The companies have terminated the consortium agreement and the agreement with the customer.

Note 28 Transactions with related parties

An overview of subsidiaries is presented in Note 8 for Saferoad Holding AB, and associated companies are presented in Note 5 in the Groups Financial Statements. Remuneration to the Board of Directors and Group Management is disclosed in Note 10. Transactions with subsidiaries have been eliminated and do not represent related party transactions. The Group has the following transactions with shareholders, associated companies or companies that can be considered related to members of the board of directors or leading executives.

	2015	2014
Profit and loss:		
Sales to related parties	15 599	44 955
Purchases from related parties	12 887	37 518
Interest expense shareholder loans	46 795	32 315
Balance sheet:		
Loans	0	532
Prepayments	0	2 719
Receivables	16 898	14 289
Payables	1 205	2 285
Shareholder loan	522 443	284 289

Note 29 Events after the balance sheet date

In February 2016 the Saferoad subsidiary ViaCon Sp. z o.o. acquired Tubosider Hungaria Kft in Hungary from the Italian company Tubosider S.p.A. 90.87% of the shares were acquired in February, and the remaining 9.13% of the shares were acquired in April, for a total price of EUR 2.3 million for a cash consideration. The acquisition is expected to increase production capacity, enable capturing of cost synergies and improve ViaCon's position in its niche within the Hungarian market and other important export markets. The initial accounting of the acquisition recognises a goodwill of EUR 1 million reflecting expected synergies from the acquisition. The company is included in CGU ViaCon. Tubosider Hungaria Kft had in 2015 operating revenues of EUR 1 million.

Late 2015 ViaCon winded up all its activities in St Petersburg, Russia. Some minor formalities that were outstanding at year end is finalised within the first quarter of 2016. Gains and losses related to these activities are reflected in the 2015 accounts.

Beyond this there were no significant events for the Group after the balance sheet date.

All amounts in SEK 1000

Financial Statements SafeRoad Holding AB

SafeRoad Holding AB

Income statement, parent company

	Notes	2015	2014
Total operating Revenue	2	**1 200**	**1 200**
Operating costs			
Personell costs	3,4	- 11 414	- 10 022
Depreciation on material assets	10	- 28	0
Other external costs	1	- 31 324	-5 301
Total operating expenses		**-42 766**	**-15 323**
Operating profit/(loss)		**-41 566**	**-14 123**
Profit/loss from financial items			
Group Contribution	2	91 960	78 964
Interest received and other financial revenues	5	7 605	9 627
Currency rate differences	7	9 262	-14 611
Interest paid and other financial expenses	6	- 147 572	-141 780
Net finance income/costs		**- 38 745**	**-67 800**
Profit/(loss) before tax		**-80 311**	**-81 923**
Tax	8	7 408	-25 975
Profit/(loss) for the year		**-72 903**	**-107 898**

Statement of comprehensive income, parent company

	Notes	2015	2014
Profit/(loss) for the year		**- 72 903**	**- 107 898**
Other comprehensive income		**0**	**0**
Other comprehensive income for the year, net of tax		**- 0**	**- 0**
Total comprehensive income for the year		**-72 903**	**-107 898**

All amounts in SEK 1000

Balance sheet, parent company (assets)

	Notes	2015-12-31	2014-12-31
Assets			
Non-current assets			
Financial assets			
Shares in subsidiaries	9	3 048 641	2 998 641
Receivables on group companies	2	79 492	86 247
Deposits		0	58
Deferred tax assets	8	26 206	18 797
Total financial assets		**3 154 339**	**3 103 743**
Material assets			
Fixtures and fittings	10	165	
Total material assets		**165**	
Total non-current assets		**3 154 504**	**3 103 743**
Current assets			
Receivables			
Receivables on group companies	2	195 885	79 277
Other short term receivables		4 360	965
Total short-term receivables		**200 245**	**80 242**
Cash and cash equivalents		**73**	**5**
Total current assets		**200 318**	**80 247**
Total assets		**3 354 822**	**3 183 990**

All amounts in SEK 1000

Balance sheet, parent company (shareholders' equity and liabilities)

	Notes	2015-12-31	2014-12-31
Equity and liabilities			
Equity			
Restricted equity			
Share capital, 5 749 168 ordinary shares and 1 981 720 preference shares		193	193
Total restricted equity		**193**	**193**
Unrestricted equity			
Share premium reserve		2 307 596	2 307 596
Retained earnings		-248 774	-140 876
Profit (loss) for the year		- 72 903	- 107 898
Total unrestricted equity		**1 985 919**	**2 058 822**
Total equity		**1 986 112**	**2 059 015**
Non-current liabilities			
Liabilities to credit institutions	11	686 031	579 447
Liabilities to shareholders	11	515 577	278 639
Total non-current liabilities		**1 201 608**	**858 086**
Current liabilities			
Current portion of non-current liabilities	11	31 662	177 786
Liabilities to group companies	2	117 946	78 048
Accounts payable		852	1 948
Other liabilities		597	210
Accrued costs and pre-paid income	12	16 047	8 897
Total current liabilities		**167 102**	**266 889**
Total liabilties		**1 368 710**	**1 124 975**
Total equity and liabilities		**3 354 822**	**3 183 990**
Pledged assets	13	3 128 133	3 084 888
Contingent liabilities	14	1 867 844	1 617 032

All amounts in SEK 1000

Cash flow statement, parent company

Cash Flow	**Notes**	**01.01-31.12.2015**	**01.01-31.12.2014**
Operations			
Operating profit/loss		-41 566	-14 123
Depreciation		28	0
Interest paid and other financial costs		- 106 212	-115 058
Group Contribution		91 960	78 964
Interest received and other financial income		94 094	18 773
Cash flow from operations before changes in working capital		**38 304**	**-31 444**
Cash flow from changes in working capital			
Increase/decrease in current receivables		-7 728	10 473
Increase/decrease in accounts payables		- 1 096	1 948
Increase/decrease in current liabilities		7 535	1 198
Cash flow from operations		**37 015**	**-17 825**
Cash flow from investments activities			
Acquisitions of fixtures and fittings	10	- 193	0
New share issue and acquisitions of subsidiaries	9	-50 000	-109 251
Increase/decrease in long term receivables		58	-58
Cash flow from investments activities		**-50 135**	**-109 309**
Cash flow from financing activities			
Increase of receivables cash pool		-86 815	0
Increase of liabilities cash pool		39 898	78 048
Increase in long term liabilities		237 423	0
Decrease in long term liabilities		0	-29 451
Decrease in short term liabilities		-146 124	-92 241
Payment of long term liabilities to credit institutions		-31 194	-33 587
Cash flow from financing activities		**13 188**	**-77 231**
Cash flow for the year		68	-204 365
Exchange rate differences, cash and cash equivalents		0	-14 145
Cash and cash equivalents at the beginning of the year		5	218 515
Cash and cash equivalents at the end of the year		**73**	**5**

Shareholders' equity, parent company

	Share capital	Share capital, under registration	Share premium reserve, under registration	Share premium reserve	CTA	Profit/loss carried forward	Net profit/loss for the year	Total shareholders equity
2014								
Shareholders equity at 01.01.2014	168	25	1 130 217	1 177 379	-76 683	126 392	-190 586	2 166 913
Appropriation of net profit/(loss) for the year to profit/(loss) carried forward						-190 586	190 586	0
Registration of issue shares of 2014	25	-25	- 1 130 217	1 130 217		0	0	0
Profit/(loss) for the year							-107 898	-107 898
Shareholders equity at 31.12.2014	**193**	**0**	**0**	**2 307 596**	**-76 683**	**-64 194**	**-107 898**	**2 059 015**
2015								
Shareholders equity at 01.01.2015	193	0	0	2 307 596	-76 683	-64 194	-107 898	2 059 015
Appropriation of net profit/(loss) for the year to profit/(loss) carried forward						-107 898	107 898	0
Profit/(loss) for the year							-72 903	-72 903
Shareholders equity at 31.12.2015	**193**	**0**	**0**	**2 307 596**	**-76 683**	**-172 092**	**- 72 903**	**1 986 112**

See note 24 in group accounts for details on share capital and shareholders' equity.

The share capital contains of 5 749 168 ordinary shares and 1 981 720 preference shares.

Notes to the financial statements for SafeRoad Holding AB

Accounting principles

Saferoad Holding AB prepares its annual accounts in accordance with the Annual Accounts Acts and Swedish Financial Reporting Board Recommendation RFR 2 Accounting for Legal Entities. According to RFR 2 the parent company in its annual accounts for legal entities should apply all of the IFRS and interpretations recognised by the EU, as long as this is possible according to the provisions of the Annual Accounts Act, and with regard to the connection between accounting and taxation.

The presentation of exchange rate differences on extended investments in subsidiaries are reported in the income statement, previously this exchange rate differences has been reported in the statement of comprehensive income. The comparative figures for 2014 has also been changed.

The Recommendation indicates which exceptions should be made from the IFRS.

The following principles differ from those applied in the consolidated annual accounts:

Subsidiaries

Shares of subsidiaries are reported in the accounting of the parent company at cost. If the carrying value of a subsidiary is higher than the estimated fair value, the subsidiary is written down. The write-down is shown in profit or loss. In cases where previous write-downs are no longer justified, they are reversed.

Group contributions and shareholders' contributions

The company reports group contributions and shareholders' contributions in compliance with the interpretations issued by the Swedish Financial Reporting Board. Shareholders' contributions are reported as a dividend in the income statement of the recipient, and is capitalised as shares and participations for the donor, to the extent no write-downs are required.

Financial instruments – interest rate derivatives

The parent company does not report derivative instruments at their fair value in the balance sheet. These instruments do not affect the profit or loss until they are due, as they are considered to be hedged for according to Swedish GAAP. Unrecognised losses amount to -12.5 MSEK (-24.6) MSEK.

All amounts in SEK 1000

Note 1 Auditors' fees

	2015	2014
Ernst & Young		
Fee for audit	1 012	553
Tax services	30	25
Other services	539	129
Sum	**1 581**	**707**

Note 2 Purchases and sales among group companies

Sales and other transactions among group companies	**2015**	**2014**
Sales revenues	1 200	1 200
Group contribution (receivables)	91 960	78 964
Recievables in cash pool Saferoad Treasury AB	112 275	0
Liabilities in cash pool Saferoad Treasury AB	0	-20 973
Liabilities in cash pool Saferoas AS	-117 946	-57 075
Other receivables/liabilties	-8 350	313
Long term receivables	79 492	86 247
- Saferoad AS	66 175	72 930
- to other group companies	13 317	13 317

Saferoad Holding AB uses long term loans as a part of their group financing of the subsidiaries. Interest is calculated on a monthly basis based on standard interbank interest rate plus an agreed margin. See note 5 for interest income from group companies.

Note 3 Employees

During the year, the company has had 1 man employed (last year 2 men).

Note 4 Salaries and remunerations

Salaries and remunerations to employees	**2015**	**2014**
Salaries to Board and CEO	6 555	3 487
Salaries to other employees	0	2 183
Pension costs to CEO	2 098	1 015
Pension costs to other employees	0	452
Social security costs to CEO	2 602	1 340
Social security costs to other employees	0	814
Sum	**11 255**	**9 291**

The Board in Saferoad Holding AB has not received any remuneration. The former CEO left his position in October 2015. The salary and remuneration in the table above reflects payments in 2015 to the former CEO. In addition, the Company has incurred costs of 5,506 TSEK related to the termination of the employment, which will be paid during 2016 and are included in the table above. The new CEO has his formal employment contract is with the subsidiary Saferoad AS, see note 10 in the consolidated financial statements for details.

All amounts in SEK 1000

Note 5 Interest income and other financial revenues

Interest income and other financial revenues	**2015**	**2014**
Interest income, group	7 605	9 627
Sum interest income and other financial income	**7 605**	**9 627**

Note 6 Interest expenses and other financial expenses

Interest expenses and other financial expenses	**2015**	**2014**
Interest expenses	104 411	99 377
Interest expenses, group	17 601	15 743
Other financial expenses	25 560	26 660
Sum interest expenses and other financial expenses	**147 572**	**141 780**

Note 7 Currency differences

	2015	**2014**
Currency exchange rate differences (income)	86 489	9 155
Currency exchange rate differences (loss)	-77 227	- 23 766
Sum currency exchange rate differences	**9 262**	**-14 611**

All amounts in SEK 1000

Note 8 Tax

Tax expense for the year	01.01-31.12.2015	01.01-31.12.2014
Deferred taxes	7 408	- 25 975
Income tax expense	7 408	- 25 975

Reconciliation on effective tax	01.01-31.12.2014	01.01-31.12.2014
Profit/(loss) for the year before tax	- 80 311	- 81 923
Tax according to tax rate 22%	17 668	18 022
Non-deductable expenses	- 10 260	- 6 997
Write-down	- 0	- 37 000
Tax expense recognised in income statement	**7 408**	**-25 975**

Specification of deferred tax assets	2015-12-31	2014-12-31
Tax loss carried forward	26 205	18 797
Total deferred tax asset	**26 205**	**18 797**

Total tax loss carried forward of MSEK 514.6 at 31. December 2015 (480.9 MSEK in 2014).
In 2013 and 2014 a writedown of deferred tax assets have been done due to a judgement of how much of the total tax losses carried forward that the company expects to use in the foreseeable future and can be utilized by group contribution from daughter companies. The accumulated writedown amounts to 87 MSEK. There is no due date on tax losses carried forward.

Reconciliation of deferred tax assets:

Opening balance 1.jan. 2014	44 772
Tax expense recognised in profit or loss	-25 975
Tax expense recognised as other comprehensive income	0
Closing balance 31.December 2014	**18 797**
Opening balance 1.jan. 2015	18 797
Tax expense recognised in profit or loss	7 408
Tax expense recognised as other comprehensive income	0
Closing balance 31.December 2015	**26 205**

All amounts in SEK 1000

Note 9 Shares in subsidiaries

	2015	2014
Carrying value 01.01	2 998 641	2 889 391
Acquisitions	0	89 250
New share issue and capital contribution	50 000	20 000
Carrying value 31.12	**3 048 641**	**2 998 641**

Company	Corp ID No	Reg Office	Number of shares/% holding	Carrying value
Saferoad Norge Holding AS	992090014	Ørsta	100,00%	2 747 343
Saferoad Holding Danmark Aps	31589487	Aalborg	100,00%	41 422
Saferoad V Holding AB	556826-4062	Stockholm	100,00%	200 625
Saferoad Treasury AB	556493-1573	Önnestad	100,00%	59 251
Total value				**3 048 641**

The table below sets forth SafeRoad's ownership in its subsidiaries. Subsidiaries are companies where SafeRoad directly or through its subsidiaries have a controlling interest. Several of the subsidiaries in the second part of the table own shares in other subsidiaries. The owner share % in the table represents the indirect ownership of the ultimate parent, SafeRoad Holding AB. All the subsidiaries listed are included in the consolidated statements for 2015.

Shares in subsidiaries	*Country*	*Area*	*Owner Share*	*Time of aquisition*
Saferoad Holding Norway AS	Norway	Holding	100,00%	2008-09-01
Saferoad Holding Danmark Aps	Norway	Holding	100,00%	2008-09-01
Saferoad V Holding AB	Sweden	Holding	100,00%	2010-12-21
Saferoad Treasury AB	Sweden	Other	100,00%	2008-09-01

Shares in subsidiaries owned through subsidiaries	Country	Area	Owner Share	Time of aquisition
Saferoad Holding Norway AS				
Saferoad AS	Norway	Holding	100,00%	2008-09-01
Saferoad Sp z.o.o	Poland	Holding	100,00%	2008-09-01
Saferoad Holding Germany GmbH	Germany	Holding	100,00%	2010-11-01
Saferoad Europe GmbH Germany	Germany	Holding	94,39%	2010-11-01
Euroskilt AS	Norway	Norway	100,00%	2008-09-01
Trafikksikring AS	Norway	Norway	100,00%	2008-09-01
Vik Ørsta AS	Norway	Norway	100,00%	2008-09-01
Eurostar AS	Norway	Norway	100,00%	2008-09-01
Stolper AS	Norway	Norway	90,70%	2015-12-01
EKC Sverige AB	Sweden	Norway	100,00%	2008-09-01
Saferoad UK Ltd	UK	Norway	100,00%	2008-09-01
Saferoad VRS Ltd (form Balmer Lindley Group Ltd)	UK	Norway	100,00%	2008-09-01
Saferoad Traffic AB	Sweden	Nordic	100,00%	2008-09-01
Saferoad Smekab AB	Sweden	Nordic	100,00%	2008-09-01
Saferoad Birsta AB	Sweden	Nordic	100,00%	2008-09-01
Saferoad Vägbelysning AB	Sweden	Nordic	100,00%	2008-09-01
Moramast AB	Sweden	Nordic	100,00%	2008-09-01
Saferoad Finland OY (former Miranet OY	Finland	Nordic	83,00%	2008-09-01
Saferpad Antin Kaide OY	Finland	Nordic	66,40%	2015-01-28
Saferoad RRS GmbH	Germany	Europe	94,68%	2010-11-01
Brite Line Europe GmbH	Germany	Europe	70,82%	2010-11-01
Bongard & Lind Verwaltungs GmbH	Germany	Europe	94,68%	2010-11-01
Limes Mobil GmbH	Germany	Europe	94,68%	2011-02-15
Bongard & Lind Noise Protection GmbH & Co KG	Germany	Europe	94,68%	2012-01-01
Saferoad Holland BV (form Prins Dokkum BV)	Netherlands	Europe	100,00%	2010-03-01
Saferoad Grawil Sp. z.o.o	Poland	Europe	100,00%	2008-09-01
Saferoad Kabex Sp. z.o.o	Poland	Europe	100,00%	2008-09-01
Saferoad RRS Polska Sp. z.o.o	Poland	Europe	94,68%	2008-09-01
Signaroad Sp. z.o.o	Poland	Europe	100,00%	2008-09-01
InterMetal Sp. z.o.o	Poland	Europe	94,68%	2011-02-15
Saferoad Slovakia	Slovakia	Europe	100,00%	2008-09-01
Saferoad Czech Republic s.r.o	Czech Republic	Europe	60,00%	2010-07-01
Dormark	Belarus	Europe	51,00%	2008-09-01
Saferoad Romania SRL	Romania	Europe	94,68%	2011-02-15
Outimex Bulgaria EOOD	Bulgaria	Europe	94,68%	2011-02-15

SafeRoad Kisan	Turkey	Europe	66,27%	2013-12-01
Saferoad Turkey	Turkey	Europe	94,68%	2011-12-15
Saferoad Trading AS	Norway	Other	100,00%	2008-09-01
Brødrene Berntsen Eiendom AS	Norway	Other	100,00%	2010-07-01
Brødrene Berntsen AS	Norway	Other	100,00%	2010-07-01
Saferoad Pomerania Sp. z.o.o.	Poland	Other	100,00%	2008-09-01
EKC Production AB	Sweden	Other	100,00%	2008-09-01
Brödrene Berntsen AB	Sweden	Other	100,00%	2008-09-01
Marina Systeme GmbH	Germany	Other	100,00%	2008-09-01
Saferoad Holding Danmark Aps				
Saferoad Daluiso AS	Denmark	Nordic	100,00%	2008-09-01
Eurostar DK AS	Denmark	Norway	100,00%	2008-09-01
Saferoad V Holding AB				
Viacon Holding AB	Sweden	Holding	100,00%	2010-12-21
Viacon International AB	Sweden	Viacon	100,00%	2010-12-21
Viacon AB	Sweden	Viacon	100,00%	2010-12-21
Viacon Production AB	Sweden	Viacon	100,00%	2010-12-21
Arot Viacon ABV AB	Sweden	Viacon	100,00%	2010-12-21
Skånska Gas & VA	Sweden	Viacon	100,00%	2010-12-21
Viacon Bridges AB	Sweden	Viacon	100,00%	2011-05-31
FLA Geoprodukter AB	Sweden	Viacon	91,00%	2015-09-17
Nordic Culvert AB	Sweden	Viacon	100,00%	2015-11-09
Viacon AS	Norway	Viacon	100,00%	2010-12-21
Viacon Sp. z.o.o	Poland	Viacon	75,00%	2010-12-21
Viacon Construction	Poland	Viacon	60,00%	2010-12-21
Geotex	Poland	Viacon	75,00%	2010-12-21
Viacon Polska Sp. z.o.o	Poland	Viacon	75,00%	2010-12-21
Steel System Sp. z.o.o	Poland	Viacon	75,00%	2013-12-01
Viacon Hungary	Hungary	Viacon	60,00%	2010-12-21
ViaCon Bulgaria	Bulgaria	Viacon	75,00%	2011-06-30
ViaCon Romania	Romania	Viacon	75,00%	2010-12-21
Viacon Turkey	Turkey	Viacon	52,50%	2014-02-06
Viacon Austria	Austria	Viacon	52,50%	2010-12-21
Viacon CR	Czech Republic	Viacon	52,50%	2010-12-21
Vacon SK	Slovakia	Viacon	36,75%	2010-12-21
Oy ViaPipe AB	Finland	Viacon	60,00%	2010-12-21
Rumtikli Oy	Finland	Viacon	60,00%	2010-12-21
Viacon A/S	Denmark	Viacon	60,00%	2015-12-22
Viacon OOO	Russia	Viacon	100,00%	2010-12-21
Viacon Production OOO	Russia	Viacon	100,00%	2010-12-21
AS Viacon Esti	Estonia	Viacon	60,00%	2010-12-21
Armant Viacon Latvija SIA	Latvia	Viacon	60,00%	2010-12-21
Viacon Georgia	Georgria	Viacon	36,00%	2011-12-01
UAB Viacon Baltic	Lithuania	Viacon	60,00%	2010-12-21
Viacon Statyba	Lithuania	Viacon	42,00%	2010-12-21
ASPB Lithuania	Lithuania	Vacon	60,00%	2011-06-30
Pilani Lithuania	Lithuania	Viacon	60,00%	2011-06-30
ViaCon Baltic Pipe	Lithuania	Viacon	60,00%	2011-06-30
ViaCon Technologies	Belarus	Viacon	60,00%	2010-12-21

For the Saferoad V Holding AB subsidiaries in the table where the indirect ownership interest is listed as less than 50%, Saferoad controls more than 50% of the voting power via its voting power in the owner companies.

Associated companies	Country	Owner Share	Time of aquisition
Ferrozink Trondheim AS	Norway	40,00%	2008-09-01
IBOS Sp. z.o.o.	Poland	50,00%	2011-02-15
RindeRekon AS	Norway	42,40%	2008-09-01
Bjartmar Rinde AS	Norway	42,00%	2008-09-01

All amounts in SEK 1000

Note 10 Fixtures and fittings

	2015	2014
Acqusitions	192	0
Closing balance	**192**	**0**
Depreciations	-28	0
Closing balance	**-28**	**0**
Closing balance net	**165**	**0**

Note 11 Interest bearing liabilities (long term)

Aging structure	Liabilities to credit institutions 2015	Liabilities to shareholders 2015	Liabilities to credit institutions 2014	Liabilities to shareholders 2014
Falls due between 1 and 5 years	686 031	0	579 447	0
Falls due after more than 5 years	0	515 577	0	278 639
Total long-term liabilities	**686 031**	**515 577**	**579 447**	**278 639**

See also Note 22 in consolidated accounts for description of loan terms.

Note 12 Accrued costs and prepaid income

	2015	2014
Accrued personal costs	7 188	2 112
Accrued interests	593	6 310
Accrued other costs	8 266	475
Sum accrued costs and prepaid income	**16 047**	**8 897**

Note 13 Pledged assets

	2015-12-31	2014-12-31
Pledged shares in subsidiaries	3 048 641	2 998 641
Pledged receivables group companies	79 492	86 247
Total pledged assets	**3 128 133**	**3 084 888**

The shares in subsidiaries are pledged in favor of the bank syndicates' financial agreement:

Parts of the company's receivables against group companies are furnished as collateral for the company's debts to credit institutions. See also Note 26 in consolidated accounts.

Some receivables held by the subsidiaries have been furnished as collateral for the groups liabilities to credit institutions.

There are also other collaterals, for example shares in subsidiaries, see information in Note 26 in consolidated accounts.

Note 14 Contingent liabilities

	2015-12-31	2014-12-31
Guarantee commitment on behalf of Group company	15 844	15 514

Guarantee commitment on behalf of Group companies loans to credit institutions	1 852 000	1 601 518
Total contingent liabilities	**1 867 844**	**1 617 032**

Signing of the Annual Financial Statements 2015

for information purposes only, confirmation and signatures only on Swedish version

The undersigned certify that the consolidated accounts and the annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted for use in the European Union, and generally accepted accounting principles respectively, and give a true and fair view of the financial positions and results of the Group and the Parent Company, and that the Report of the Directors for the Group and the Parent Company gives a true and 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 faced by the companies in the Group.

Stockholm, 13 June 2016

Johan Ek
Chairman of the Board

John Hedberg
Board Member

Morten Holum
Chief Executive Officer

Our audit report was issued on 14 June 2016,

Ernst & Young AB

Johan Thuresson
Authorized Public Accountant

EY
Building a better working world

TRANSLATION FROM THE SWEDISH ORIGINAL

Auditor's report

To the annual meeting of the shareholders of SafeRoad Holding AB, corporate identity number 556753-5470

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of SafeRoad Holding AB for the year 2015.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director 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.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

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

Opinions

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 2015 and of its financial performance and its cash flows 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 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, 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 annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the consolidated statement of comprehensive income and the consolidated statement of financial position for the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of SafeRoad Holding AB for the year 2015.

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, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

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.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

Opinions

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

Malmö, June 14, 2016

Ernst & Young AB

Johan Thuresson
Authorized Public Accountant

SAFEROAD

SafeRoad Holding AB

2014

Financial Statements

Corporate ID No. 556753-5470

All amounts in SEK 1000

Report of the Board of Directors

SafeRoad in brief

SafeRoad is a leading supplier of road safety and road infrastructure solutions. The Group has 2 580 employees in 20 countries and work for improved infrastructure and higher road safety standards, delivering products where functionality, durability and design are key characteristics. SafeRoad has adopted Vision Zero as its mission – zero killed and seriously injured in traffic accidents.

SafeRoad organises its business activities in four main divisions, RRS Europe, Infrastructure, Signs, and ViaCon. Products and services include road restraint systems such as road railings and bridge parapets, roadway illumination, signs and technical traffic products, street furniture, noise barriers, temporary traffic solutions, road marking, rock support, bridges, pipes and culverts, water and sewage pipe systems and geosynthetics.

SafeRoad conducts its business through subsidiaries in Norway, Sweden, Denmark, Germany, Poland, Netherlands, the Czech Republic, Finland, United Kingdom, Slovakia, Estonia, Lithuania, Latvia, Romania, Austria, Russia, Hungary, Bulgaria, Turkey and Belarus. In addition, the Group's subsidiaries export to a number of other countries.

The parent company of the SafeRoad Group is Saferoad Holding AB, Corp. ID. No. 556753-5470, a limited liability company registered with the Swedish Companies Registration Office. The parent company's financial year is the calendar year.

Key developments in 2014

Markets and Financials
The Group's revenue for 2014 was SEK 5 418 million (SEK 5 037 million in 2013). The Operating Profit for 2014 was SEK 26.3 million (SEK 177.1 million). In 2014 the Group recognised an impairment of a building in Sweden with SEK 22.5 million (see Note 14), and of goodwill with SEK 29.9 million related to its Balconies business and SEK 99.9 million related to the RRS Europe division (see Note 15), causing a decrease in operating profit. Net financial expenses was SEK -186.7 million in 2014 (SEK -289.5 million) and Profit before tax was SEK -160.4 million in 2014 (SEK -112.4 million). The tax expense was SEK 63.6 million (SEK 88.5 million), despite negative Profit before tax. This is due to significant non-deductible items (interest expenses) and recognition of a valuation allowance for deferred tax assets.

The overall demand was good in the Group's core markets in Northern Europe. However, continued strained state finances resulted in lower demand in some of the Group's other markets, particularly in Central and Eastern Europe. The road safety business, with a high share of sales in the Nordic countries and in Germany, improved its performance in 2014, while the road infrastructure business, which has a higher share of sales in Central and Eastern Europe, experienced a reduction in operating profit in 2014.

People and the organisation

Code of Conduct
The SafeRoad Group and all its subsidiaries operate in accordance with sound, ethical business practices, setting high standards for its business conduct, the organisation, and the impact on the environment and society. The Code of Conduct applies to all employees, contracted consultants and Board members.

Social responsibility
SafeRoad has taken many initiatives, in close co-operation with customers, non-governmental organizations (NGOs), and authorities, to promote and support Vision Zero in a broad perspective. The ambition is to further increase awareness of how improved traffic safety installations can reduce the impact of traffic accidents and save lives.

Employees
At year-end 2014, SafeRoad had 2 580 (2 464) employees. The employees represent diversity in terms of age, education, experience and cultural background.

Health, Safety and environment (HSE)
The Group monitors key indicators for health and safety at work. SafeRoad emphasises compliance with all relevant environmental acts and regulations in the countries where the Group operates. Many of SafeRoad's subsidiaries are certified

according to ISO standards, particularly ISO 14001.

The Group had no fatal accidents in 2014 (no fatal accidents in 2013). Management has high attention on Health & Safety processes across the Group.

The sick absence rate in SafeRoad was 3.7% (4.8%) in 2014.

Ownership, financing and liquidity
Nordic Capital VII Alpha, L.P. and Nordic Capital VII Beta, L.P. own 96.55 % of Saferoad Holding AB, through Cidron Triangle S.à.r.l and Cidron Triangle Ltd. The remaining 3.45% of the shares are owned by management.

The Group has a loan and financing agreement with a bank syndicate, covering long-term loans and short-term credit facilities to secure seasonal working capital and guarantees. In addition, SafeRoad has received unsecured long-term loans from shareholders.

The Group made an agreement with the bank syndicate in May 2014 to receive an additional revolving credit facility of NOK 150 million. At the same time an undrawn NOK 60 million CapEx facility was cancelled. As part of this agreement, Nordic Capital increased its equity guarantee from 2013 towards the bank syndicate to NOK 150 million and extended its duration by one year. SafeRoad was not in compliance with the financial covenants at 31 December 2014 and obtained a waiver for the covenant breach at year end prior to 31 December 2014.

SafeRoad's equity position was significantly strengthened in 2013, improving the solidity of the Group. The cash contribution and equity guarantees from Nordic Capital towards the bank syndicate in 2013, equity guarantees in 2014 and new cash contributions and equity guarantees in 2015 (see Events after the balance sheet date) have contributed to improve the Group's liquidity position. SafeRoad is satisfied with the strong commitment from the owners.

Events after the balance sheet date
The Group made an agreement with the bank syndicate in May 2015 whereby debt maturity is postponed by approximately two years until June 2019, with minor instalments. Nordic Capital has injected NOK 175 million as a shareholder loan. Further the owners has increased the equity guarantee towards the bank syndicate from currently NOK 150 million to NOK 300 million and extend its duration to June 2019. A revolving credit facility of NOK 150 million will l maintained until the same point in time. All covenants are reset with a headroom to reflect the new financing structure. Any breach of covenants may be cured by utilisation of the equity guarantee, and any utilised amount will remain within the Group. SafeRoad management assesses the refinancing as a solid support and platform for the future development of the Group.

Saferoad, through ViaCon International AB, owns 75% of the voting shares in ViaCon Sp. z o.o., and entered into a shareholders' agreement in April 2015 with an option to buy the remaining 25% of the shares in ViaCon Sp. z o.o. The shareholders' agreement contains clauses regarding put and call options on the shares owned by the minority shareholder that can only be exercised under certain circumstances. The price for the shares is profit based.

Key risks
SafeRoad and its subsidiaries are exposed to various forms of operational, market and financial risks. Increased focus on infrastructure improvements and traffic safety has historically resulted in steady market growth for the Group. However, infrastructure investments are to large extent funded by public money. As a result, strained public finances in some countries may lead to lower infrastructure investments and spending.

The Group is also exposed to volatile raw material prices. The Group uses raw materials, such as steel, zinc, plastics, and energy, and prices for these commodities may vary significantly. Within a given year, the Group is only partially able to adjust sales prices according to raw material price fluctuations. The Group puts strong emphasis in developing SafeRoad into a recognised top performer within procurement practices. SafeRoad has established procurement category teams within key raw material categories such as aluminium, steel, transport and indirect costs.

The key financial risks of the Group are described in Note 17 in the Annual Financial Statements.

Outlook
The Group expects the market conditions to improve in 2015. The core markets in the Nordics are expected to remain strong and Germany is expected to be stable. Some markets in Central and Easter Europe are expected to remain challenging, but a major EU-funded road construction program in Poland is expected to improve earnings in the road infrastructure segment. The Group will continue its focus on business and market development to further drive growth. In addition, additional initiatives in the production and sourcing area will be executed to further improve the Group´s cost position. The competitive environment is expected to remain unchanged. As a result, the Group expects to improve in financial performance in 2015.

Key financial Information for the Group

	2014	2013	2012	2011
Net revenue	5 382 540	4 960 996	5 417 553	5 638 013
Operating profit/(loss)	26 291	177 053	76 199	144 450
Profit /(loss) before tax	-160 383	-112 400	-299 962	-221 823
Operating margin (%)	0.5%	3.6%	1.4%	2.6%
Return on equity	-14.1%	-15.1%	-41.8%	-53.2%
Total assets	5 348 727	5 533 262	5 574 872	6 096 337
Equity ratio	26.0%	31.5%	16.5%	3.0%
Equity ratio * incl. shareholders' loans	31.8%	36.1%	34.9%	33.0%
Number of employees - 31 December	2 580	2 464	2 685	2 754

* The equity ratio is calculated as shareholders' equity + shareholder loans / total assets, as the shareholder loans have been granted without collateral.

Key financial information for the parent company

	2014	2013	2012	2011
Net revenue	1 200	1 899	3 953	2 400
Operating profit/(loss)	-14 123	-2 643	-4 180	-4 431
Profit /(loss) before tax	-80 964	-126 698	-64 280	-129 751
Operating margin (%)	-1 152.6 %	-139.2 %	-105.8 %	-184.6 %
Return on equity	-5.1 %	-10.9 %	-7.2 %	-22.1 %
Total assets	3 183 990	3 330 599	3 704 877	3 622 776
Equity ratio	64.7 %	65.1 %	36.2 %	11.4 %
Equity ratio * (%) incl. shareholders' loans	73.4 %	72.6 %	63.5 %	61.8 %
Number of employees	2	1	2	0

* The equity ratio is calculated as shareholders' equity + shareholder loans / total assets, as the shareholder loans have been granted without collateral.

Proposed disposition of profit

As the disposal of the Annual General Meeting is the following unrestricted equity (SEK):

Proposed disposition of profit

	2014	
Share premium reserve	2 307 595 859	kronor
Retained earnings	-141 624 666	kronor
Loss for the year	-107 149 714	kronor
Unrestricted equity 31 December 2014	**2 058 821 479**	kronor

The Board of directors proposes that the earnings are appropriated as follows;

To be carried forward:	2 058 821 479	kronor

All amounts in SEK 1000

Consolidated statement of comprehensive income (1.1 - 31.12)

	Notes	2014	2013
Net revenue		5 382 540	4 960 996
Other operating revenue		35 923	75 584
Total operating revenue	6	**5 418 463**	**5 036 580**
Cost of goods sold	8	3 076 775	2 790 817
Personnel costs	10,11	1 145 349	1 083 955
Depreciation and impairment	14	179 008	146 981
Amortisation and impairment	15	213 623	102 832
Other operating costs	9	777 417	734 942
Total operating cost		**5 392 172**	**4 859 527**
Operating profit/(loss)		26 291	177 053
Financial income	12	13 765	20 617
Financial expenses	12	247 409	355 897
Net exchange rate gain (loss)	12	41 075	36 407
Share of profit/(loss) of associated companies	5	5 895	9 421
Net financial income/expenses		**-186 674**	**-289 453**
Profit/(loss) before tax		-160 383	-112 400
Tax	13	-63 603	-88 466
Profit /(loss) for the year		**-223 986**	**-200 866**
Profit for the year from total operations		**-223 986**	**-200 866**
Other comprehensive income			
Items to be reclassified to profit/loss in subsequent periods			
Exchange difference on translation of foreign operations		24 378	36 113
Exchange differences, loans treated as net investments, net of tax	13		-114 883
Items not to be reclassified to profit/loss in subsequent periods			
Remeasurement of net defined benefit liability	11,13	-3 959	-6 231
Other comprehensive income for the year, net of tax		**20 419**	**-85 001**
Total comprehensive income for the year		**-203 566**	**-285 868**
Profit/(loss) for the year attributable to:			
Equity holders of the parent company		-217 398	-201 889
Non-controlling interests		-6 587	1 023
		-223 986	-200 866
Total comprehensive income attributable to:			
Equity holders of the parent company		-205 548	-290 330
Non-controlling interests		1 982	4 462
		-203 566	-285 868

All amounts in SEK 1000

Consolidated statement of financial position (assets)

	Notes	31.12.2014	31.12.2013
Assets			
Non-current assets			
Intangible assets			
Development	15	71 380	63 717
Licenses, product rights etc	15	39 595	40 885
Goodwill	15	1 446 977	1 562 021
Customer relationships	15	381 499	426 077
Other intangibles	15	11 811	15 897
Total intangible assets		**1 951 262**	**2 108 597**
Tangible assets			
Land	14	38 126	37 339
Buildings	14	450 872	487 180
Machines and equipment	14	360 295	298 891
Construction in progress	14	4 782	10 155
Rental equipment, furniture and vehicles	14	190 914	200 469
Total fixed assets		**1 044 988**	**1 034 035**
Financial non-current assets			
Shares in associated companies	5	8 742	2 910
Loans to associated companies	28	532	1 527
Other investments	5,18	13 262	19 409
Non-current receivables		15 758	16 542
Total financial assets		**38 294**	**40 388**
Deferred tax assets	13	20 842	16 552
Total non-current assets		**3 055 387**	**3 199 572**
Current assets			
Inventories	8	**855 209**	**820 101**
Receivables			
Trade receivables	17	767 185	784 402
Other receivables	7,20	219 693	209 455
Total receivables		**986 878**	**993 857**
Cash and cash equivalents	21	**451 254**	**519 733**
Total current assets		**2 293 341**	**2 333 691**
Total assets		**5 348 727**	**5 533 262**

All amounts in SEK 1000

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

	Notes	31.12.2014	31.12.2013
Shareholders' equity and liabilities			
Shareholders' equity	24		
Share capital		193	168
Share capital, under registration			25
Share premium reserve		2 307 596	1 177 379
Share premium reserve, under registration			1 130 217
Other paid in capital		418 589	418 589
Other equity		-277 443	-293 252
Retained earnings		-1 235 718	-968 345
Total shareholders' equity attributable to the shareholders of the parent company		**1 213 217**	**1 464 781**
Non-controlling interests	24	228 608	277 020
Total equity		**1 441 823**	**1 741 799**
Liabilities			
Non-current liabilities			
Liabilities to credit institutions	17,18,22,26	1 514 215	1 786 643
Other long-term liabilities	17,18,22,26	352 396	325 392
Provisions for pensions	11	37 582	33 745
Deferred tax liabilities	13	121 701	77 708
Other provisions	16	120 533	123 151
Total long-term liabilities		**2 146 426**	**2 346 640**
Current liabilities			
Liabilities to credit institutions	22,26	400 818	340 056
Accounts payable	17	441 071	505 293
Current tax liabilities	13	7 134	11 136
Public duties (VAT, soc.benefits etc)		109 831	90 891
Other current liabilities	7, 23	229 042	246 486
Other provisions	16	5 608	10 898
Financial derivatives	18,19	24 574	16 299
Current portion of non-current liabilities	22,26	542 400	223 763
Total current liabilities		**1 760 478**	**1 444 823**
Total liabilities		**3 906 904**	**3 791 463**
Total shareholders' equity and liabilities		**5 348 727**	**5 533 262**
Pledged assets	26	7 706 427	7 751 572

All amounts in SEK 1000

Consolidated statement of changes in equity

	Share capital	Share capital, under registration	Share premium reserve	Share premium reserve, under registration	Other paid in capital	Reserves/ CTA [1]	Retained earnings	Total	Non controlling interest	Total equity
	Note 24	Note 24	Note 24	Note 24		Note 24				
Equity at 31.12.2012	**168**	**0**	**1 177 379**	**0**	**418 589**	**-211 044**	**-749 706**	**635 386**	**285 962**	**921 347**
Shareholders capital increase, under registration 2013		25		1 130 217				**1 130 242**		**1 130 242**
Non controlling interests capital increase									1 268	**1 268**
Dividends to non controlling interests									-9 483	**-9 483**
Buy-out non-controlling interests							-10 519	**-10 519**	-5 188	**-15 707**
Profit/(loss) for the year							-201 889	**-201 889**	1 023	**-200 866**
Other comprehensive income net of tax:										
Actuarial gain/(loss)							-6 231	**-6 231**		**-6 231**
Exchange difference on translation of foreign operations						32 674		**32 674**	3 439	**36 113**
Exchange differences, loans treated as net investments						-114 883		**-114 883**		**-114 883**
Total other comprehensive income net of tax						-82 210	-6 231	**-88 441**	3 439	**-85 002**
Total comprehensive income						**-82 210**	**-208 120**	**-290 330**	**4 462**	**-285 868**
Equity at 31.12.2013	**168**	**25**	**1 177 379**	**1 130 217**	**418 589**	**-293 252**	**-968 345**	**1 464 781**	**277 020**	**1 741 799**
Shareholders capital increase, under registration 2013	25	-25	1 130 217	-1 130 217				**0**		**0**
Non controlling interests capital increase									50	**50**
Dividends to non controlling interests									-12 009	**-12 009**
Buy-out non-controlling interests							-46 015	**-46 015**	-38 436	**-84 451**
Profit/(loss) for the year							-217 398	**-217 398**	-6 587	**-223 986**
Other comprehensive income net of tax:										
Actuarial gain/(loss)							-3 959	**-3 959**		**-3 959**
Exchange difference on translation of foreign operations						15 809		**15 809**	8 569	**24 378**
Total other comprehensive income net of tax						15 809	-3 959	**11 850**	8 569	**20 419**
Total comprehensive income						**15 809**	**-221 357**	**-205 548**	**1 982**	**-203 566**
Equity at 31.12.2014	**193**	**0**	**2 307 596**	**0**	**418 589**	**-277 443**	**-1 235 718**	**1 213 217**	**228 608**	**1 441 823**

[1] Currency translation adjustments

Consolidated cash flow statement (1.1 - 31.12)

	Notes	2014	2013
Profit/loss before tax		-160 383	-112 400
Income tax paid	13	-28 117	-29 704
Profit from sale and disposal of tangible assets		-7 912	-4 768
Loss on sale of tangible assets		2 848	1 537
Net depreciation and amortisations	14,15	392 630	249 813
Impairment of other assets	8	4 345	-171
Change in fair value of financial assets	12,19	16 070	-4 929
Unrealised currency (gains)/losses		-23 686	-84 558
Interest income	12	-6 353	-14 712
Interest costs and other financial expenses	12	196 146	334 315
Changes in inventory	8	-39 454	34 908
Changes in trade receivable	18	17 217	27 126
Changes in accounts payable	18	-69 236	67 612
Income from using equity method		-5 895	-9 421
Changes in other current receivables and liabilities		-5 576	-17 022
Net cash flow from operations		**282 646**	**437 625**
Cash flow from investment activities			
Interest received	12	6 353	14 712
Acquisition of subsidiaries	4	0	-9 159
Purchase/production of fixed and intangible assets	14,15	-199 008	-150 762
Proceeds from sale of fixed assets		15 172	21 487
Proceeds from sales of associated companies		0	21 753
Other changes		870	3 916
Net cash flow from investment activities		**-176 613**	**-98 053**
Cash flow from financing activities			
Proceeds from borrowings		222 044	307 088
Repayment of borrowings		-113 888	-176 810
Proceeds from other shareholders		50	1 268
Dividends to non-controlling interests		-12 009	-9 483
Buy-out of non-controlling interests	16	-95 734	-15 707
Interest paid		-172 051	-167 378
Net cash flow from financing activities		**-171 588**	**-61 022**
Net increase in cash and cash equivalents		-65 556	278 550
Effect of exchange rate differences on cash and cash equivalents		-2 924	11 308
Cash and cash equivalents at beginning of the year		519 733	229 874
Cash and cash equivalents at the end of the year	**21**	**451 253**	**519 733**

Notes to the consolidated financial statements

Note 1 Company information

SafeRoad Holding AB, Corp. ID No. 556753-5470, is a limited liability company registered with the Swedish Companies Register, and the parent company of the SafeRoad Group since 1 September 2008. The address for the parent company is Skolgatan 1, 291 12 Önnestad, Sweden.

The Group conducts its business through subsidiaries in the Nordic countries, Germany, Poland, the Baltic countries and other European countries. See Note 9 for Saferoad Holding AB for a list of companies that belong to the Group. For additional information regarding the Group, please visit www.saferoad.com.

The SafeRoad Group was acquired by Nordic Capital VII LP through SafeRoad Holding AB in September 2008. Nordic Capital consists of a group of private equity funds that seek to create value in their investments through committed ownership, and by targeting strategic development and operational improvements. Nordic Capital was established in 1989, and has been a pioneer in private equity in northern Europe. Nordic Capital's portfolio currently consists of about 30 different companies. Well-known Nordic, as well as international institutions, including public and private pension funds, insurance companies and other funds, have invested in the funds of Nordic Capital. For additional information about Nordic Capital, visit www.nordiccapital.com.

These consolidated annual accounts have been approved for publication by the Board of Directors on 4 June 2015 and are to be adopted at the Annual General Meeting.

Note 2 Accounting principles

Basis for preparation and statement of compliance

The consolidated annual accounts for the SafeRoad Group have been prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), as well as the Interpretations of the International Financial Reporting Interpretation Committee (IFRIC), which have been approved by the European Commission for application within the European Union. In addition, the Group applies the Annual Accounts Act and RFR 1 *Supplemental principles for consolidated accounts.*

The consolidated statements have been prepared on a historical cost basis, except for derivative financial instruments and available-for-sale financial assets that have been measured at fair value. The financial statements have been prepared based on the going concern principle.

The parent company, SafeRoad Holding AB, applies the Annual Accounts Act and RFR 2 *Accounting for legal entities*, see Notes to the financial statements for SafeRoad Holding AB, 'Accounting principles'.

Changes in accounting principles and disclosure requirements

New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year. No new standards issued by IASB were implemented in 2014 that have had any material impact on the Group's financial statements.

Future IFRS amendments

The consolidated financial statements will be affected by IFRS amendments in the future. Below are commented on new or amended standards and interpretations published as of 31 December 2014, but not yet effective for the annual period from 1 January – 31 December 2014, and considered may have an impact on the Group's consolidated financial statements:

IFRS 15 Revenue from Contracts with Customers (effective from 1 January 2017, but not approved by the EU). IFRS 15 establish a new five-step model that will apply to revenue arising from contracts with customers.

IFRS 9 Financial Instruments (effective from 1 January 2018, but not approved by the EU). The standard replaces IAS 39. The standard introduces new requirements for classification and measurement, impairment and hedge accounting.

The Group has not yet completed an assessment of IFRS 15 and IFRS 9's impact on the financial statements for SafeRoad.SafeRoad expects to implement the standards when they enter into force, provided they have been approved by the EU.

Basis of consolidation and business combinations

The consolidated financial statements include SafeRoad Holding AB and all companies in which SafeRoad Holding AB controls more than 50% of the number of votes, or otherwise has a controlling interest. Non-controlling interests, which consist of the share of the profits/losses and the part of the net assets of Group companies that do not belong to the shareholders of the parent company, are reported as a separate item in the consolidated shareholders' equity. The statement of comprehensive income includes the non-controlling share of the reported profit or loss.

The purchase method is applied when accounting for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any put option granted to non controlling interests gives rise to a financial liability for the present value of the redemption amount. When the financial liability is recognised initially, the present value of the amount payable upon exercise of the option is reclassified from equity. The financial liability is subsequently re-measured at the end of each reporting period in accordance with IAS 39.

When the terms of the transaction provide the parent with a present ownership interest in the shares subject to the put, the shares are accounted for as acquired and no non-controlling interest remains. Factors that are considered when determining whether or not present ownership interest is granted to the acquirer is pricing terms of the put, voting rights, dividend rights and the combined effect of any call and put options. If it is concluded that the parent does not have a present ownership interest in the shares concerned, the Group must decide which standard takes precedence, IAS 32 or IFRS 10. That is, does the liability classification result in no non-controlling interest remaining in equity. The Group has concluded that IFRS 10 takes precedence and that full recognition of a non-controlling interest is recognised at the date of the business combination. If the option is exercised, it is accounted for as an acquisition of the non-controlling interest, plus the settlement of the liability against the same component of equity that was previously reduced. Changes in the carrying amount of the financial liability are recognised in profit or loss.

Consistent with IFRS 3, from 1 January 2010 all acquisition-related costs are expensed as incurred. Companies which have been acquired or sold during the year are included in the consolidated financial statement as from the date when control is achieved and until the date when control ceases. IFRS 3R requires goodwill to be determined at the acquisition date only, with no subsequent adjustments as a consequence of increased ownership.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The Group has opted to recognise the non-controlling interest at fair value for large acquisitions in 2010 (ViaCon and B&L) and for Outimex in 2011. The non-controlling interest in the other less significant acquisitions have been recognised at the proportionate share of the net assets in these companies.

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

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

Investment in associated companies

The Group's holdings in associated companies are reported in accordance with the equity method. Associated companies are companies in which the Group has significant influence. Investments in associated companies are reported on the balance sheet at their acquisition value, with the addition of any changes in the Group's share of the net assets of the associated company, minus any write-downs. The profit and loss reflects the Group's share of the profit or loss of the associated companies. After the interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If these associates subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

Foreign currency

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

Transactions in currencies different from the functional currency

Transactions in non-functional currencies are translated at the rate in effect on the transaction date. Monetary assets and liabilities that are expressed in non-functional currencies are reported on the balance sheet date, translated to the rate in effect on that date. Non-monetary assets and liabilities that are reported at their fair value in non-functional currency are translated at the rate in effect on the balance sheet date. All exchange rate differences are reported in profit and loss, except exchange differences on loans which are treated as a net investment, see next section.

Currency effect in the consolidation

The statement of financial position of subsidiaries with a different functional currency, including goodwill and adjustments for fair value made in conjunction with consolidation, is translated at the exchange rate prevailing at the end of the reporting period, while the profit and loss is translated at a weighted average of the year's exchange rates. The exchange rate differences that arise as a result of the translation are reported directly in other comprehensive income.

Exchange rate differences that arise from the translation of foreign subsidiaries are specified as exchange rate differences in other comprehensive income. In the event of a sale or other disposal of a foreign company, the accrued accumulated translation difference is recognised in profit and loss together with the gain or loss resulting from the sale or disposal.

Exchange differences on loans which are treated as a net investment in a foreign operation are recognised in other comprehensive income in the same way as translation differences.

Revenue recognition

Revenue is recognised when it is probable that transactions will generate future economic benefits that will flow to the company and the amount can be reliably estimated. Revenues are presented net of value added tax and discounts.

Revenues from the sale of goods are recognised in the profit and loss once delivery has taken place and most of the risk and rewards has been transferred.

Revenues from the sale of services and long-term manufacturing projects (Construction contracts) are recognised in the profit and loss according to the project's level of completion. The percentage of completion is determined either as the proportion of the incurred contracts costs to the estimated total contract costs ("cost to cost") or as the physical proportion of the contract work to the estimated total physical contract work. Contract revenue includes the amount agreed in the initial contract, plus revenue from alterations according to variation orders. Additional claims and disputed amounts are normally not recognised in income until agreement has been reached or a legally binding court ruling has been given. When the outcome of the transaction cannot be estimated reliably, only revenues equal to the project costs that have incurred will be recognised as revenue. The total estimated loss on a contract will be recognised in the profit and loss during the period when it is identified that a project will generate a loss. The revenue recognised in one period will be the revenues attributable to the period's progress and the progress to date effect of any changes to the estimated final outcome. Contract costs include costs that relate directly to the specific contract and allocated costs that are attributable to general contract activity. Costs that cannot be attributed to contract activity are expensed.

Expenses attributable to construction contracts are recorded as they are incurred.

Construction work in progress represents the value of construction work performed less payments by customers. The value of construction work performed is measured at revenue recognised to date. Payments by customers are deducted from the value of the same contract or, to the extent they exceed this value, reported as advances from customers.

Dividends are recognised in the profit and loss at the time the right of the shareholders to receive the payment has been determined.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Income tax

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

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

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

Deferred tax liabilities and deferred tax assets are measured on the basis of the expected future tax rates applicable to the companies in the Group where temporary differences have arisen. Deferred tax liabilities and deferred tax assets are recognised at their nominal value.

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

Property, plant and equipment

Property, plant and equipment are stated at their cost less accumulated depreciation and impairment losses, if any. When assets are sold or disposed of, the carrying amount is derecognised and any gain or loss is recognised in the profit and loss.

The cost of property, plant and equipment include taxes/duties and costs directly linked to preparing the asset ready for its intended use. Costs incurred after the asset is in use, such as regular maintenance costs, are recognised in the profit and loss, while other costs that are expected to provide future financial benefits are capitalised. Straight-line depreciation is applied during the useful life of the assets. Useful life and depreciation methods are reviewed annually. The residual value is reviewed at the end of each year, and changes in the residual value are accounted for as a change in estimates.

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

Leasing

The Group as a lessee:

Financial leasing

Leases, which for all intents and purposes, transfer all the risks and advantages with respect to the leased asset associated with ownership, are classified as financial leases. At the inception of the lease, finance leases are recognised at the lower of their fair value and the present value of the minimum lease payments. When calculating the lease's present value, the implicit interest cost in the lease is used if it is possible to calculate this. If this cannot be calculated, the company's marginal borrowing rate is used. Direct costs linked to establishing the lease are included in the asset's cost price.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the profit and loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Operating leasing

Leases for which most of the risk and return associated with the ownership of the asset have not been transferred to the Group are classified as operating leases. Lease payments are classified as operating costs and recognised in the profit and loss in a straight line during the contract period.

The Group as a lessor:

Assets that the Group uses in operational leasing as a lessor are presented in the statement of financial position according to the nature of the asset. Lease income from operating leases is recognised in income on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Material initial direct costs incurred by lessors in negotiating and arranging an operating lease is added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. The depreciation policy for depreciable leased assets are consistent with the Group`s normal depreciation policy for similar assets.

Intangible assets

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

The economic life is either finite or indefinite. Intangible assets with a finite economic life are amortised over their economic life and tested for impairment if there are any indications. The amortisation method and period are assessed at least once a year. Changes to the amortisation method and/or period are accounted for as a change in estimate.

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

Patents and licences

Expenditures for patents and licences are capitalised and depreciated over their expected useful life. The expected useful life for patents and licences varies between five and ten years.

Software

Expenses linked to the purchase of new computer software are capitalised as an intangible asset provided these expenses do not form part of the hardware acquisition costs. Software is normally depreciated in a straight line over 3 years. Costs incurred as a result of maintaining or upholding the future utility of software is expensed unless the changes in the software increase the future economic benefits from the software.

Product rights

Expenditures for rights are capitalised and depreciated over their expected useful life.

Contractual customer relationships

An intangible that arises from contractual or other legal rights is identifiable regardless of whether those rights are transferable or separable from the acquiree or from other rights and obligations. If an entity establishes relationships with its customers through contracts, those customer relationships arise from contractual rights. Therefore, customer contracts and the related customer relationships acquired in a business combination meet the contractual-legal criterion, even if confidentiality or other contractual terms prohibit the sale or transfer of a contract separately from the acquiree. Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date.

The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationship.The expected useful life varies between two and three years.

Non-contractual customer relationships

Customer relationships may also arise through means other than contracts, such as through regular contact by sales, service or other representatives. Non-contractual customer relationships acquired in a business combination are recognised at fair value separately from goodwill at the acquisition date, if they meet the separability criterion. That is; is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so. Exchange transactions for the same asset or a similar asset that indicate that other entities have sold or otherwise transferred a particular type of non-contractual customer relationship would provide evidence that the relationship is separable.

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

Research and development

Expenses relating to research activities are recognised in profit and loss as they incur. Development costs that are attributable to an individual project are reported as an asset on the balance sheet when there is reason to assume that the amount in question can be recovered in the future. Costs that are capitalised include costs of material, direct salary costs, and a share of directly attributable common expenses.

An intangible asset arising from development (or from the development phase of an internal project) shall be recognised if, and only if, an entity can demonstrate all of 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
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- its ability to measure reliably the expenditure attributable to the intangible asset during its development

Capitalised development cost is amortised over its expected useful life.

Goodwill

The difference between the cost of an acquisition and the fair value of net identifiable assets on the acquisition date is recognised as goodwill. For investment in associates, goodwill is included in the investment's carrying amount. Goodwill is recognised at cost in the balance sheet, less any accumulated impairment losses.

Goodwill is not amortised but is tested annually for impairment or if any impairment indicators exists. In connection with this, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the business combination.

Impairment of non-financial assets

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

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

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The recoverable amount of an asset or a cash-generating unit is the higher of fair value, less cost to sell, and value in use. Impairment is recognised when the carrying value exceeds the recoverable value of the asset or cash-generating unit. Previously recognised impairments are reversed if the conditions on which the recognised impairments are based are no longer applicable. Impairments are reversed to the extent that the capitalised amount after reversal does not exceed the capitalised amount net of depreciation that would have been the carrying amount if no impairment had been recognised. Impairments are not reversed for goodwill.

Financial instruments

Financial assets and liabilities classification and initial recognition
Financial instruments within the scope of IAS 39 are classified in the following categories: at fair value with changes in value through profit or loss, loans and receivables, held to maturity investments, financial instruments available for sale, and other financial liabilities.

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition at fair value through profit and loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges- see under heading " Derivative instruments". SafeRoad does currently not have instruments that are held for trading.

Financial assets with fixed or determinable cash flows that are not quoted in an active market, except for derivatives, are classified as loans and receivables. All other financial assets, except for derivatives, are classified as being available for sale. Available for sale financial investments would include equity and debt securities.

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classifies as held to maturity when the Group has the positive intention and ability to hold to maturity. SafeRoad does currently not have financial instruments that are classified as held to maturity.
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. In the case of investments classified at fair value through profit or loss, transaction cost is not capitalised.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequent measurement of financial instruments

Financial instruments that are classified as held for trading purposes and as available for sale are measured at their fair value, as observed in the market at the end of the reporting period, without deducting costs linked to a sale. Loans and receivables, investments that are held to maturity and loans and borrowings are measured at their amortised cost using the effective interest rate method (EIR). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The gain or loss resulting from changes in the fair value of financial investments that are classified as available for sale is recognised in other comprehensive income until the investment is sold. When the investment is sold, the accumulated gain or loss on the financial instrument that has previously been recognised in other comprehensive income is reversed and the gain or loss is recognised in profit and loss.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transaction; reference to the current fair value of other instruments that is substantially the same; discounted cash flow analysis or other valuation models.

Derivative instruments

The Group does not apply hedge accounting.

Financial derivatives that are not designated as hedging instruments are categorized as held for trading and measured at their fair value. Changes in the fair value are recognised in the profit and loss.
An embedded derivative is separated from the host contract and recognised as a derivative if, and only if, all the following conditions are met:

- The financial characteristics of and financial risk relating to the embedded derivative are not closely related to the financial characteristics of and financial risk relating to the host contract.
- A separate instrument with the same conditions as the embedded derivative would have complied with the definition of a derivative.
- The combined instrument (the main contract and embedded derivative) is not measured at its fair value with changes in value recognised in profit or loss.

Impairment of financial assets

Financial assets valued at amortised cost are written down when it is probable, based on objective evidence, that the instrument's cash flows have been negatively affected by one or more events occurring after the initial recognition of the instrument. The impairment loss is recognised in the profit and loss.The loss is measured as the difference between the asset`s carrying value and the present value of estimated future cash flows. If the reason for the impairment loss disappears in a later period and this disappearance can be objectively linked to an event which takes place after the impairment loss has been recognised, the previous write-down is reversed. The reversal must not result in the carrying amount of the financial asset exceeding the amount that the amortised cost would have been if the impairment loss had not been recognised on the date when the write-down was reversed.

Financial assets that are classified as available for sale are written down when there are objective indications that the asset has fallen in value. The accumulated loss that has been recognised directly in other comprehensive income (the difference between the cost and fair value minus impairment that has previously been recognised in profit and loss) is removed from other comprehensive income and recognised in the profit and loss. If the fair value of a debt instrument which is classified as available for sale increases during a later period and the increase can be objectively linked to an event which took place after the impairment loss was recognised in profit and loss, the impairment loss is to be reversed in the profit and loss. Impairment loss on equity instrument are not reversed through profit and loss, increases in their fair value after impairment are recognised directly in other comprehensive income.

Inventory

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

Accounts receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and other short-term investments

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

Shareholders' equity

Equity and liabilities

Financial instruments are classified as liabilities or equity in accordance with the underlying economic realities. Interest, dividend, gains and losses relating to a financial instrument classified as a liability will be presented as an expense or income. Amounts distributed to holders of financial instruments that are classified as equity will be recorded directly in equity.

a) Share capital, share premium reserve and other paid in capital

Includes capital contributed by shareholders

b) Other equity

Exchange difference on translation of foreign operations
Currency translation adjustments arise as a consequence of consolidated foreign entities being translated from the functional currency into the presentation currency at the rate prevailing at the reporting date. The CTA movement is included in other comprehensive income.

Exchange differences, loans treated as net investments
These are translation differences in monetary amounts which are in reality a part of the Group's net investment in foreign entities, such as the Group loans. The translation differences are presented in the statement of other comprehensive income.

c) Retained earnings

Retained earnings include the controlling interest share of profit and loss and actuarial gains/losses from defined benefit liabilities which is recognised in other comprehensive income.

Non-controlling interests

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at its proportionate share of the acquiree's net assets.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

When the terms of the transaction provide the parent with a present ownership interest in the shares held by a non-controlling shareholder, the shares are accounted for as acquired and no non-controlling interest remains. Factors that are considered when determining whether or not present ownership interest is granted to the acquirer, is pricing terms of any put options, voting rights, dividend rights and the combined effect of any call and put options. If it is concluded that the parent does not have a present ownership interest in the shares concerned, the Group must decide which standard takes precedence, IAS 32 or IFRS 10. That is, does the liability classification result in no non-controlling interest remaining in equity. The Group has concluded that IFRS 10 takes precedence and that full recognition of a non-controlling interest is recognised at the date of the business combination. If the option is exercised, it is accounted for as an acquisition of the non-controlling interest, plus the settlement of the liability against the same component of equity that was previously reduced. Changes in the carrying amount of the financial liability are recognised in profit and loss.

Remunerations to employees

Defined benefit pension plans

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

Actuarial gains and losses are reported in other comprehensive income. The difference between actual return for plan asset and the amount included in net interest is reported in other comprehensive income.

Changes in the pension obligation due to changes in pension plans:

- If the pension plan change is dependent on future employee service (employment in the Group), the effect of the change is recognised on a straight-line basis over the estimated average period until the benefits become vested
- If the pension plan change is not dependent on future service, past service cost should be recognised in the profit and loss in the period the plan is changed (past service cost is defined as the change in the present value of the defined benefit obligation for employee service in prior periods)

Defined contribution plans

The pension contributions are charged to expenses as they are incurred.

Multi-employer plans

Multi-employer plans are defined contribution plans or defined benefit plans that: (a) pool the assets contributed by various entities that are not under common control; and (b) use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

An entity shall classify a multi-employer plan as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

When sufficient information is not available to use defined benefit accounting for a multi-employer plan that is a defined benefit plan, IAS 19 (34) prescribes the entity to account for the plan as if it was a defined contribution plan.

Provisions

A provision is recognised when the Group has an obligation (legal or constructive) as a result of a past event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is material, the provision is calculated by discounting estimated future cash flows using a pre-tax discount rate that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

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

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

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

Contingent liabilities and assets

Possible liabilities (obligations) that do not satisfy the three provision criterions are categorized 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 may have to be recognised in a business acquisition regardless of probability, if they can be measured reliably.
Contingent assets are not recognised in the annual accounts but are disclosed if there is a certain probability that a benefit will be added to the Group.

Events after the balance sheet date

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

Note 3 Significant accounting estimates and judgments

During the preparation of the annual accounts and consolidated annual accounts, assessments and assumptions are made that will affect the accounts and disclosures. Situations and changes in market conditions can occur that require changes in previous assessments and key assumptions. This may have significant effect and may cause material adjustments to the carrying amounts of assets and liabilities, equity and the profit for the year. All estimates are assessed to the most probable outcome based on the management's best knowledge.

Sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets or liabilities within the next year is discussed below:

Depreciation of tangible assets and amortisation of intangible assets, see Note 14 and 15.

The expected useful life of the production equipment in the Group is to a large extent affected by technological development, and assumptions that have been made. The useful life may deviate from the reported current life.

Impairment of goodwill, other intangible assets and of property, plant and equipment, and the reversal of impairment of intangible assets and property, plant and equipment, see Note 15.

The reported goodwill of the Group has been tested for impairment based on December 2014 Group figures. The key assumptions used to determine the recoverable amount are provided in Note 15. An impairment loss of SEK 129.8 million is recognised in the profit and loss statement in 2014, relating to the goodwill of the cash generating units Balcony and RRS Europe. No significant events or changes in business or market that potentially would change the conclusions were identified from 31 December 2014 till the reporting date. The business is however, significantly affected by the economic climate, which may result in fluctuations in value in use calculations.

Net realisable value of inventory, see Note 8.

Inventories are recognised at the lower of cost and net realisable value. The net realisable value is sensitive to management assumptions regarding the future selling price and estimated cost of completion.

Accounts receivable, see Note 17.

Accounts receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Provisions are measured at the management's best estimate. Estimation uncertainty is related to correct and adequate estimates of credit risk, timing and size of payment from the customers.

Deferred tax assets, see Note 13.

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

Options on shares, see Note 16.

In some acquisitions of companies with non-controlling interests, options are issued for the purchase of the remaining shares. The options are recognised at the discounted value of the estimated future payment. The key assumptions take into consideration the probability of meeting performance targets and the discount factor. The actual payments may differ from the estimates.

Judgements in applying the Group's accounting policies

Management is required to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated, and which entities in which the Group has significant influence, and therefore required to be accounted for as Associated companies. The assessments are sensitive to management assumptions

Note 4 Business combinations and changes in the Group structure

Changes in the Group structure in 2014

ViaCon established ViaCon Kisan in Turkey in 2014 with a Turkish local partner Kisan (minority shareholder with 30% of the shares), to develop a business focusing on innovative infrastructure project in one of the largest growing markets for infrastructure. ViaCon has built up part of the production capacity in Turkey.

Also Saferoad RRS GmbH has established a business in Turkey (Saferoad Kisan) with Turkish local partner Kisan (minority shareholder with 30% of the shares). The Turkish market is growing and the newly established company (year end 2013) will strengthen RRS's market presence.

The subsidiary Saferoad RRS GmbH sold their 25% holding of the shares in GfS GmbH in December 2014, see Note 5.

Changes in the Group structure 2013

In September 2013 the SafeRoad subsidiary Viacon Sp.Z.o.o. acquired 100 % of the voting shares in the Polish Company Steel System Sp.z.o.o., at the price PLN 4.4 million for a cash consideration. Steel System Sp.z.o.o is a sales oriented business that is inline with the product range of ViaCon, and will act as platform for wider market penetration. A goodwill of SEK 9.5 million arised from the transaction and reflects expected synergies from the acquisition. None of the goodwill is expected to be deductible for tax purposes. Revenues of SEK 4.2 million and net loss of SEK 0.2 million have been consolidated in 2013 in the period September- 31 December.

The former associated company BBV GmbH was from September 2013 classified as available for sale shares due to sale of part of the shares, see Note 5.

Note 5 Associated companies and other investments

Associated companies

The Associated companies are companies in which the Group has significant influence. The assessment of influence is based on a judgement of ownership in combination of voting rights, and other contractual arrangements.

The Group has ownership in the following associated companies as of 31 December 2014:

Associated companies	Country	Owner share	Time of aquisition
Viacon Technologies	Belarus	50 %	21.12.2010
Ferrozink Trondheim AS	Norway	40 %	01.09.2008
Lade Metall AS	Norway	40 %	01.09.2008
IBOS Sp. z.o.o.	Poland	50 %	15.02.2011
RindeRekon AS	Norway	42 %	01.09.2008
Bjartmar Rinde AS	Norway	42 %	01.09.2008

The Norwegian associated companies are not strategic to the Group activities. The other associated companies are a part of the Group's value chain as producer, supplier or distributor.

The subsidiary Saferoad RRS GmbH sold their 25% of the shares in GfS GmbH in December 2014. Until the date of sales GfS GmbH was accounted for as an associated company in the Group accounts.

Saferoad RRS GmbH owned 50% of the shares in BBV GmbH, and after a sale of shares in September 2013 Saferoad RRS GmbH's retained interest in BBV GmbH is 15% of the shares. BBV GmbH was accounted for as an associated company in the Group accounts until September 2013, and thereafter the retained interest in the former associated company BBV GmbH is classified as a financial asset, measured at fair value, as the Groups significant influence in the company is assessed to cease from this point. On the remaining 15% of the shares call and put options are issued.

Rinde Rekon AS and Bjartmar Rinde AS were consolidated as subsidiaries until June 2012, despite ownership interests below 50 %, due to control from other contractual arrangements. In June 2012 the contractual arrangements changed, and the companies are accounted for as associated companies from 1 July 2013, at a opening balance at fair value of zero. As the Group's share of losses exceeds the Group's interest in these associates (excluding receivables that are not part of the net investment), the Group has discontinued recognising its share of further losses to the extent the Group did not incur legal or constructive obligations or made payments on behalf of the associate. The unrecognised share of losses (preliminary numbers) amounts to SEK 0.8 million for 2014, SEK 5.5 million for 2013 and to SEK 7.2 million for the second half of 2012, and are not included in the table below.

Rinde Rekon was part in a legal proceeding with a customer for which a settlement was reached in May 2014. Saferoad´s obligations related to guarantees to Rinde Rekon and to the legal proceeding were provided for as liability of SEK 9.5 million as of 31 December 2013 and included in the table below on the line 'Share of this year's profit/loss' for 2013. In 2014 Saferoads obligations were settled, and the settlement is included on the line 'Other' in 2014 in the table below. Saferoad has also written down other receivables of SEK 1.9 million in 2014 (SEK 4.9 million in 2013) against Rinde Rekon included in Other financial expenses, see Note 12.

Change in carrying value associated companies

2014	Rinde Rekon AS	Bjartmar Rinde AS	Ferrozink Trondheim AS	Lade Metall AS	IBOS SP. z o.o.	GfS GmbH	Viacon Technologies Belarus	Total
Opening balance 01.01.14	-9 502	0	4 544	556	58	3 492	3 762	2 910
Share of this year's profit/loss	0	0	658	-573	0	1 608	26	1 719
Equity transactions, dividends	0	0	0	0	0	0	-220	-220
Sales (+) and disposals (-)	0	0	0	0	0	-5 318	0	-5 318
Other	9 797	0	0	0	0	0	0	9 797
Translation difference	-296	0	-87	17	12	219	-11	-147
Carrying value 31.12.14	**0**	**0**	**5 115**	**0**	**70**	**0**	**3 557**	**8 742**

2013	Rinde Rekon AS	Bjartmar Rinde AS	Ferrozink Trondheim AS	Lade Metall AS	IBOS SP. z o.o.	BBV GmbH	GfS GmbH	Viacon Technologies Belarus	Total
Opening balance 01.01.13	0	0	4 385	854	57	15 133	6 775	910	28 115
Share of this year's profit/loss	-9 978	0	615	-225	0	4 313	0	668	-4 606
Equity transactions, dividends	0	0	0	0	0	0	-3 404	0	-3 404
Aquisitions	0	0	0	0	0	0	0	2 183	2 183
Sales (+) and disposals (-)	0	0	0	0	0	-19 558	0	0	-19 558
Translation difference	476	0	-457	-72	1	112	120	0	180
Carrying value 31.12.13	**-9 502**	**0**	**4 544**	**556**	**58**	**0**	**3 492**	**3 762**	**2 910**

'Share of profit/(loss) of associated companies' in the statement of comprehensive income includes share of this year's profit, gain from sale of shares in associated companies and gain from reclassification of shares in associated companies to financial asset.

Financial information regarding associated companies (100% basis)

Financial information 31.12.2014	Rinde Rekon AS	Bjartmar Rinde AS	Ferrozink Trondheim AS	Lade Metall AS	IBOS SP. z o.o.	Viacon Technologies Belarus	Total
Assets	1 586	18	20 264	4 840	0	12 881	39 589
Liabilties	43 821	2 974	7 851	7 320	0	5 768	67 734
Revenues	6	0	45 373	17 243	0	26 487	89 109
Profit+ / Loss- (1.1 - 31.12)	-1 628	-362	1 646	-1 904	0	7 113	4 865
Ownership share	42 %	42 %	40 %	40 %	50 %	50 %	

Financial information 31.12.2013	Rinde Rekon AS	Bjartmar Rinde AS	Ferrozink Trondheim AS	Lade Metall AS	IBOS SP. z o.o.	GFS GmbH 1)	Viacon Technologies Belarus	Total
Assets	8 543	966	19 433	3 251	1 425	62 133	5 387	101 137
Liabilties	42 281	3 457	8 363	3 499	380	56 914	4 039	118 934
Revenues	5 409	5 134	43 727	17 042	4 992	118 817	8 492	203 613
Profit+ / Loss- (1.1 - 31.12)	-15 418	-97	1 539	-564	262	2 657	1 337	-10 285
Ownership share	42 %	42 %	40 %	40 %	50 %	25 %	45 %	

1) Assets, liabilities and revenues shown are for 2012

Other investments

	31.12.2014	Ownership share 2014	31.12.2013	Ownership share 2013
BBV GmbH	9 416	15.00%	8 850	15.00%
Bostadsföreningen Mora 1	480	0.98%	480	0.98%
Juralco AS	2 144	19.87%	2 173	19.87%
Ørstahytta AS	684	48.24%	507	40.00%
Norsk Marinadrift AS	-	11.17%	6 365	11.17%
Other shares	539	Na	1 035	Na
Total shares	**13 263**		**19 409**	

Note 6 Operating revenues

The Groups total external operating revenues for 2014 and 2013 can be summarized in the following tables:

2014

Business area	RRS Europe	Infrastructure	Signs	ViaCon	Holdings/Other [1]	Total
Net revenue - products	482 209	1 365 116	1 199 004	1 374 471	67 553	4 488 353
Net revenue - services	390 227	338 070	89 496	76 750	(355)	894 187
Other operating revenue	11 632	6 609	2 959	14 273	450	35 923
Total revenue	**884 067**	**1 709 795**	**1 291 459**	**1 465 494**	**67 648**	**5 418 463**

Geographical area	Norway	Sweden	Denmark /Finland	Germany	Poland	Baltic	Other	Total
Net revenue - products	1 427 081	1 282 431	361 129	509 890	169 576	400 862	337 383	4 488 353
Net revenue - services	65 064	92 110	52 480	209 136	361 419	21 684	92 294	894 187
Other operating revenue	2 833	7 386	3 030	9 631	4 945	2 221	5 878	35 923
Total revenue	**1 494 978**	**1 381 928**	**416 639**	**728 657**	**535 940**	**424 766**	**435 555**	**5 418 463**

2013

Business area	RRS Europe	Infrastructure	Signs	ViaCon	Holdings/Other [1]	Total
Net revenue - products	520 737	1 352 843	1 034 970	1 313 731	21 790	4 244 071
Net revenue - services	271 188	305 825	58 283	80 743	886	716 925
Other operating revenue	46 214	9 343	5 829	13 236	962	75 584
Total revenue	**838 140**	**1 668 011**	**1 099 081**	**1 407 710**	**23 638**	**5 036 580**

Geographical area	Norway	Sweden	Denmark /Finland	Germany	Poland	Baltic	Other	Total
Net revenue - products	1 334 392	1 192 290	354 638	489 472	279 314	297 702	296 264	4 244 071
Net revenue - services	75 114	73 368	41 500	206 799	244 833	22 429	52 882	716 925
Other operating revenue	4 872	10 823	4 502	41 916	10 391	1 375	1 705	75 584
Total revenue	**1 414 378**	**1 276 481**	**400 640**	**738 187**	**534 537**	**321 506**	**350 851**	**5 036 580**

1) The Holdings/Other Business area includes the Balcony division and the holding companies in the Group

Other operating revenue includes rental revenue and revenue from recycling and sale of scrap.

The Group does not present segment information in accordance with IFRS 8 as the Group has no debt or equity that are traded in a public market and does not file the financial statements with any regulatory organisation.

Note 7 Construction contracts

SafeRoad is involved in contracts specifically negotiated to provide construction services to the buyers specification. These contracts are often relatively short term in nature but in many cases reaching over several months and sometimes years. At 31 December 2014 Saferoad had ongoing road infrastructure projects and multi-year maintenance contracts. The status of SafeRoad's contracts in progress at the end of 2014 is as follows:

	2014		2013	
	Year to date	**Contracts to date**	**Year to date**	**Contracts to date**
Contract revenue recognised	383 755		288 792	
Contract expenses recognised		299 494		263 284
Recognised profits less losses		84 262		55 419
Earned not invoiced on ongoing contracts (included in other receivables)		16 321		61 463
Prepayments from customers (included in other current liabilities)		-17 380		-11 793
Advances received		0		875
Retentions		4 607		1 335

Note 8 Cost of goods sold and inventory

Cost of goods sold	2014	2013
Changes in stock, produced goods and work in progress	-16 780	3 084
Write-down of inventory	-11 487	-171
Purchases of goods, external	3 105 043	2 787 904
Total cost of goods sold	**3 076 775**	**2 790 817**

Inventory	Carrying value 31.12.2014	Carrying value 31.12.2013
Raw materials	393 330	387 773
Work in progress	55 247	57 179
Own produced goods	138 823	126 220
Finished goods	267 809	248 928
Total inventory	**855 209**	**820 100**

The Group's inventory growth is mainly driven by volume and revenue increase in 2014.

Note 9 Other operating expenses

Other operating costs includes:	2014	2013
Fees to auditors	12 169	10 865
Rent	70 091	57 165
Other costs related to premises	61 069	61 741
Operational lease	32 836	29 326
Direct operating costs (incl. repairs and maintenance)	175 486	162 406
Selling and distribution costs	221 953	205 855
Administrative costs	122 843	105 200
Membership, insurance, license- and guarantee costs	27 833	25 191
Capital losses upon sales of fixed assets	2 848	1 537
Bad debts	20 259	21 648
Other operating costs	30 030	54 009
Total other operating costs	**777 417**	**734 943**

The Group has entered into different operational lease and rental agreements for machinery, offices and other facilities. Rental agreements are mainly rental of premises for own use. Most of the agreements contain an option for extension. For details related to these agreements see Note 25 Leasing, rental agreements.

Fees to auditors	2014	2013
Fees for audit	10 429	9 514
Fees for attestation services	161	49
Fees for tax services	1 086	381
Fees for other services	493	922
Total fees	**12 169**	**10 865**
Of which is auditing fees to Ernst & Young	7 949	7 262
Of which is other fees to Ernst & Young	836	986

Note 10 Employees, total personnel costs

No of employees	2014 Men	2014 Women	2014 Total	2013 Men	2013 Women	2013 Total
Norway	439	76	515	443	74	517
Sweden	476	58	534	466	54	520
Denmark	89	20	109	83	16	99
Poland	575	93	668	556	86	642
England	58	5	63	47	5	52
Germany	178	73	251	195	40	235
Balticum	169	31	200	171	48	219
Holland	6	2	8	14	2	16
Others	189	43	232	123	41	164
Total no of employees	**2 179**	**401**	**2 580**	**2 098**	**366**	**2 464**
Distribution %	84 %	16 %		85 %	15 %	

Women in Board of Directors and Group Management	Percentage women 2014	Percentage women 2013
Board of Directors	13 %	13 %
Group Management	0 %	0 %

Salaries and remuneration

	2014	2013
Salary	890 331	825 604
Social security tax on salaries, pensions, bonuses etc	166 103	167 716
Other personnel expenses	22 807	22 539
Pension expenses	51 336	45 527
Bonuses	14 772	22 568
Total salaries and remuneration	**1 145 349**	**1 083 954**

Whereof Salaries and remuneration for Board of Directors, Group CEO and Group Management

	2014	2013
Salary	15 937	5 555
Other Renumeration	2 170	1 579
Pension expenses	1 423	187
Total salaries and remuneration	**19 529**	**7 320**

See Note in the Parent company's financial statement for further details on the remuneration of the CEO of the Group.

The salary for the interim Group CEO's in the period May - December 2013 was paid by Nordic Capital and was not recharged to Saferoad Holding AB.

Remuneration to the Board of Directors in the table above applies to the Board of Directors of the subsidiary Saferoad AS, which consists of 8 members. Remuneration is set to a fixed fee for the year. The members of the Group Management which consists of 7 members have agreed remuneration and conditions on standard terms (and are entitled to benefits such as pensions- and insurance arrangements, company car or car allowance, and with a bonus element), with the exception of one member with an employment contract until June 2016. The contract includes an option to extend the term of the contract and a mutual option to terminate the contract at an earlier date combined with a penalty fee.

Shares, options and loans from shareholders

Some managers have invested in Saferoad Holding AB as part of an incentive programme. These investments have been made on market terms, and no stock options are involved in the investments. Certain managers have also granted shareholders' loans to Saferoad Holding AB on market terms. See Note 24 for specification of shareholders and shareholders' loans.

Note 11 Pensions

The Group policy is to offer pension contribution plans to its employees. The Norwegian companies in the Group are required by law to have a pension scheme. This requirement is fulfilled by the Norwegian entities. The main characteristic of a defined contribution plan is that the employer`s obligation is limited to the amount it agrees to contribute to the plan. For such plans the contribution is expensed as they are incurred.

In line with the Group policy most defined benefit plans was terminated in 2008 or earlier. For historical reasons there are still a limited number of such plans in place, in Sweden, Norway and in Germany. The main financial and accounting impact of the remaining defined benefit plans have been summarized below, under the heading 'defined benefit expense' and 'defined benefit assets and liabilities'.

Pension expense for the year	**2014**	**2013**
Defined benefit expense:		
Service cost	380	713
Interest expense on benefit obligations	2 356	2 933
Expected return on assets	-1 012	-2 683
Social security tax	722	985
Total defined benefit expense	2 446	1 949
Defined contribution expense:	48 890	43 579
Total pension expense	**51 336**	**45 527**
Defined benefit assets and liabilities		
Accrued pension obligations	60 751	56 472
Pension plan assets	-23 530	-23 144
Net benefit obligations	**37 221**	**33 328**
Plans with a surplus is recognised separately from plans with a deficit:		
Recognised pension assets	361	417
Recognised pension obligations	37 582	33 745

Actuarial and financial assumptions (defined benefit plans):

	2014 Norway	2014 Sweden	2014 Germany	2013 Norway	2013 Sweden	2013 Germany
Discount rates	3.0%	2.8%	1.9%	4.1%	3.5%	3.6%
Salary increase	3.3%	3.0%	0.0%	3.8%	3.0%	0.0%

Actuarial losses of SEK 3 959 thousand (after tax) in 2014 and actuarial losses of SEK 6 231 thousand (after tax) in 2013, have been recognised in other comprehensive income.

Note 12 Financial items

	2014	2013
Interest income	6 353	14 712
Fair value gains on derivatives	0	4 930
Other financial income	7 412	973
Total financial income	**13 765**	**20 616**
Interest expenses	196 146	318 249
Fair value loss on derivatives	16 071	0
Other financial expenses	35 192	37 647
Total financial expenses	**247 409**	**355 896**
Currency exchange gain	159 572	182 036
Currency exchange loss	118 497	145 630
Net exchange rate gain (loss)	**41 075**	**36 406**
Share of profit/(loss) of associated companies	5 895	9 421
Net financial income/expenses	**-186 674**	**-289 453**

All financial income and expenses relates to financial assets and liabilities that are not at fair value through profit or loss, except for the fair value gains and losses on derivatives. Other financial expenses in 2014 consist mainly of various bank charges. Other financial expenses in 2013 includes changes in estimates for future payments and contingent considerations, see also Note 16, write-down of loans to associated companies and bank fees.

Note 13 Income tax

Tax income/(expense):

	2014	2013
Tax payable	-28 987	-31 510
Changes in deferred tax	-34 616	-56 956
Tax income/(expense)recognised in the income statement	**-63 603**	**-88 466**
Prepaid tax [1]	11 965	16 265
Tax payable for the year	-7 134	-11 136
Total (net) tax payable 31 December (+receivable/-liability)	**4 831**	**5 130**

[1] Included in other receivables in the statemement of financial position

A reconciliation of the effective rate of tax and the tax rate in Saferoad Holding AB's country of registration:

	2014	2013
Profit /(loss) before tax:	-160 383	-112 400
Expected income taxes according to income tax rate in Sweden 22%	35 284	24 728
Adjustment in respect of current income tax of previous years	-5 499	-10 421
Deferred tax assets not recognised current year	-58 598	-59 143
Use of previously unrecognised loss carried forward	11 008	918
Impairment of goodwill, non deductable	-37 722	0
Non deductable expenses	-17 172	-45 808
Non-taxable income	4 009	9 068
Tax rate outside Sweden other than 22%	3 865	-6 668
Change in deferred tax assets/liabilities due to change in tax rates [2]	2 493	-221
Other	-1 272	-920
Tax income/(expense)recognised in the income statement	**-63 603**	**-88 466**

Income tax income/ (expense)reported in other comprehensive income:		
Pensions	330	-600
Tax on currency adjustments, net investments		32 403
Income tax on other comprehensive income	**330**	**31 803**

Deferred tax liabilities/(deferred tax assets):	**2014**	**2013**
Non- current assets and liabilities:		
Intangible assets	105 342	117 595
Tangible fixed assets	59 874	64 420
Pensions	-5 081	-4 317
Other non- current items	2 642	7 239
Total non current assets and liabilities	**162 778**	**184 937**
Current assets and liabilities:		
Inventory	704	1 316
Liabilities	-3 557	-3 379
Receivable trade	-2 291	-2 298
Other investments at fair value	-3 255	-3 304
Other current items	-3 944	-188
Total current assets and liabilities	**-12 343**	**-7 852**
Tax losses carried forward	-212 805	-216 251
Of which assets not recognised (valuation allowance)	-163 230	-100 322
Net recognised deferred tax liabilities	100 860	61 155
Of which deferred tax assets	20 842	16 552
Of which deferred tax liabilities	-121 701	-77 708

The Group has a total tax loss carried forward of MSEK 970 at 31 December 2014 (2013: MSEK 934) which expires as follows:

	Sweden	United Kingdom	Germany	Other	Sum 2014	Sum 2013
Current year +1 year				12 147	12 147	4 937
Current year + 2 year				16 129	16 129	4 507
Current year +3 years				15 414	15 414	1 381
Current year +4 years				29 951	29 951	36 867
Current year +5 years or later				54 736	54 736	52 581
No due date	590 741	154 856	81 893	14 497	841 986	833 999
Total tax loss carried forward	**590 741**	**154 856**	**81 893**	**142 873**	**970 363**	**934 272**
On which deferred tax assets have not been recognised	415 889	147 095	81 893	96 779	741 656	453 778
Total tax loss on which deferred tax assets have been recognised	**174 852**	**7 761**	**0**	**46 094**	**228 708**	**480 494**

Changes in net deferred taxes:

	2014	2013
As of 1 January	**61 155**	**39 243**
Recognised in profit and loss	34 616	56 956
Recognised as other comprehensive income	330	-31 803
Acquistions and disposals	0	0
Translation differences	4 758	-3 240
As of 31 December	**100 860**	**61 155**
Of which deferred tax assets	20 842	16 552
Of which deferred tax liabilities	-121 701	-77 708

2) Deferred tax assets/liabilities are measured at new tax rate 22% from year end 2014 for Danish entities. Deferred tax assets/liabilities were measured at new tax rates from year end 2013 for Norwegian and Polish entities, 27% and 20% respectively. Denmark has decided to reduce the corporate income tax to 23.5% in 2015 and 22% in 2016. In 2013 Norway decided to reduce the corporate income tax from 28% to 27% and Poland decided to reduce the corporate income tax from 24.5% to 20%, both effective for tax years beginning after 31 December 2013.

The Group's Expected income taxes in 2014 and 2013 are measured according to income tax rate in Sweden for (22%). Norway decided to expand the interest-deduction limitation regime effective from 2014, and Sweden decided to expand the interest-deduction limitation regime effective from 2013. This is the main explaination to non-deductable expenses in 2014 and in 2013.

For all countries a net deferred tax liability is recognised at year end, except for Sweden and a smaller amount for the Netherlands, where a net tax asset is recognised. There is no due date on tax losses carried forward in Sweden, and the tax loss carried forward in Sweden is expected to be utilized over time. However, for parts of the tax losses carried forward in Sweden a deferred tax asset has not been recognised as per 31 December 2014 and per 31 December 2013, due to uncertainty related to time of utilization and the strong evidence requirement of future profit.

Note 14 Property, plant and equipment

2014	Land	Buildings	Machines / equipment	Work in progress	Rental equipment / furniture / vehicles 2)	2014
Accumulated cost 1 January 2014	37 485	665 191	516 865	10 183	323 965	1 553 690
Reclassifications	0	8 245	31 756	-11 906	-37 075	-8 979
Additions	37	4 623	126 879	6 505	49 312	187 356
Disposals	0	-217	-29 623	-210	-15 675	-45 725
Translation differences	608	11 826	11 289	294	7 127	31 143
Accumulated cost 31 December 2014	**38 130**	**689 668**	**657 166**	**4 866**	**327 654**	**1 717 484**
Depreciation method	**No**	**Linear**	**Linear**	**No**	**Linear**	
Useful life	**depreciation**	**10-40 year**	**5-10 year**	**depreciation**	**3-5 year**	**2014**
Accumulated depreciations 1 January 2014	146	178 012	217 975	27	123 495	519 655
Reclassifications	0	-633	27 585	0	-26 951	0
Disposals	0	-29	-24 623	0	-11 024	-35 676
Depreciations	0	37 635	70 875	0	47 594	156 105
Impairments 1)	0	22 476	0	58	369	22 903
Translation differences	-142	1 334	5 059	0	3 257	9 508
Accumulated depreciations and impairments 31 December 2014	**4**	**238 795**	**296 871**	**85**	**136 741**	**672 495**
Carrying value 1 January 2014	**37 339**	**487 179**	**298 890**	**10 156**	**200 469**	**1 034 034**
Carrying value 31 December 2014	**38 126**	**450 872**	**360 295**	**4 782**	**190 914**	**1 044 989**

1) SEK 22.476 thousand represents impairment of buildings at Gavle AB.
2) This category includes rental equipment when the Group is the lessor.

2013	Land	Buildings	Machines / equipment	Work in progress	Rental equipment / furniture / vehicles 4)	2013
Accumulated cost 1 January 2013	37 809	677 704	447 728	2 424	328 565	1 494 230
Reclassifications 1,2,3)	-661	4 330	24 395	-4 185	-29 693	-5 814
Additions	934	6 191	74 385	13 060	47 824	142 393
Disposals	-82	-2 202	-19 282	-1 405	-18 490	-41 460
Translation differences	-515	-20 830	-10 361	289	-4 243	-35 660
Accumulated cost 31 December 2013	**37 485**	**665 191**	**516 865**	**10 183**	**323 965**	**1 553 690**
Depreciation method	**No**	**Linear**	**Linear**	**No**	**Linear**	
Useful life	**depreciation**	**10-40 year**	**5-10 year**	**depreciation**	**3-5 year**	**2013**
Accumulated depreciations 1 January 2013	188	146 457	153 433	0	104 502	404 580
Reclassifications 3)	-13	57	16 788	0	-16 045	786
Disposals	0	-601	-9 827	0	-12 993	-23 421
Depreciations	0	37 810	62 369	0	46 803	146 981
Translation differences	-28	-5 711	-4 788	27	1 229	-9 271
Accumulated depreciations and impairments 31 December 2013	**146**	**178 012**	**217 975**	**27**	**123 495**	**519 655**
Carrying value 1 January 2013	**37 621**	**531 247**	**294 295**	**2 424**	**224 063**	**1 089 651**
Carrying value 31 December 2013	**37 339**	**487 179**	**298 890**	**10 156**	**200 469**	**1 034 034**

1) SEK 6 600 thousand on the line 'reclassification' relates to capitalized development costs in SafeRoad RRS previously classified as tangible assets (machinery)
2) SEK 29 693 thousand on the line 'reclassification' have been moved from Rental equipepment/furniture/vehicles to machines/equipment due to lease buy-outs
3) SEK 786 thousand on the line 'reclassification' relates to a correction between accumulated cost and accumulated depreciation in the Viacon company Pilani Lithuania
4) This category includes rental equipment when the Group is the lessor.

There is no material capitalised interest cost on property, plant and equipment per 31 December 2014 and per 31 December 2013.

Financial leasing

The Group has financial and operating leases, see Note 25 for operating leases. The Group's assets under financial lease agreements, where the Group is the lessee, include machinery and equipment, furniture and vehicles. In addition to the rental payments, the Group has obligations relating to the maintenance and other user-related costs of the assets. The lease periods vary from 3 years to 10 years, and several agreements involve a right of renewal.

The carrying value of capitalised leases is:

Carrying value capitalised leases	31 December 2014	31 December 2013
Machinery and equipment, furniture and vehicles	34 524	39 805
Total	**34 524**	**39 805**

Note 15 Intangible assets

2014	Product rights	Development	Goodwill	Customer relationship	Other	2014
Accumulated cost 1 January 2014	59 243	116 059	1 562 021	712 116	71 698	2 521 138
Reclassifications	0	8 979	0	0	0	8 979
Additions	1 417	11 443	0	0	3 693	16 552
Derecognition	0	357	0	0	-370	-13
Translation differences	-91	7 339	16 939	18 636	2 288	45 111
Accumulated cost 31 December 2014	**60 569**	**144 177**	**1 578 960**	**730 752**	**77 309**	**2 591 766**

Amortisation method Useful life	Linear 5-10 year	Linear 3-15 year	No amortization	Linear 5-15 year	Linear 3-15 year	2014
Accumulated amortisations 1 January 2014	18 359	52 342	0	286 039	55 801	412 541
Reclassifications	0	0	0	0	0	0
Amortisations	3 412	15 579	0	55 924	8 158	83 072
Derecognition	0	0	0	0	-58	-58
Impairments [1)]	0	745	129 806	0	0	130 551
Translation differences	-796	4 130	2 178	7 290	1 597	14 398
Accumulated amortisations and impairments 31 December 2014	**20 975**	**72 796**	**131 984**	**349 253**	**65 497**	**640 504**
Carrying value 1 January 2014	**40 885**	**63 717**	**1 562 021**	**426 077**	**15 897**	**2 108 597**
Carrying value 31 December 2014	**39 595**	**71 380**	**1 446 977**	**381 499**	**11 811**	**1 951 262**

1) SEK 129 806 thousand represents impairment of goodwill of SEK 29 861 thousand related to CGU Balcony, including companies Montal Systems AS and Montal AB, and impairment of goodwill of SEK 99 945 thousand related to CGU RRS Europe

2013	Product rights	Development	Goodwill	Customer relationship	Customer contracts	Other	2013
Accumulated cost 1 January 2013	47 878	109 513	1 615 615	722 141	179 181	39 167	2 713 494
Reclassifications [1, 2)]	12 818	6 600	0	0	-41 184	28 366	6 600
Additions	20	2 891	9 159	0	0	5 459	17 528
Derecognition	0	-1 082	0	0	-129 773	-970	-131 825
Translation differences	-1 472	-1 863	-62 753	-10 025	-8 223	-323	-84 659
Accumulated cost 31 December 2013	**59 243**	**116 059**	**1 562 021**	**712 116**	**0**	**71 698**	**2 521 138**

Amortisation method Useful life	Linear 5-10 year	Linear 3-15 year	No amortization	Linear 5-15 year	Linear 2-3 year	Linear 3-15 year	2013
Accumulated amortisations 1 January 2013	8 477	38 058	0	227 093	159 017	23 893	456 538
Reclassifications [2)]	6 813	0	0	0	-21 020	14 207	0
Amortisations	3 962	17 079	0	63 660	0	18 130	102 832
Derecognition	0	-865	0	0	-129 773	0	-130 638
Impairments	0	0	0	0	0	0	0
Translation differences	-893	-1 929	0	-4 714	-8 223	-430	-16 190
Accumulated amortisations and impairments 31 December 2013	**18 359**	**52 342**	**0**	**286 039**	**0**	**55 801**	**412 542**
Carrying value 1 January 2013	**39 401**	**71 455**	**1 615 615**	**495 048**	**20 164**	**15 274**	**2 256 956**
Carrying value 31 December 2013	**40 885**	**63 717**	**1 562 021**	**426 077**	**0**	**15 897**	**2 108 597**

1) SEK 6600 thousand on the line 'reclassification' relates to capitalized development costs in SafeRoad RRS previously classified as tangible assets (machinery)

2) In 2013 acc. cost of SEK 41 184 thousand and acc. amortisations of SEK 21 020 have been reclassified from Customer contracts to Product rights and Other

Impairment testing of goodwill

The Group tests goodwill for impairment annually or more frequently if there are indications that goodwill is impaired. The impairment test has been carried out in April and May 2015, based on December 2014 Group figures. Recognised goodwill in the Group as of 31st of December 2014 is SEK 1 446 977 thousand and is mainly derived from the acquisition of SafeRoad AS that was completed in 2008 and further acquisitions in 2010 and 2011.

Changes in Groups of Cash-Generating Unit composition

There were no significant changes in the composition of the groups of cash-generating units (CGU) during 2014.

The composition of the groups of cash-generating units (CGU) was changed in 2013. The Scandinavian Roadmarking companies that were part of the Infrastructure CGU in 2012 were during 2013 moved to the Signs CGU, following a change in the Group's divisional structure to the same effect. Goodwill has been allocated to the five groups of cash-generating units for impairment testing as follows:

CGU	31 December 2014	31 December 2013
RRS Europe		97 276
Infrastructure	838 269	719 060
Signs	390 757	503 191
ViaCon	217 949	213 534
Balcony		28 959
Total	**1 446 977**	**1 562 021**

SafeRoad has applied value in use to determine the recoverable amount in the cash generating units. The model is built on division- and entity specific cash-flows the coming 5 years. SafeRoad has applied a weighted average cost of capital (WACC) specific for each CGU. The value in use is the net present value of the estimated cash flow before tax, using a discount factor reflecting the timing of the cash flows and the expected risks.

The Cash-flows in the calculations is based on the long term budget for the period 2015 to 2019, approved by the board of the Group. Cash flows beyond the 5-year period are extrapolated with a long-term growth rate that is similar to the expected long term inflation per country.

The calculations of terminal value are based on Gordon's formula.

Key assumptions used in value-in-use calculations

(2013 figures in parenthesis)

The calculations of value-in-use for all the CGU are to a large extent based on key assumptions related to:

- Sales growth
- Discount rates
- Currency fluctuations
- Raw materials price level

Sales growth – The expected sales growth varies, both between entities within a CGU and between CGUs. Sales growth combines estimated market growth with strategic initiatives in the respective CGU.

Discount rates – Discount rates reflect the current market assessment of the risks specific to each CGU. The discount rate is estimated based on the average percentage of a weighted average cost of capital for the industry and is further adjusted to reflect the market assessment of any risk specific to the CGU for which future estimates of cash-flows have not been adjusted. The market risk premium of equity was increased one percentage point, up from 5% in 2013 to 6% in the 2014 impairment test for all CGUs, in line with the risk premium used in the annual impairment test for the year 2012.

Currency fluctuations – Over 30 % of the Enterprise Value derives from companies with NOK as operational currency. As a result, impairment sensitivity is tested for a 10 % weaker NOK.

Raw material price level – The impact of improved sourcing from initiatives on Group and CGU levels is taken into account in both the short- and long-term financial plans and thus calculations of value in use. In calculating sales growth and gross margins, the raw material price market levels are kept unchanged. This implies an underlying assumption that changes in raw material markets are reflected in product sales prices.

The recoverable amounts have been determined based on the following key assumptions for the following units:

Signs

In the long-term budget the expected cumulative annual growth rate (CAGR) of sales for the division is 5.3% (11.1%). The CAGR for the Signs division in 2013 is positively influenced by the addition of the Scandinavian Road marking companies. The pre-tax discount rate applied to cash-flow projections is 8.82% (10.00%). As a result of this analysis, no impairment loss has been recognised in the Signs division.

Infrastructure

In the long-term budget the expected cumulative annual growth rate (CAGR) of sales for the division is 8.0% (3.9%). The CAGR for the Infrastructure division in 2013 is negatively influenced by the removal of the Scandinavian Road marking companies. The pre-tax discount rate applied to cash-flow projections is 9.50% (10.38%). As a result of this analysis, no impairment loss has been recognised in the Infrastructure division.

ViaCon

In the long-term budget the expected cumulative annual growth rate (CAGR) of sales for the division is 6.8% (10.1%). The pre-tax discount rate applied to cash-flow projections is 10.51% (12.70%). As a result of this analysis, no impairment loss has been recognised in the ViaCon division.

RRS Europe

Due to a more conservative assessment of the approach to new markets in less developed regions causing lower expected cash-flows, the Group has reassessed the value in use of the CGU RR Europe. Based on the estimated value in use, an impairment loss of SEK 99.9 million is recognised in profit and loss in 2014, relating to the remaining goodwill of the CGU RRS Europe. The following key assumptions are applied in the value in use calculation for the CGU RRS Europe:

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In the long-term budget the expected cumulative annual growth rate (CAGR) of sales for the division is 10.7% (5.7%). The pre-tax discount rate applied to cash-flow projections is 9.63% (10.10%).

After recognition of impairment loss relating to the remaining goodwill of the CGU RRS Europe, the estimated recoverable amount is approximately at the same level as the carrying amount of the cash-generating unit (SEK 646 million), indicating that minor changes in assumptions could result in further impairment losses relating to the carrying amount of remaining assets.

Balcony

Due to past underperformance of the Balcony CGU, mitigating actions has been ongoing the past years. As a consequence of not achieving the targeted effects from the mitigation actions, in addition to a more moderate assessment of the market prospects, the Group has reassessed the value in use of the Balcony CGU. Based on the estimated value in use, an impairment loss of SEK 29.9 million is recognised in the income statement in 2014, relating to the remaining goodwill of the Balcony CGU. The following key assumptions are applied in the value in use calculation for the Balcony CGU:

The expected cumulative annual growth rate (CAGR) of sales for the division is 1.3% (6.1%). The pre-tax discount rate applied to cash-flow projections is 9.68% (10.25%).

After recognition of impairment loss relating to the remaining goodwill of the Balcony CGU, the estimated recoverable amount is approximately at the same level as the carrying amount of the cash-generating unit (SEK 18 million), indicating that minor changes in assumptions could result in further impairment losses relating to the carrying amount of remaining assets.

Results

The results from the impairment test shows that recoverable amount exceeds carrying amount by 47% for CGU Infrastructure, 42% for Signs and 29% for Viacon. The Group does not recognise impairment losses for the CGU's Signs, Infrastructure and Viacon, but does regonise impairment loss as of year end 2014 related to the CGUs RRS Europe and Balcony, see descriptions above.

Sensitivity to changes in assumptions

Sensitivity analysis has been performed on three of the most sensitive assumptions: changes in sales growth, changes in discount rates and changes in currency rate NOK.

The sensitivity analysis shows that the results are relatively robust to changes in WACC for Signs, Infrastructure and Viacon. An increase of at least 3.6 %, 4.5 % and 2.4 %-points in the WACC-rate is required to put Signs, Infrastructure and Viacon in an impairment situation.

In terms of sensitivity to growth parameters, results are fairly robust for Signs, Infrastructure and Viacon. CGUs require at least 81 % reduction in growth (ViaCon) to over 100 % reduction in growth (Signs and Infrastructure) before carrying values start to exceed recoverable amounts (100% reduction in growth means no growth).

Currency simulation has shown that even 10-30 % weakening of the NOK (the most important Group currency) reduces the recoverable amounts in SEK, but overall has relatively little effect on Group headroom figures in SEK.

Sensitivity analysis indicates that the conclusion is fairly robust to change in assumptions for all CGUs except for the CGUs RRS Europe and Balcony. Other than for the CGUs RRS Europe and Balcony the Group believes that no reasonably possible change in any of the key assumptions used for impairment testing would cause the carrying amount of the cash generating unit to exceed its recoverable amount.

Note 16 Other provisions

Non-current

	2014	2013
Warranty provision	5 087	5 276
Estimated future payments for remaining shares	99 546	110 124
Other provisions	15 901	7 751
Total non-current provisions	**120 533**	**123 151**

Current

	2014	2013
Restructuring provisions	5 608	10 898
Total current provisions	**5 608**	**10 898**

Other provisions	Warranty provisions	Estimated future payments for remaining shares	Other provisions	Total non-current provisions	Restructuring provisions	Total current provisions
Opening Balance	5 276	110 124	7 751	**123 151**	10 898	**10 898**
Additions	798	83 407	14 378	**98 582**	5 587	**5 587**
Used (amount charged against provision)	-90	-95 734	-5 940	**-101 764**	-9 099	**-9 099**
Unused amounts reversed	-1 038	778	-826	**-1 086**	-2 316	**-2 316**
Translation difference	142	970	537	**1 650**	538	**538**
Closing balance	**5 087**	**99 546**	**15 901**	**120 533**	**5 608**	**5 608**

Options on shares and estimated future payments

In some acquisitions of companies with non-controlling interests, options are issued for the purchase of the remaining shares. The value of the estimated future payment is shown in the table below. Options that do not create any obligations are not reported.

The estimated future payments for remaining shares as of 31 December:

Company	Remaining shares	2014	2013
Saferoad V Holding AB (Viacon)	0.0%		80 000
Skånska Gas & VA (Viacon)	0.0%	-	8 000
OY ViaPipe AB (Viacon)	40.0%	83 407	
SafeRoad Europe GmbH	5.6%	16 139	22 124
Total estimated payments		**99 546**	**110 124**

Saferoad acquired the remaining shares in Saferoad V Holding AB and in Skånska Gas &VA in 2014, at the total of SEK 80 million and SEK 7.7 million respectively.

Saferoad, through Saferoad V Holding, owns 60% of the voting shares in OY ViaPipe AB, and entered in 2014 into a shareholders' agreement with an option to buy the remaining 40% of the shares. The shareholders' agreement contains clauses regarding put and call options on the shares owned by the minority shareholder that only can be exercised under certain circumstances. The price for the shares is profit based and calculated according to a formula based on an average consolidated EBITDA and an EV/EBITDA multiple. Future payment (discounted) for the remaining shares in OY ViaPipe AB is estimated to SEK 83.4 million as per 31 December 2014.

On 31 October 2010, SafeRoads wholly owned subsidiary B&L Holding GmbH (later renamed SafeRoad Holding Germany GmbH) acquired 94.9 % of the voting shares in Bongard & Lind GmbH Co KG (later renamed SafeRoad Europe GmbH). SafeRoad Holding Germany GmbH acquired the shares from one of the two remaining minority shareholders in SafeRoad Europe GmbH in 2014 (1.49%), at the price of EUR 0.96 million. SafeRoad Holding Germany GmbH also entered into a new shareholders' agreement in 2014 to acquire the shares from the remaining minority shareholder (5.6%) in January 2017. The agreed price is EUR 1.95 million. Future payment (discounted) for the remaining shares is estimated to SEK 16.1 million as per 31 December 2014. In the consolidation SafeRoad Europe GmbH and its subsidiary Saferoad RRS GmbH is reported as wholly owned subsidiaries from 2014 (no non-controlling interests) as the conclusion is that the new shareholders' agreement provides Saferoad with a present ownership interests in the shares.

Restructuring provisions

The Group launched a restructuring program in 2012 to compensate for lower volume and margins and to improve performance. The restructuring program included a reorganization of the headquarter functions, general cost reductions and restructuring of some operating entities, including closure of production facilities. The provision at year-end 2013 of SEK 10.9 million is related to the last component of the program. The provision of SEK 5.6 million at the end of 2014 is related to further ongoing restructuring initiatives to improve performance.

Note 17 Financial strategy and financial risks

Financial strategy and capital management

The financial risk management within the Group has two guiding principles:

- Firstly, to ensure the Group's access to adequate liquidity reserves enabling the day-to-day business activity, and
- Secondly, to minimize effects from short-term volatility in the financial markets on cash flow, balance sheet and covenants.

Speculative trading on the financial market is not permitted and it is not in line with the Group's business strategy to actively pursue financial risks.

The Group's capital management is designed to ensure that the Group has sufficient financial flexibility short-term and long-term. The main objectives are to generate sufficient cash flow to reduce the leverage ratio long-term and to have sufficient financial resources available to cover seasonal variations in the Group operations short-term.

The Group's capital structure consist of debt that includes the borrowings disclosed in note 22 and cash equivalents and equity attributable the shareholders of SafeRoad Holding AB as presented in the consolidated statement of changes in equity. Maintenance and adjustments to the capital structure is a strategic issue monitored and decided on by the majority shareholder of the Group.

Financial risks

The Group's financial policy has been approved by the Board and is carried out by the Group treasury department in cooperation with the individual operational subsidiaries. The most significant financial risks the Group is exposed to are interest rate risk, liquidity risk, credit risk and exchange rate risk. The Group management evaluates these risks on an on-going basis and adopts guidelines for handling these continuously.

The Group uses financial instruments to hedge its risks associated with interest rate and foreign currency fluctuations. The Group uses financial derivatives to reduce these risks in accordance with the Group's strategy for its interest rate and exchange rate exposure. The accounting treatment of financial derivatives is described in Note 2.

The Group does not use financial instruments, including financial derivatives, for trading purposes.

Credit risks

The Group is exposed to credit risk primarily related to accounts receivable and other current assets. The Group limits the exposure to credit risk through credit evaluation of its customers before credit is given. Guarantees and credit insurance are used when deemed necessary.

The Group has no significant credit risk linked to individual customers or several customers that can be regarded as a group due to similarities in the credit risk.

The Group has guidelines for ensuring that sales are only made to customers that have not experienced any significant payment problems and that outstanding amounts do not exceed certain credit limits.

The Group has not provided any guarantees for third parties liabilities, except for subsidiaries.

The maximum risk exposure is represented by the carrying amount of the financial assets, including derivatives, in the statement of financial position.

The Group evaluates the concentration of risk with respect to accounts receivables as low, as its customers are located in several jurisdictions and industries.

All amounts in SEK 1000

Aging analysis trade receivables, 31 December 2014

	Total	Not due	< 30d	30-60d	60-90d	>90
Trade receivables	804 210	447 035	173 030	47 267	16 119	120 759
Provisionfor bad debt	-37 025	-1 525	-741	-73	-635	-34 051
Total Accounts receivables	767 185	445 510	172 289	47 194	15 483	86 708

Aging analysis trade receivables, 31 December 2013

	Total	Not due	< 30d	30-60d	60-90d	>90
Trade receivables	811 926	470 389	158 747	48 558	35 561	98 671
Provisionfor bad debt	-27 526	-1 953	-172	-145	-116	-25 140
Total Accounts receivables	784 400	468 436	158 575	48 413	35 445	73 531

Realised losses during the year are classified as other operating expenses in the profit and loss, see Note 9.

The Group's aging structure for outstanding trade receivable is relatively stable. Bad debt losses recognised in 2014 total SEK 20.3 million (SEK 21.6 million in 2013). The total provision for bad debt is SEK 37.0 million as of 31.12.2014 (SEK 27.5 million as of 31.12.2013).

The Group is exposed to credit risk through cash and cash equivalents. The Group normally has deposits in the countries where it operates. The credit risk on these deposits varies with the credit worthiness of the individual banks and the countries in which these banks are located.

Interest risks

The Group is exposed to interest-rate risk through its financing. Part of the interest bearing debt has floating interest rate. This makes the Group exposed to changes in the market rate.

The objective for the interest rate management is to minimize interest costs and volatility of future interest payments. The Group established a program for interest rate hedging in 2011. Interest rate swaps are used to hedge interest rates at fixed rates for a minimum of 2 years, resulting in that approximately 66% of long-term interest bearing debt have fixed interest rate. The Group monitors floating interest rate on a regular basis.

A sensitivity analysis of the interest risk can be summarised according to the following changes in market interest rate (all other variables unchanged):

Year	Change in interest	Effect on Profit/loss and Total equity before tax
2014	**+/- 100 basis points**	**+/- 7 114**
2013	**+/- 100 basis points**	**+/- 7 514**

inclusive the effect of interest rate swaps.

SafeRoad has, according to regulations in the Bank Agreement, hedged 66% of total long term loans for a minimum time frame of 2 years. Interest sensitivity is calculated based on the unhedged share of long term loan facilities. Shareholder loans are not included in the calculation as the interest rate is fixed.

Liquidity risks

Liquidity risk is the risk that the Group will be unable to perform its financial obligations as they come due. The Group's strategy is to manage the liquidity risk so that at any given point the Group will have sufficient liquidity to be able to satisfy its obligations (see Note 22). Sufficient liquidity shall be attained without risking unacceptable losses, or at the expense of the reputation of the Group.

In May 2013, SafeRoad agreed on a new covenant structure with the bank syndicate, see Note 22. The owners have supported the Group constructively in 2014 and successfully agreed on a refinancing solution in April 2015 that ensure that the Group has sufficient financial flexibility both in short term and long term. For further details see note 29.

The Group's cash pool systems, in which most of the subsidiaries are involved, is the most important tool in ensuring sufficient liquidity at any given point in time. SafeRoad Group has established separate cash pool systems in Norway, Sweden Denmark, Finland and Lithuania. These are established as multi-currency cash pool systems and are administrated by Saferoad AS. There is no automated topping and sweeping between the different cash pools.

Excess liquidity is used to reduce debt. The Group's liquidity is seasonal similar to the Group's operations. In order to manage seasonal variations in cash the Group has revolving facilities available on short-term notice if needed.

All amounts in SEK 1000

Aging analysis accounts payables, 31 December 2014

	Total	Not due	< 30d	30-60d	60-90d	>90
Accounts payables	441 071	332 144	86 759	8 105	4 014	10 049

Aging analysis accounts payables, 31 December 2013

	Total	Not due	< 30d	30-60d	60-90d	>90
Accounts payables	505 293	321 778	160 230	13 092	4 606	5 587

The aging profile for outstanding accounts payable is relatively stable.

For the maturity profile of interest-bearing liabilities, see Note 22.

Currency risks

The Group is exposed to changes in the value of SEK relative to other currencies, due to production and sales operations in foreign entities with different functional currencies. The carrying amount of the Group`s net investment in foreign entities varies with changes in the value of SEK compared to other currencies. The net income of the Group is also affected by changes in exchange rates, as the profit and loss from foreign operations is translated into SEK using the weighted average exchange rate for the period.

The Group may enter into forward/futures contracts in order to safeguard the business margin and reduce volatility. SafeRoad's policy for transaction exposure is to minimize the impact of short-term changes in foreign exchange rates on cost and revenues by firstly creating natural hedges and secondly by hedging SafeRoad's contracted transaction exposure.

Transaction exposure also arises on other payments and receivables in foreign currencies. Examples are interest payments and amortisation of foreign debt, capital expenditure, divestments, dividends, asset injections in foreign currencies, tax payments and financial transactions,. All these payments are included as part of the hedging program for transaction exposure. No hedge accounting is applied.

Translation exposure is an accounting risk arising when items denominated in foreign currencies are revaluated and consolidated in SafeRoad's balance sheet and income statement.

SafeRoad continuously monitors the exposure in order to evaluate the effects on financial statements, key ratios and covenants.

The translation exposure in the balance sheet derives from SafeRoad's net foreign assets; equity and goodwill in foreign Subsidiaries and long-term (>three years) internal Subsidiary borrowing and lending in foreign currencies.

SafeRoad does not hedge the translation exposure related to net foreign assets (equity hedge). However, the translation exposure shall be limited by matching the currency distribution of the Group's external debt to the long-term forecasted currency distribution of the Group's net foreign assets.

Sensitivity analysis

The Group is primarily exposed to currency risk through the long term loans. As of 31 December 2014 the Group had long term debt denominated in foreign currencies equivalent to SEK 1.1 billion.

Sensitivity analyses support the existence of a certain but modest risk within 1% of the total value of the debt. While management recognises that the currency risk is inherent and may never be completely eliminated, certain risk reducing actions have been undertaken.

The Group have reduced its debt denominated in foreign currencies through conversion of Shareholder Loans into equity. Debt is distributed and serviced by entities who have their income in the relevant foreign currency. For covenant purposes the calculation of net debt is calculated based on a 12 months average currency rate in order to avoid the potential volatility of spot currency rates at any time.

All amounts in SEK 1000

Note 18 Fair values of financial instruments

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

2014	Notes	Derivatives at fair value through profit and loss	Loans and receivables	Available-for-sale financial assets	Financial liabilities at amortized cost	Total
Non-current assets						
- Loans to associated companies	28		532			532
- Long-term receivables			15 758			15 758
- Shares	5			13 262		13 262
Current assets						
- Trade receivable	17		767 185			767 185
- Other receivables	20		219 693			219 693
- Financial derivatives	19					-
Total		-	1 003 168	13 262	-	1 016 431
- Fair value		-	1 003 168	13 262	-	1 016 431
Unrecognized gain/loss		-	-	-	-	-
Non-current liabilities						
- Liability to credit institutions, long-term	17,18,22,26				1 514 215	1 514 215
- Estimated obligations related to acquisitio	16				99 546	99 546
- Other long-term liabilities	17,18,22,26				352 396	352 396
Current liabilities						
- Accounts payables	17				441 071	441 071
- Other current liabilities	23				229 042	229 042
- Current part of long-term liabilities	22				542 400	542 400
- Current liabilities to credit institutions	22				400 818	400 818
- Financial derivatives	19	24 574				24 574
Total		24 574	-	-	3 579 486	3 604 060
- Fair value		24 574	-	-	3 579 486	3 604 060
Unrecognized gain/loss		-	-	-	-	-

All amounts in SEK 1000

2013	Notes	Derivatives at fair value through profit and loss	Loans and receivables	Available-for-sale financial assets	Financial liabilities at amortized cost	Total
Non-current assets						
- Loans to associated companies	28		1 527			1 527
- Long-term receivables			16 542			16 542
- Shares	5			19 409		19 409
Current assets						
- Trade receivable	17		784 402			784 402
- Other receivables	20		209 455			209 455
- Financial derivatives	19	167				167
Total		167	1 011 925	19 409	-	1 551 235
- Fair value		167	1 011 925	19 409	-	1 551 235
Unrecognized gain/loss		-	-	-	-	-
Non-current liabilities						
- Liability to credit institutions, long-term	17,18,22,26				1 786 643	1 786 643
- Estimated obligations related to acquisitio	16				110 124	110 124
- Other long-term liabilities	17,18,22,26				325 392	325 392
Current liabilities						
- Accounts payables	17				505 293	505 293
- Other current liabilities	23				246 486	246 486
- Current part of long-term liabilities	22				223 763	223 763
- Current liabilities to credit institutions	22				340 056	340 056
- Financial derivatives	19	16 299				16 299
Total		16 299	-	-	3 537 758	3 554 058
- Fair value		16 299	-	-	3 537 758	3 554 058
Unrecognized gain/loss		-	-	-	-	-

Fair value

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

The fair value of forward exchange contracts is determined using the forward exchange rate at the end of the reporting period. Interest rate swaps are valued using valuation techniques and market observable inputs. For all derivatives, the fair value is confirmed by the financial institution with which the Group has entered into the contracts.

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

The fair value of long term liabilities with floating interest rates is estimated by discounting future cash flows using rates currently available for debt in similar terms, credit risks and remaining maturities. The carrying value is considered to be a reasonable approximation of fair value.

The fair value of unquoted shares available for sale is estimated using appropriate valuation techniques. There is no change in fair value between 2014 and 2013.

The shareholder loan with fixed interest rate and no amortisation was obtained in connection with the acquisition of the Saferoad group in 2008. New shareholder loans were obtained in 2010 and 2011 in connection with the acquisition of Bongard & Lind, ViaCon Group and Outimex. An indication of unchanged evaluation is the fact that in 2013 SEK 1 130.2 million and in 2012 SEK 975.2 million of the Shareholder Loan with fixed interest was converted into equity at face value of principal and accumulated interest on the relevant portion of the debt. The carrying amount is considered to be equal to fair value.

Fair value hierarchy

SafeRoad Group applies the following hierarchy when assessing and presenting the fair value of financial instruments;
Level 1: Trading prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: Input for the asset or liability that is not based on observable market data.

For Other investments (Shares) in Level 3 the carrying amount is assessed to be reasonable approximation of fair value.

Assets measured at fair value	**Total 31.12.2014**	Level 2 2014	Level 3 2014	**Total 31.12.2013**	Level 2 2013	Level 3 2013
Available for sale financial assets;						
Interest rate swaps and foreign exchange contracts	**-**			**167**	167	
Shares	**13 262**		13 262	**19 409**		19 409
Total assets measured at fair value	**13 262**	**-**	**13 262**	**19 576**	**167**	**19 409**

Liabilities measured at fair value	**Total 31.12.2014**	Level 2 2014	Level 3 2014	**Total 31.12.2013**	Level 2 2013	Level 3 2013
Financial liabilities at fair value through profit or loss;						
Interest rate swaps and foreign exchange contracts	**24 574**	24 574		**16 299**	16 299	
Total liabilities measured at fair value	**24 574**	24 574	**-**	**16 299**	16 299	**-**

There are no items in Level 1.

There were no transfers in 2014 or 2013 between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Opening balance assets measured at level 3, 01.01.2013	**9 013**
Reclassification of remaining shares BBV from ass. Comp to investment	8 850
Issue of equity in Norsk Marinadrift AS	591
Acquisition of shares in Bostadsföreningen Mora 1	480
Acquisition other shares	475
Closing balance assets measured at level 3, 31.12.2013	**19 409**
Write down Norsk Marinadrift AS	-6 365
Acquisition of shares in Ørstahytta AS	147
Other	72
Closing balance assets measured at level 3, 31.12.2014	**13 263**

See Note 5 for a specification of Other investments.

Note 19 Financial derivatives

The Group uses forward agreements to hedge selected currency positions, and interest swaps to hedge interest rate fluctuations, considered necessary for the business operations of the Group. The Group does not apply hedge accounting.

Forward exchange contracts

2013

Amount purchased	Currency	Due date	Future rates	Fair value	Carrying Value
1 000	USD	15.04.2014	6,4349	58	58
1 000	USD	15.05.2014	6,4380	56	56
1 000	USD	16.06.2014	6,4415	54	54
Total Value				**167**	**167**

The contracts were closed at the due date, during 2014.

Interest swaps

The Group had interest swaps in which the group receives floating STIBOR, NIBOR and EURIBOR-based interest. The interest swaps are used for hedging against profit fluctuations that arises as a result of interest rate changes. The allocation of interest swaps among various currencies is symmetrical to the distribution of long-term debt in various currencies. The hedged loans and interest swap contracts have similar aging structure.

2014

Nominal amount	Currency	Due date	Interest	Fair value	Carrying value
160 000	NOK	21.12.2015	2,1949	-1 686	-1 686
100 000	NOK	21.12.2015	2,3033	-964	-964
20 000	EUR	21.09.2016	0,3300	-496	-496
152 309	SEK	20.03.2015	2,1680	-713	-713
70 000	NOK	21.09.2015	1,8920	-357	-357
300 000	SEK	21.09.2015	1,7520	-3 449	-3 449
17 000	EUR	21.09.2015	0,5250	-551	-551
10 000	EUR	21.09.2015	0,6320	-400	-400
170 000	SEK	21.12.2015	1,9420	-2 940	-2 940
100 000	SEK	21.12.2015	2,0630	-1 409	-1 409
10 000	EUR	21.12.2015	0,8380	-559	-559
100 000	SEK	21.09.2016	0,9600	-1 261	-1 261
50 000	NOK	21.12.2016	1,9190	-859	-859
200 000	NOK	21.12.2016	2,0750	-2 230	-2 230
9 472	EUR	20.03.2015	1,2950	-235	-235
96 123	NOK	20.03.2015	2,8950	-302	-302
300 000	SEK	21.12.2016	1,2100	-3 511	-3 511
270 000	SEK	21.12.2016	1,2700	-2 654	-2 654
Total Value				**-24 575**	**-24 575**

2013

Nominal amount	Currency	Due date	Interest	Fair value	Carrying value
100 000	NOK	21.12.2015	2,3033	-292	-292
100 000	NOK	21.12.2015	2,1949	-758	-758
1 677	EUR	30.06.2014	4,0000	-286	-286
180 002	SEK	20.03.2014	1,8730	-421	-421
180 002	SEK	22.09.2014	1,9270	-1 306	-1 306
180 002	SEK	20.03.2015	2,1680	-2 425	-2 425
90 000	SEK	20.03.2015	1,8920	-280	-280
300 000	SEK	21.09.2015	1,7520	-2 531	-2 531
17 000	EUR	21.09.2015	0,5250	-478	-478
10 000	EUR	21.09.2015	0,6320	-375	-375
170 000	SEK	21.12.2015	1,9420	-1 152	-1 152
100 000	SEK	21.12.2015	2,0630	-380	-380
10 000	EUR	21.12.2015	0,8380	-215	-215
5 956	EUR	20.03.2014	1,2650	-110	-110
5 132	EUR	22.09.2014	1,3050	-266	-266
12 206	EUR	20.03.2015	1,2950	-1 171	-1 171
117 611	NOK	20.03.2014	2,6200	-260	-260
117 611	NOK	22.09.2014	2,6700	-894	-894
117 611	NOK	20.03.2015	2,8950	-1 701	-1 701
2 000	EUR	14.10.2014	3,0000	-497	-497
2 000	EUR	14.10.2014	3,0900	-500	-500
Total Value				**-16 299**	**-16 299**

Note 20 Other current receivables

Other current receivables	2014	2013
Unbilled revenue	66 287	80 614
Prepayments to suppliers	34 284	19 890
Prepaid taxes and VAT	28 332	35 880
Other prepayments	21 994	10 591
Receivables on employees, associated- and related parties	5 666	10 703
Other receivables	63 130	51 777
Total other current receivables	**219 693**	**209 455**

Note 21 Cash and cash equivalents

Cash and cash equivalents	2014	2013
Cash and bank deposits	443 308	511 374
Restricted cash	7 946	8 360
Total Cash and cash equivalents	**451 254**	**519 733**

See Note 17 for description of cash pool systems.

Note 22 Interest-bearing liabilities

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

Liabilities to credit institutions 31.12.2014	Currency	Interest rate	Due date	Amount
Liabilites to credit institutions	SEK	STIBOR 3M +	2018-06-21	1 046 512
Liabilites to credit institutions	NOK	NIBOR 3M +	2018-06-21	461 785
Liabilites to credit institutions	EUR	EURIBOR 3M +	2017-12-21	353 450
Liabilites to credit institutions	DKK	CIBOR 3M +	2017-12-21	132 295
Total				1 994 042
Less current part (included in current portion of non-current liabilities)				-479 832
Liabilities to credit institutions (non-current part)				1 514 210

Liabilities to credit institutions 31.12.2013	Currency	Interest rate	Due date	Amount (KSEK)
Liabilites to credit institutions	SEK	STIBOR 3M +	2018-06-21	1 075 928
Liabilites to credit institutions	NOK	NIBOR 3M +	2018-06-21	482 378
Liabilites to credit institutions	EUR	EURIBOR 3M +	2017-12-21	333 402
Liabilites to credit institutions	DKK	CIBOR 3M +	2017-12-21	115 655
Total				2 007 363
Less current part (included in current portion of non-current liabilities)				-220 720
Liabilities to credit institutions (non-current part)				1 786 643

Covenants

SafeRoad's external funding is regulated in a bank agreement with a syndicate of four banks. According to this agreement, SafeRoad needs to comply with four financial covenants. Two of these are measured on quarterly basis, one on a monthly basis and the last one is measured on an annual basis.

As of 31 December 2014, quarterly covenants are:

- Net debt to EBITDA
- EBITDA to net interest
- Minimum liquidity (monthly)

As of 31 December 2014, the annual covenant is:

- Capital expenditure

SafeRoad was not in compliance with the financial covenants at 31 December 2014 and obtained a waiver for the covenant breach at year end prior to 31 December 2014. The Group also requested and received a waiver for anticipated covenant breaches at year end prior to 31 December 2013, which was not utilised.

The covenants have been reset in a new agreement in 2015. For further details, see Note 29.

In May 2013, SafeRoad agreed on a new covenant structure with the bank syndicate, following a new agreement with the bank syndicate signed in 2012. The cash flow to debt service covenant was replaced with a minimum liquidity covenant and an additional minimum EBITDA covenant which was measured quarterly for 2013 only. The owners contributed NOK 200 million in cash as a loan and an additional guarantee, valid until May 2014, whereby the banks may call for up to NOK 100 million in additional equity under certain conditions. The guarantee has not been called. The guarantee was extended by one year and to NOK 150 million as part of the new agreement with the bank syndicate in May 2014 and has in May 2015 been extended to June 2019 (and to NOK 300 million), see Note 29.

Other non-current liabilities 31.12.2014	Currency	Interest	Due date	Amount
Shareholders' loans	EUR	12 %	2017-07-10	6 985
Shareholders' loans	SEK	12 %	2017-07-10	26 332
Shareholders' loans	NOK	12 %	2018-08-21	250 973
Financial leasing				67 090
Other long-term liabilities				63 585
Total				414 964
Less current part				-62 568
Non current				352 396

Other non-current liabilities 31.12.2013	Currency	Interest	Due date	Amount (KSEK)
Shareholders' loans	EUR	12 %	2017-07-10	6 435
Shareholders' loans	SEK	12 %	2017-07-10	23 826
Shareholders' loans	NOK	12 %	2018-08-21	227 036
Financial leasing				40 411
Other long-term liabilities				30 728
Total				328 436
Less current part				-3 043
Non current				325 392

The table below summarizes the maturity profile of non-current financial liabilities (specified in two preceeding tables) based on contractual payments, including interest:

2014	Due within one year	Due within two years	Due within three years	Due within four years	Due within five years	Due after five years	Total interest-bearing liabilities
Liabilities to credit institutions - principal amount	479 832	350 656	715 862	504 117	-	-	**2 050 467**
Liabilities to credit institutions - interest	119 145	86 270	57 118	12 066	-	-	**274 599**
Loan from shareholders	-	-	8 692	488 176	-	-	**496 867**
Financial leases	20 428	16 424	15 098	6 861	5 319	9 325	**73 455**
Other non- current liabilities	43 077	6 432	6 235	4 833	2 759	5 011	**68 347**
Total	**662 482**	**459 782**	**803 004**	**1 016 053**	**8 078**	**14 336**	**2 963 735**

2013	Due within one year	Due within two years	Due within three years	Due within four years	Due within five years	Due after five years	Total interest-bearing liabilities
Liabilities to credit institutions - principal amount	220 720	305 456	346 398	703 716	505 354	-	**2 081 644**
Liabilities to credit institutions - interest	118 014	98 547	83 107	63 980	17 927	-	**381 574**
Loan from shareholders	-	-	-	10 972	436 577	-	**447 549**
Financial leases	16 225	10 168	7 091	6 229	1 433	1 320	**42 466**
Other non- current liabilities	11 585	6 326	3 708	3 557	3 152	6 963	**35 291**
Total	**366 544**	**420 497**	**440 303**	**788 453**	**964 444**	**8 283**	**2 988 524**

The Group has the following current liabilities to credit institutions:

Current liabilities to credit institutions	2014 Carrying value	2013 Carrying value
Revolving facilities	364 700	316 717
Other current liabilities to credit institutions	36 118	23 339
Total current liabilities to credit institutions	**400 818**	**340 056**

Note 23 Other current liabilities

	2014	2013
Salary	28 273	30 852
Bonuses	9 790	13 756
Holiday pay	80 832	77 719
Other liabilities to employees	12 079	11 654
Prepayment from customers	9 927	32 248
Accrued interest	16 058	16 342
Other current liabilities	72 083	63 914
Total other current liabilities	**229 042**	**246 485**

Note 24 Share capital, shareholders' equity, shareholders' loans and non-controlling interests

The share capital of SafeRoad Holding AB on 31 December consists of the following shares:

Number of shares, nominal value SEK 0,025:	
Number of shares 31.12.2014	7 730 888
Number of shares 31.12.2013	7 730 888

Share capital reminded unchanged during 2014:

	Number of shares	Share capital	Share premium
31.12.2009	4 359 288	109	36 657
05.05.2010	33 513	1	3 853
21.10.2010	347 218	9	40 963
20.12.2010 (first part)	565 718	14	67 872
20.12.2010 (second part)	76 651	2	8 833
07.02.2011	366 780	9	44 004
31.12.2011	**5 749 168**	**144**	**202 182**
11.12.2012	975 222	24	975 197
31.12.2012	**6 724 390**	**168**	**1 177 379**
20.12.2013	1 006 498	25	1 130 217
31.12.2013	**7 730 888**	**194**	**2 307 596**
31.12.2014	**7 730 888**	**194**	**2 307 596**

The new shares issued in December 2013, with a total Shareholder consideration of SEK 1 130.2 million, were set off against Shareholder loans. The new issue in December 2013 was registered in January 2014.

Ownership structure:

Shareholders in SafeRoad Holding AB on 31 December 2014:

Shareholders	Ordinary shares	Preference shares	Number of shares	Percentage
Cidron Triangle S.á.r.l	5 482 803	1 981 720	7 464 523	96.55%
Sten-Eric Lager	35 736		35 736	0.46%
ANCA Invest AS	28 907		28 907	0.37%
Fant AS	27 055		27 055	0.35%
FRSM Invest AS	21 644		21 644	0.28%
Goodlife AS	21 644		21 644	0.28%
Lemen Invest AS	21 644		21 644	0.28%
Others	109 735		109 735	1.42%
Total	**5 749 168**	**1 981 720**	**7 730 888**	**100.0%**

SafeRoad has a share capital of SEK 193 272 consisting of 5 749 168 Ordinary Shares and 1 981 720 Preference Shares with a face value of SEK 0,025 per share.

There are two classes of shares, Ordinary Shares and Preference Shares. The holders of Preference Shares have a preferential right over Ordinary Shares to receive dividends calculated in relation to a base amount of SEK 1 000 per each Preference Share.

The Preference Shares have the preferential right to receive a return on the investment of 12% per anno. The value accumulates until the shares are sold or the company is liquidated, assuming that no dividends are distributed.

The preference shares carry a prioritized right to dividends, but in accordance with limitations in the Facility Agreement there will be no dividend distribution within a 3 – 5 year perspective.

Given a future transaction, the net debt will be deducted before the preference shareholders receive their investment with an accumulated return of 12%. The preference shareholders will receive the return of 12% from the sales consideration, while SafeRoad Holding AB has no obligations to payments of this return. The remaining transaction amount will be distributed among the owners of the ordinary shares according to their respective holdings.

All shares have one vote at the General Assembly Meeting.

No dividend from the parent company has been proposed for 2014.

The carrying value of the loans given by the present or former shareholders is per 31 December:

Lender/related party	2014	2013
Cidron Triangle Limited	272 098	227 046
Erling Tvete AS	0	13 103
Dionysos AS	0	5 961
Sten-Eric Lager	4 181	3 716
ANCA Invest AS	1 478	1 384
Elle Holding AS	882	788
Manfred Bongard	5 650	5 301
Total	**284 289**	**257 297**

Non-controlling interests

Non-controlling interests 2014	Accumulated non-controlling interests	Non-controlling interests share of Profit/loss 2014	Dividends to non-controlling interests	Financial information (100% basis) Assets	Liabilities	Revenue	Profit/loss 2014
Viacon Baltic/Georgia	31 877	4 325		264 012	186 928	413 398	12 237
Viacon Poland	29 617	-9 919		313 036	186 364	398 904	-18 133
Viacon Denmark/Finland/Norway	49 942	6 106	5 839	147 648	36 452	218 180	16 569
Other minorities	9 205	896	6 170	171 090	157 586	222 055	-781
Sum Non-controlling interests	**120 641**	**1 408**	**12 009**	**895 786**	**567 330**	**1 252 538**	**9 892**
Excess values acquisition Viacon	107 967	-7 995					
Total non-controlling interests	**228 608**	**-6 587**	**12 009**				

Non-controlling interests 2013	Accumulated non-controlling	Non-controlling interests	Dividends to non-controlling	Financial information (100% basis) Assets	Liabilities	Revenue	Profit/loss 2013
Viacon Baltic/Georgia	26 666	-1 416	-	242 935	180 128	303 322	708
Viacon Poland	36 164	-776	1 973	355 531	205 998	402 228	3 939
Viacon Denmark/Finland/Norway	46 089	10 761	5 029	151 670	36 432	266 525	26 728
SafeRoad Europe GmbH Germany (RRS, consolic	44 587	3 969	2 481	954 557	727 073	899 628	27 105
Other minorities	7 551	2 625	-	66 097	59 103	96 430	2 593
Sum Non-controlling interests	**161 058**	**15 163**	**9 483**	**1 770 791**	**1 208 735**	**1 968 133**	**61 073**
Excess values acquisition Viacon	115 962	-14 140					
Total non-controlling interests	**277 020**	**1 023**	**9 483**				

For an overview of non-controlling interest ownership percentages and principal places of business, see Note 9 in the parent company accounts.

For the acquisitions of ViaCon and RRS, the non-controlling interests have been valued at fair value, thus full goodwill has been recognised.

Note 25 Leasing, rental agreements

Aging structure of operational lease agreements	2014	2013
Minimum rental	**181 149**	**179 228**
Within one year	68 919	62 723
After one year but no more than five years	100 786	106 081
More than five years	11 444	10 424

The Group has entered into different operational lease and rental agreements for machinery, offices and other facilities. Most of the agreements contain an option for extension.

Note 26 Pledged assets and guarantees

Pledged assets

The Group has a financing agreement with a bank syndicate of four banks. As part of this agreement, assets have been furnished as collateral for the following liabilities:

	2014	2013
Liabilities to credit institutions, non-current	1 514 215	1 784 492
Other non-current liabilities	83 435	68 095
Current part of non-current liabilities	527 072	223 750
Liabilities to credit institutions, current	400 818	342 221
Total	**2 525 540**	**2 418 558**

Carrying value of assets pledged as collateral for liabilities	2014	2013
Product rights, trademarks and others	5 753	6 047
Tangible fixed assets	431 937	374 612
of which: Buildings and land	143 011	152 375
of which: Machinery and others	288 926	222 238
Accounts receivable	303 342	321 263
Inventory	311 294	293 266
Bank deposits	10 676	7 669
Total pledged assets from consolidated statement of financial position	**1 063 002**	**1 002 857**
Shares in subsidiaries, net asset value	6 980 448	6 748 714
Total	**8 043 450**	**7 751 571**

Through direct pledge of individual assets and through the indirect pledge of assets through pledge of shares in subsidiaries the majority of the group's assets are directly or indirectly pledged.

The following shares in subsidiaries are pledged in favor of the bank syndicates' financial agreement.

SafeRoad Holding AB's shares in:
SafeRoad Holding Norway AS
SafeRoad Holding Denmark ApS
SafeRoad V Holding AB
SafeRoad Treasury AB

SafeRoad Holding Norway AS's shares in:
Saferoad AS

Saferoad AS's shares in:
Vik Ørsta AS
Euroskilt AS
Eurostar AS
Ørsta Marina Systems AS
Br Berntsen Eiendom AS
Br Berntsen AS
Birstaverken AB
EKC Sverige AB
Smekab AB
SafeRoad Traffic AB
MoraMast AB
Gävle Galvan AB
Vägbelysning i Sverige AB
SafeRoad UK Ltd
SafeRoad Sp. z o.o
SafeRoad Holland B.V.
SafeRoad Holding Germany GmbH

Br Berntsen Eiendom AS shares in:
Br Berntsen AS

SafeRoad Holding Denmark ApS's shares in:
Dalusio A/S
Eurostar Denmark A/S

SafeRoad UK Ltd shares in:
SafeRoad VRS Ltd

SafeRoad V Holding AB shares in:
ViaCon Holding AB

ViaCon Holdng AB shares in:
ViaCon International AB

ViaCon International AB shares in:
ViaCon AB
ViaCon Bridges AB
ViaCon AS
AS ViaCon Eesti
Sia Armat
OY ViaPipe AB
ViaCon Sp. z o.o
UAB ViaCon Baltic

ViaCon AB shares in:
ViaCon Production AB

SafeRoad Holding Germany GmbH shares in:
SafeRoad Europe GmbH
SafeRoad RRS GmbH

SafeRoad Europe GmbH shares in:
SafeRoad RRS GmbH

SafeRoad Sp. z o.o shares in:
SafeRoad Grawil Sp. z o.o

All pledged assets belong to companies in the Group that are party to the agreement, either as guarantors or debtors. The separate entity in the Group act as guarantors pursuant to the Group's financing agreement if one of the following three conditions is satisfied:

The company represents;

- More than 5% of the Group's sales,
- More than 5% of the Group's EBITDA, or
- More than 5% of the Group's total assets

In accordance with the Group's financing agreement the aggregate unconsolidated gross assets of the Guarantors shall represent at least eighty per cent of the consolidated gross assets of the Group. The aggregate unconsolidated EBITDA of the Guarantors shall represent at least 80 per cent of the consolidated EBITDA and the aggregate unconsolidated turnover of the guarantors shall represent at least 80 per cent of the consolidated turnover of the Group. In order to be in compliance with these regulations the Group has acceded additional companies as guarantors which do not meet the three conditions listed above.

As per 31 December 2014, based on the above-mentioned criteria's, the following companies in the Group were borrowers and/or guarantors:

Borrowers	Registered Office	Corporate Identity no
Saferoad Holding AB	Sweden	556753-5470
Saferoad AS	Norway	958 103 069
SafeRoad V Holding AB	Sweden	556826-4062
SafeRoad Treasury AB	Sweden	556493-1573
Saferoad Holding Germany GmbH	Germany	HRB 22342
ViaCon Holding AB	Sweden	556661-6099
ViaCon International AB	Sweden	556619-6159
ViaCon AB	Sweden	556620-7519
ViaCon Production AB	Sweden	556457-4472
ViaCon Bridges AB	Sweden	556853-5073
Br. Berntsen AS	Norway	810 547 472
Br. Berntsen Eiendom AS	Norway	989 134 558
ViaCon AS	Norway	847 016 272
Saferoad Europe GmbH	Germany	HRB 22345
Saferoad RRS GmbH	Germany	HRB 22749
AS ViaCon Eesti	Estonia	10398015
Sia Armat	Latvia	50003289621

Guarantors	Registered Office	Corporate Identity no
Saferoad Holding AB	Sweden	556753-5470
Saferoad Holding Denmark ApS	Danmark	315 89 487
Saferoad Holding Norway AS	Norway	992 090 014
Saferoad AS	Norway	958 103 069
Saferoad V Holding AB	Sweden	556826-4062
SafeRoad Treasury AB	Sweden	556493-1573
Saferoad Holding Germany GmbH	Germany	HRB 22342
ViaCon Holding AB	Sweden	556661-6099
ViaCon International AB	Sweden	556619-6159
ViaCon AB	Sweden	556620-7519
ViaCon Production AB	Sweden	556457-4472
ViaCon Bridges AB	Sweden	556853-5073
EKC Sverige AB	Sweden	556520-7478
Smekab AB	Sweden	556099-6869
Birstaverken AB	Sweden	556343-5220
SafeRoad Traffic AB	Sweden	556030-8073
MoraMast AB	Sweden	556179-2598
Vägbelysning i Sverige AB	Sweden	556537-6059
Gävle Galvan AB	Sweden	556432-2799
Vik Ørsta AS	Norway	985 001 952
Euroskilt AS	Norway	890 729 142
Eurostar AS	Norway	976 962 699
Br Berntsen AS	Norway	810 547 472
Br Berntsen Eiendom AS	Norway	989 134 558
ViaCon AS	Norway	847 016 272
Daluiso A/S	Denmark	21778702
Eurostar Danmark A/S	Denmark	26994896
Saferoad Europe GmbH	Germany	HRB 22345
Saferoad RRS GmbH	Germany	HRB 22749
Saferoad UK Ltd	UK	05697518
Saferoad VRS Ltd	UK	05697126
Saferoad Sp. z o.o.	Poland	0000293157
SafeRoad Grawil Sp. z o.o.	Poland	KRS 152355/ Regon 830016808
SafeRoad Holland B.V.	Holland	01177571
AS ViaCon Eesti	Estonia	10398015
Sia Armat	Latvia	50003289621

Being a guarantor means that a company is jointly and severally liable for the financing according to the financing agreement and for the compliance by the Group with this agreement. The separate legal entity's liability as a guarantor is limited to that permitted according to the laws of the region where the company does business. This means that the companies do not have unlimited joint and several liability for the debts of the Group.

According to the financing agreement, debtors and guarantors have accepted what is known as a negative pledge clause. This means that they and other legal entities in the Group are not entitled to pledge assets or future income to anyone other than the creditors, according to the finance agreement.

Guarantees

Guarantee obligations for the Group amounts to SEK 342 million in 2014, consisting of Bank guarantees and Parent company guarantees. Bank guarantees amounts to SEK 262 million in 2014, and are mainly performance guarantees, payment guarantees and letter of credit. SafeRoad AS has provided Parent company guarantees amounting to SEK 81 million in 2014. The Parent company guarantees are payment guarantees for present and future obligations towards specific suppliers on behalf of Group companies. Other guarantees provided where the related liability is included in the statement of financial position are not included in these numbers.

Note 27 Other commitments and contingencies

For the subsidiary Eurostar Danmark A/S, a case has been raised with Danish competition authorities. The case is related to a submitted consortium offer in a public tender, alleging illegal consortium cooperation. The question is whether the terms for concluding consortium by the tender are met. Prior to entering into the consortium cooperation, the company has consulted with lawyers and complied with the lawyers' advice. Since it is not given prior convictions of a significant nature after changes in legislation in this area, the case may come to set a precedent as a matter of principle, hence the outcome of any legal proceedings are subject to considerable uncertainty. Fines are not considered likely, and no liabilities are recognized in the balance sheet.

Beyond the above case, there were no significant contingent liabilities that were not reflected in the annual accounts at the balance sheet date.

Note 28 Transactions with related parties

An overview of subsidiaries is presented in Note 8 for Saferoad Holding AB, and associated companies are presented in Note 5 in the Groups Financial Statements. Transactions with subsidiaries have been eliminated and do not represent related party transactions. The Group has the following transactions with associated companies or companies that can be considered related to members of the board of directors or leading executives.

	2014	2013
Profit and loss:		
Sales to related parties	44 955	32 428
Purchases from related parties	37 518	62 124
Balance sheet:		
Loans	532	1 527
Prepayments	2 719	2 083
Receivables	14 289	26 234
Payables	2 285	6 425
Other	0	69

Sales and receivables are mainly to the associated companies GFS GmbH, Viacon Technologies and the Viacon Baltic related party Greenworks Industries.

Purchases and payables are mainly from BBV GmbH and Viacon Baltic related companies.

For loans given by owners and management, reference is made to note 22 and 24 where amounts and conditions are specified. Remuneration to the Board of Directors and leading executives is disclosed in Note 10.

Note 29 Events after the balance sheet date

The Group made an agreement with the bank syndicate in May 2015. Debt maturity is postponed by approximately two years until June 2019, with minor instalments. Nordic Capital has injected NOK 175 million as a shareholder loan. Further the owners has increased the equity guarantee towards the bank syndicate from currently NOK 150 million to NOK 300 million and extend its duration to June 2019. A revolving credit facility of NOK 150 million will be maintained until the same point in time. All covenants are reset with a headroom to reflect the new financing structure. Any breach of covenants may be cured by utilisation of the equity guarantee, and any utilised amount will remain within the Group. SafeRoad management assesses the refinancing as a solid support and platform for the future development of the Group.

Saferoad, through ViaCon International AB, owns 75% of the voting shares in ViaCon Sp. z o.o., and entered in April 2015 into a shareholders' agreement with an option to buy the remaining 25% of the shares in ViaCon Sp. z o.o. The shareholders' agreement contains clauses regarding put and call options on the shares owned by the minority shareholder that only can be exercised under certain circumstances. The price for the shares is profit based.

Beyond this there were no significant events for the Group after the balance sheet date.

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SafeRoad Holding AB

Income statement, parent company

	Notes	2014	2013
Total operating Revenue	2	**1 200**	**1 899**
Operating costs			
Personell costs	3,4	- 10 022	- 864
Other external costs	1	- 5 301	-3 678
Total operating expenses		**-15 323**	**-4 542**
Operating profit/(loss)		**-14 123**	**-2 643**
Profit/loss from financial items			
Group Contribution	2	78 964	87 117
Interest received and other financial revenues	5	9 627	120 182
Currency rate differences	7	-13 652	-25 176
Interest paid and other financial expenses	6	-141 780	-306 178
Net finance income/costs		**-66 841**	**-124 055**
Profit/(loss) before tax		**-80 964**	**-126 698**
Tax	8	-26 185	-63 888
Profit/(loss) for the year		**-107 149**	**-190 586**

Statement of comprehensive income, parent company

	Notes	2014	2013
Profit/(loss) for the year		**- 107 149**	**- 190 586**
Other comprehensive income			
Currency translation extended net investments		- 959	-147 284
Tax effect	8	210	32 402
Other comprehensive income for the year, net of tax		**- 749**	**114 882**
Total comprehensive income for the year		**- 107 898**	**-305 468**

All amounts in SEK 1000

Balance sheet, parent company (assets)

	Notes	2014-12-31	2013-12-31
Assets			
Non-current assets			
Financial assets			
Shares in subsidiaries	9	2 998 641	2 889 391
Receivables on group companies	2	86 247	87 206
Deposits		58	0
Deferred tax assets	8	18 797	44 772
Total financial assets		**3 103 743**	**3 021 369**
Total non-current assets		**3 103 743**	**3 021 369**
Current assets			
Receivables			
Receivables on group companies	2	79 277	90 422
Other short term receivables		965	293
Total short-term receivables		**80 242**	**90 715**
Cash and cash equivalents	**11**	**5**	**218 515**
Total current assets		**80 247**	**309 230**
Total assets		**3 183 990**	**3 330 599**

All amounts in SEK 1000

Balance sheet, parent company (shareholders' equity and liabilities)

	Notes	2014-12-31	2013-12-31
Equity and liabilities			
Equity			
Restricted equity			
Share capital, 5 749 168 shares and 1 981 720 preferred shares		193	168
Share capital under registration		0	25
Total restricted equity		**193**	**193**
Unrestricted equity			
Share premium reserve		2 307 596	2 307 596
Retained earnings		-141 625	49 709
Profit (loss) for the year		- 107 149	-190 586
Total unrestricted equity		**2 058 822**	**2 166 720**
Total equity		**2 059 015**	**2 166 913**
Non-current liabilities			
Liabilities to credit institutions	10	579 447	633 763
Liabilities to shareholders	10	278 639	251 987
Total non-current liabilities		**858 086**	**885 750**
Current liabilities			
Current portion of non-current liabilities	10	177 786	130 622
Liabilities to credit institutions	10	0	139 405
Bank overdraft facility	11	78 048	0
Accounts payable		1 948	0
Other liabilities		210	44
Accrued costs and pre-paid income	12	8 897	7 865
Total current liabilities		**266 889**	**277 936**
Total liabilties		**1 124 975**	**1 163 686**
Total equity and liabilities		**3 183 990**	**3 330 599**
Pledged assets	13	3 084 888	2 976 597
Contingent liabilities	14	1 617 032	1 435 472

All amounts in SEK 1000

Cash flow statement, parent company

Cash Flow	Notes	01.01-31.12.2014	01.01-31.12.2013
Operations			
Operating profit/loss		-14 123	-2 643
Interest paid		-115 058	-159 668
Group Contribution		78 964	87 117
Interest received		18 773	112 036
Cash flow from operations before changes in working capital		**-31 444**	**36 842**
Cash flom from changes in working capital			
Increase/decrease in current receivables		10 473	-11 584
Increase/decrease in accounts payables		1 948	- 2 312
Increase/decrease in current liabilities		1 198	1 555
Cash flow from operations		**-17 825**	**24 501**
Cash flow from investments activities			
Aquisitions of subsidiaries	9	-109 251	0
Increase in long term recievables		-58	0
Cash flow from investments activities		**-109 309**	**0**
Cash flow from financing activities			
Increase/decrease of bank overdraft facility	11	78 048	-78 522
Increase/decrease in long term liabilities		-29 451	229 740
Increase/decrease in short term liabilities		-92 241	139 405
Payment of long term liabilities to credit institutions		-33 587	- 79 463
Cash flow from financing activities		**-77 231**	**211 160**
Cash flow for the year		-204 365	235 661
Exchange rate differences, cash and equivalents		-14 145	-17 957
Cash and cash equivalents at the beginning of the year		218 515	811
Cash and cash equivalents at the end of the year		**5**	**218 515**

During 2013 an increase of shares in subsidiaries has been done. Long term receivables has been transformed to shares in subsidiaries.

During 2013 an offset issue and a non cash issue has been done. The offset issue and a non cash issue has led to an increase of equity with 1 130 242 TSEK via conversion of liabilities to shareholders.

All amounts in SEK 1000

Shareholders' equity, parent company

	Share capital	Share capital, under registration	Share premium reserve, under registration	Share premium reserve	CTA	Profit/loss carried forward	Net profit/loss for the year	Total shareholders equity
2013								
Shareholders equity at 01.01.2013	168	0	0	1 177 379	38 199	190 001	-63 609	1 342 139
Appropriation of net profit/(loss) for the year to profit/(loss) carried forward						-63 609	63 609	0
New issues shares 2013		25	1 130 217	0		0	0	1 130 242
Profit/(loss) for the year							-190 586	-190 586
Other comprehensive income net of tax:								
Currency translation adjustments,extended net investments					-114 882			-114 882
Shareholders equity at 31.12.2013	**168**	**25**	**1 130 217**	**1 177 379**	**-76 683**	**126 392**	**-190 586**	**2 166 913**
2014								
Shareholders equity at 01.01.2014	168	25	1 130 217	1 177 379	-76 683	126 392	-190 586	2 166 913
Appropriation of net profit/(loss) for the year to profit/(loss) carried forward						-190 586	190 586	0
Registration of issue shares of 2013	25	-25	- 1 130 217	1 130 217		0	0	0
Profit/(loss) for the year							-107 149	-107 149
Other comprehensive income net of tax:								
Currency translation adjustments,extended net investments					-747			-747
Shareholders equity at 31.12.2014	**193**	**0**	**0**	**2 307 596**	**-77 431**	**-64 194**	**-107 149**	**2 059 015**

See note 24 in group accounts for details on share capital and shareholders' equity.

The share capital contains of 5 749 168 shares and 1 981 720 preferred shares.

Notes to the financial statements for SafeRoad Holding AB

Accounting principles

Saferoad Holding AB prepares its annual accounts in accordance with the Annual Accounts Acts and Swedish Financial Reporting Board Recommendation RFR 2 Accounting for Legal Entities. According to RFR 2 the parent company in its annual accounts for legal entities should apply all of the IFRS and interpretations recognised by the EU, as long as this is possible according to the provisions of the Annual Accounts Act, and with regard to the connection between accounting and taxation.

The Recommendation indicates which exceptions should be made from the IFRS.

The following principles differ from those applied in the consolidated annual accounts:

Subsidiaries

Shares of subsidiaries are reported in the accounting of the parent company at cost. If the carrying value of a subsidiary is higher than the estimated fair value, the subsidiary is written down. The write-down is shown in profit or loss. In cases where previous write-downs are no longer justified, they are reversed.

Group contributions and shareholders' contributions

The company reports group contributions and shareholders' contributions in compliance with the interpretations issued by the Swedish Financial Reporting Board. Shareholders' contributions are reported as a dividend in the income statement of the recipient, and is capitalised as shares and participations for the donor, to the extent no write-downs are required.

Financial instruments – interest rate derivatives

The parent company does not report derivative instruments at their fair value in the balance sheet. These instruments do not affect the profit or loss until they are due, as they are considered to be hedged for according to Swedish GAAP. Unrecognized losses amount to -24,6 MSEK (-16 MSEK).

Note 1 Auditors' fees

	2014	2013
Ernst & Young		
Fee for audit	553	566
Fee for audit other than audit assignment	0	0
Tax services	25	20
Other services	129	238
Sum	**707**	**824**

Note 2 Purchases and sales among group companies

Sales and other transactions among group companies	2014	2013
Sales revenues	1 200	1 899
Group contribution (receivables)	78 964	87 117
Other receivables	313	3 305
Long term receivables	86 247	87 206
- Saferoad AS	72 930	73 889
- to other group companies	13 317	13 317

Saferoad Holding AB uses long term loans as a part of their group financing of the subsidiaries. Interest is calculated on a monthly basis based on standard interbank interest rate plus an agreed margin. See note 5 for interest income from group companies.

Note 3 Employees

During the year, the company has had 2 men employed (last year 1 man).

Note 4 Salaries and renumeration

Salaries and renumeration to other employees	2014	2013
Salaries to Board and CEO	3 487	0
Salaries to other employees	2 183	520
Pension costs to CEO	1 015	0
Pension costs to other employees	452	120
Social security costs to CEO	1 340	0
Social security costs to other employees	814	196
Sum	**9 291**	**836**

Salaries and renumerations have not been paid to the Board. The CEO has received a bonus of 193 TSEK. CEO have an agreement regarding term of notice. The term of notice if the company makes the decision of 12 months.

Note 5 Interest income and other financial revenues

Interest income and other financial revenues	2014	2013
Interest income	0	3
Interest income, group	9 627	120 179
Sum interest income and other financial income	**9 627**	**120 182**

Note 6 Interest expenses and other financial expenses

Interest expences and other financial expenses	2014	2013
Interest expenses	99 377	270 845
Interest expenses, group	15 743	12 874
Other financial expenses	26 660	22 459
Sum interest expenses and other financial expenses	**141 780**	**306 178**

Note 7 Currency differences

	2014	2013
Currency exchange rate differences (income)	9 155	28 423
Currency exchange rate differences (loss)	- 22 807	-53 599
Sum currency exchange rate differences	**-13 652**	**-25 176**

Note 8 Tax

Tax expense for the year	01.01-31.12.2014	01.01-31.12.2013
Current taxes	0	0
Deferred taxes	- 26 185	- 63 888
Income tax expense	- 26 185	- 63 888

Reconciliation on effective tax	01.01-31.12.2014	01.01-31.12.2013
Profit/(loss) for the year before tax	- 80 964	- 126 698
Tax according to tax rate 22%	17 812	27 874
Non-deductable expenses	- 6 997	- 41 762
Write-down	- 37 000	- 50 000
Tax expense recognised in income statement	**-26 185**	**-63 888**

Income tax expense reported in other comprehensive income		
Tax on currency translation, net investments	210	32 402

Income tax on other comprehensive income	**210**	**32 402**

Specification of deferred tax assets	2014-12-31	2012-12-31
Tax loss carried forward	18 797	44 772
Total deferred tax asset	**18 797**	**44 772**

Total tax loss carried forward of MSEK 480,9 at 31. December 2014 (430,8 MSEK in 2013).
In 2013 a writedown of deferred tax assets have been done due to a judgement of how much of the total tax losses carried forward that the company expects to use in the foreseeable future and can be utilized by group contribution from daughter companies. There is no due date on tax losses carried forward.

Reconciliation of deferred tax assets:

Opening balance 1.jan. 2013	76 258
Tax expense recognized in profit and loss	-63 888
Tax expense recognized as other comprehensive income	32 402
Closing balance 31.December 2013	**44 772**
Opening balance 1.jan. 2014	44 772
Tax expense recognized in profit and loss	-26 185
Tax expense recognized as other comprehensive income	210
Closing balance 31.December 2014	**18 797**

Note 9 Shares in subsidiaries

	2014	2013
Carrying value 01.01	2 889 391	1 384 657
Acquisitions	89 250	0
New share issue and capital contribution	20 000	1 504 733
Carrying value 31.12.14	**2 998 641**	**2 889 391**

Company	Corp ID No	Reg Office	Number of shares/% holding	Carrying value
Saferoad Norge Holding AS	992090014	Ørsta	100,00%	2 747 343
Saferoad Holding Danmark Aps	31589487	Aalborg	100,00%	41 422
Saferoad V Holding AB	556826-4062	Stockholm	90,10%	200 625
Saferoad Treasury AB	556493-1573	Önnestad	100,00%	9 251
Total value				**2 998 641**

The table below sets forth SafeRoad's ownership in its subsidiaries. Subsidiaries are companies where SafeRoad directly or through its subsidiaries have a controlling interest. Several of the subsidiaries in the second part of the table own shares in other subsidiaries. The owner share % in the table represents the indirect ownership of the ultimate parent, SafeRoad Holding AB. All the subsidiaries listed are included in the consolidated statements for 2014.

Shares in subsidiaries	*Country*	*Area*	*Owner Share*	*Time of aquisition*
Saferoad Holding Norway AS	Norway	Holding	100%	2008-09-01
Saferoad Holding Danmark Aps	Norway	Holding	100%	2008-09-01
Saferoad V Holding AB	Sweden	Holding	90%	2010-12-21
Saferoad Treasury AB (form Saferoad Sweden AB)	Sweden	Other	100%	2008-09-01

Shares in subsidiaries owned through subsidiaries	Country	Area	Owner Share	Time of aquisition
Saferoad Holding Norway AS				
Saferoad AS	Norway	Holding	100%	2008-09-01
Saferoad CEE Sp z.o.o	Poland	Holding	100%	2008-09-01
Saferoad Holding Germany GmbH	Germany	Holding	100%	2010-11-01
Saferoad Europe GmbH Germany	Germany	Holding	95%	2010-11-01
Saferoad BLG Holdings Ltd UK	UK	Holding	100%	2008-09-01

Euroskilt AS	Norway	Signs	100%	2008-09-01
Trafikksikring AS	Norway	Signs	100%	2008-09-01
Saferoad Traffic AB	Sweden	Signs	100%	2008-09-01
Smekab AB	Sweden	Signs	100%	2008-09-01
Signaroad Sp. z.o.o	Poland	Signs	80%	2008-09-01
Vik Ørsta AS	Norway	Infrastructure	100%	2008-09-01
Eurostar AS	Norway	Infrastructure	100%	2008-09-01
Brødrene Berntsen Eiendom AS	Norway	Infrastructure	100%	2010-07-01
Brødrene Berntsen AS	Norway	Infrastructure	100%	2010-07-01
Birstaverken AB	Sweden	Infrastructure	100%	2008-09-01
Vägbelysning i Sverige AB	Sweden	Infrastructure	100%	2008-09-01
Moramast AB	Sweden	Infrastructure	100%	2008-09-01
Gävle Galvan AB	Sweden	Infrastructure	100%	2008-09-01
EKC Sverige AB	Sweden	Infrastructure	100%	2008-09-01
EKC Production AB	Sweden	Infrastructure	100%	2008-09-01
Brödrene Berntsen AB	Sweden	Infrastructure	100%	2008-09-01
Saferoad Grawil Sp. z.o.o	Poland	Infrastructure	100%	2008-09-01
Saferoad Kabex Sp. z.o.o	Poland	Infrastructure	100%	2008-09-01
Saferoad Pomerania Sp. z.o.o.	Poland	Infrastructure	100%	2008-09-01
Saferoad VRS Ltd (form Balmer Lindley Group Ltd)	UK	Infrastructure	100%	2008-09-01
Miranet Oy	Finland	Infrastructure	58%	2011-02-15
Saferoad Holland BV (form Prins Dokkum BV)	Netherlands	Infrastructure	100%	2010-03-01
Saferoad Slovakia	Slovakia	Infrastructure	100%	2008-09-01
FLOP dopravni znaceni s.r.o	Check Republic	Infrastructure	60%	2010-07-01
Dormark	Belarus	Infrastructure	51%	2008-09-01
Saferoad RRS GmbH	Germany	Road restaint systems	95%	2010-11-01
Brite Line Europe GmbH	Germany	Road restaint systems	71%	2010-11-01
Saferoad Gräfenhainichen GmbH	Germany	Road restaint systems	95%	2010-11-01
Limes Mobil GmbH	Germany	Road restaint systems	95%	2011-02-15
Saferoad Senftenberg GmbH	Germany	Road restaint systems	95%	2011-02-15
Bongard & Lind Noise Protection GmbH & Co KG	Germany	Road restaint systems	95%	2012-01-01
Bongard & Lind Verwaltungs GmbH	Germany	Road restaint systems	95%	2010-11-01
Saferoad RRS Polska Sp. z.o.o	Poland	Road restaint systems	95%	2008-09-01
InterMetal Sp. z.o.o	Poland	Road restaint systems	95%	2011-02-15
Saferoad Romania SRL	Romania	Road restaint systems	95%	2011-02-15
Saferoad Kisan	Turkey	Road restaint systems	66%	2013-12-01
Montal AB	Sweden	Other	100%	2008-09-01
Montal Systems AS	Norway	Other	100%	2008-09-01
Marina Systeme GmbH	Germany	Other	100%	2008-09-01
Saferoad Trading AS	Norway	Other	100%	2008-09-01
Saferoad Holding Danmark Aps				
Daluiso AS	Denmark	Signs	100%	2008-09-01
Eurostar DK AS	Denmark	Infrastructure	100%	2008-09-01
GG Construction ApS	Denmark	SIgns	100%	2010-12-21
Saferoad V Holding AB				
Viacon Holding AB	Sweden	Holding	100%	2010-12-21
Viacon International AB	Sweden	Viacon	100%	2010-12-21
Viacon AB	Sweden	Viacon	100%	2010-12-21
Viacon Production AB	Sweden	Viacon	100%	2010-12-21
Arot Viacon ABV AB	Sweden	Viacon	100%	2010-12-21
Skånska Gas & VA	Sweden	Viacon	100%	2010-12-21
Viacon Bridges AB	Sweden	Viacon	100%	2011-05-31
Viacon AS	Norway	Viacon	100%	2010-12-21
Enreco AS	Norway	Viacon	51%	2010-12-21
Viacon Sp. z.o.o	Poland	Viacon	75%	2010-12-21
Viacon Construction	Poland	Viacon	53%	2010-12-21
Geotex	Poland	Viacon	75%	2010-12-21
Viacon Polska Sp. z.o.o	Poland	Viacon	75%	2010-12-21
Steel System Sp. z.o.o	Poland	Viacon	75%	2013-12-01
Viacon Hungary	Hungary	Viacon	60%	2010-12-21
ViaCon Bulgaria	Bulgaria	Viacon	75%	2011-06-30
ViaCon Technologies	Romania	Viacon	45%	2010-12-21
Viacon Turkey	Turkey	Viacon	53%	2014-02-06
Viacon Austria	Austria	Viacon	53%	2010-12-21
Viacon CR	Check Republic	Viacon	53%	2010-12-21
Viacon SK	Slovakia	Viacon	37%	2010-12-21
Oy Viacon AB	Finland	Viacon	60%	2010-12-21

Rumtikli Oy	Finland	Viacon	60%	2010-12-21
Viacon OOO	Russia	Viacon	100%	2010-12-21
Viacon Production OOO	Russia	Viacon	100%	2010-12-21
AS Viacon Esti	Estonia	Viacon	60%	2010-12-21
SIA Armat	Latvia	Viacon	60%	2010-12-21
Viacon Georgia	Georgria	Viacon	36%	2011-12-01
UAB Viacon Baltic	Lithuania	Viacon	60%	2010-12-21
Viacon Statyba	Lithuania	Viacon	60%	2010-12-21
ASPB Lithuania	Lithuania	Viacon	60%	2011-06-30
Pilani Lihauania	Lithuania	Viacon	60%	2011-06-30
ViaCon Baltic Pipe	Lithuania	Viacon	60%	2011-06-30

For the Saferoad V Holding AB subsidiaries in the table where the indirect ownership interest is listed as less than 50%, Saferoad controls more than 50% of the voting power via its voting power in the owner companies.

Associated companies	Country	Owner Share	Time of aquisition
Viacon Technologies	Belarus	50%	2010-12-21
Ferrozink Trondheim AS	Norway	40%	2008-09-01
Lade Metall AS	Norway	40%	2008-09-01
IBOS Sp. z.o.o.	Poland	50%	2011-02-15
RindeRekon AS	Norway	42%	2008-09-01
Bjartmar Rinde AS	Norway	42%	2008-09-01

Note 10 Interest bearing liabilities (long term)

Aging structure	Liabilities to credit institutions 2014	Liabilities to shareholders 2014	Liabilities to credit institutions 2013	Liabilities to shareholders 2013
Falls due between 1 and 5 years	579 447	0	633 763	4 261
Falls due after more than 5 years	0	278 639	0	247 726
Total long-term liabilities	**579 447**	**278 639**	**633 763**	**251 987**

See also Note 22 in consolidated accounts for description of loan terms.

Note 11 Bank overdraft facility

The company´s bank overdraft facility and cash accounts is connected to Saferoad AS Group Cash pool and Saferad Treasury Group Cash pool. Therefore the bank overdraft facility represents an intercompany balance post with Saferoad AS / Saferoad Treasury AB.

Note 12 Accrued costs and prepaid income

	2014	2013
Accrued personal costs	2 112	151
Accrued interests	6 310	6 461
Accrued other costs	475	1 253
Sum currency exchange rate differences	**8 897**	**7 865**

All amounts in SEK 1000

Note 13 Pledged assets

	2014-12-31	2013-12-31
Pledged shares in subsidiaries	2 998 641	2 889 391
Pledged receivables group companies	86 247	87 206
Total pledged assets	**3 084 888**	**2 976 597**

The shares in subsidiaries are pledged in favor of the bank syndicates' financial agreement:

Parts of the company's receivables against group companies are furnished as collateral for the company's debts to credit institutions. See also Note 26 in consolidated accounts.

Some receivables held by the subsidiaries have been furnished as collateral for the groups liabilities to credit institutions. There are also other collaterals, for example shares in subsidiaries, see information in Note 26 in consolidated accounts.

Note 14 Contingent liabilities

	2014-12-31	2013-12-31
Guarantee commitment on behalf of Group company	15 514	15 201
Guarantee commitment on behalf of Group companies loans to credit institutions	1 601 518	1 420 271
Total contingent liabilities	**1 617 032**	**1 435 472**

All amounts in SEK 1000

Signing of the Annual Financial Statements 2014

for information purposes only, confirmation and signatures only on Swedish version

The undersigned certify that the consolidated accounts and the annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted for use in the European Union, and generally accepted accounting principles respectively, and give a true and fair view of the financial positions and results of the Group and the Parent Company, and that the Report of the Directors for the Group and the Parent Company gives a true and 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 faced by the companies in the Group.

Stockholm, 4 June 2015

Johan Ek	John Hedberg	Michael Hermansson
Chairman of the Board	Board Member	Chief Executive Officer

Our audit report was issued on 4 June 2015,

Ernst & Young AB

Johan Thuresson
Authorized Public Accountant

Building a better working world

TRANSLATION FROM THE SWEDISH ORIGINAL

Auditor's report

To the annual meeting of the shareholders of SafeRoad Holding AB, corporate identity number 556753-5470

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of SafeRoad Holding AB for the year 2014.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director 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.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

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

Opinions

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 2014 and of its financial performance and its cash flows 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 2014 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, 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 annual meeting of shareholders adopt the income statement and balance sheet for the parent company as well as the consolidated statement of comprehensive income report and the consolidated statement of financia position (assets) report concerning the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of SafeRoad Holding AB for the year 2014.

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, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

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.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

Opinions

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

Malmö, June 26, 2015

Ernst & Young AB

Johan Thuresson

Authorized Public Accountant

APPENDIX C:

APPLICATION FORM FOR THE RETAIL OFFERING

APPLICATION FORM FOR THE RETAIL OFFERING

General information: The terms and conditions for the Retail Offering are set out in the prospectus dated 10 May 2017 (the "**Prospectus**"), which has been issued by Saferoad Holding ASA (the "**Company**") in connection with the initial public offering (the "**Offering**") of new shares to be issued by the Company and the secondary sale of existing shares in the Company by Cidron Triangle S.à r.l. (the "**Selling Shareholder**"), and the listing of the Company's Shares on the Oslo Stock Exchange. All capitalised terms not defined herein shall have the meaning as assigned to them in the Prospectus.

Application procedure: Norwegian applicants in the Retail Offering who are residents of Norway with a Norwegian personal identification number may apply for Offer Shares by using the following websites: www.carnegie.no, www.nordea.no/saferoad and www.danskebank.no/saferoad. Applications in the Retail Offering can also be made by using this Retail Application Form (see definition in Section 19.5.1 "Offer Price" of the Prospectus). Retail Application Forms must be correctly completed and submitted by the applicable deadline to one of the following application offices:

Carnegie	**Nordea**	**Danske Bank**
Fjordalléen 16, Aker Brygge P.O. Box 684 Sentrum N-0106 Oslo Norway Tel: +47 22 00 93 60 Email: subscriptions@carnegie.no www.carnegie.no	Essendropsgate 7 P.O. Box 1166 Sentrum N-0107 Oslo Norway Tel: +47 24 01 34 62 Fax: +47 22 36 97 03 E-mail: nis@nordea.no www.nordea.no/saferoad	Bryggetorget 4 P.O. Box 1170 Sentrum N-0107 Oslo Norway Tel: +47 85 40 69 41 Fax: +47 85 40 79 92 E-mail: emisjoner@danskebank.com www.danskebank.no/saferoad

The applicant is responsible for the correctness of the information filled in on this Retail Application Form. Retail Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after expiry of the Application Period, and any application that may be unlawful, may be disregarded without further notice to the applicant. **Subject to any shortening or extension of the Application Period, applications made through the VPS online application system must be duly registered by 12:00 hours (CET) on 22 May 2017, while applications made on Retail Application Forms must be received by one of the application offices by the same time**. None of the Company, the Selling Shareholder or any of the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any of the application offices. All applications made in the Retail Offering will be irrevocable and binding upon receipt of a duly completed Retail Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any shortening or extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online application system, upon registration of the application.

Price of Offer Shares: The indicative price range (the "**Indicative Price Range**") for the Offering is from NOK 45 to NOK 60 per Offer Share. The Company and the Selling Shareholder will, in consultation with the Managers, determine the number of Offer Shares and the Offer Price on the basis of the applications received and not withdrawn in the Institutional Offering during the Bookbuilding Period and the number of applications received in the Retail Offering. The Offer Price will be determined on or about 22 May 2017. The Offer Price may be set within, below or above the Indicative Price Range. Each applicant in the Retail Offering will be permitted, but not required, to indicate when ordering through the VPS online application system or on the Retail Application Form that the applicant does not wish to be allocated Offer Shares should the Offer Price be set higher than the highest price in the Indicative Price Range (i.e. NOK 60 per Offer Share). If the applicant does so, the applicant will not be allocated any Offer Shares in the event that the Offer Price is set higher than the highest price in the Indicative Price Range. If the applicant does not expressly stipulate such reservation when ordering through the VPS online application system or on the Retail Application Form, the application will be binding regardless of whether the Offer Price is set within or above (or below) the Indicative Price Range, as long as the Offer Price has been determined on the basis of orders placed during the bookbuilding process described above.

Allocation, payment and delivery of Offer Shares: Nordea, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 23 May 2017, by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Offer Shares allocated to it may contact one of the application offices from on or about 23 May 2017 during business hours. Applicants who have access to investor services through an institution that operates the applicant's VPS account should be able to see how many Offer Shares they have been allocated from on or about 23 May 2017. In registering an application through the VPS online application system or by completing and submitting a Retail Application Form, each applicant in the Retail Offering will authorise Nordea (on behalf of the Managers) to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. Accounts will be debited on or about 24 May 2017 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 23 May 2017. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date. Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 23 May 2017, or can be obtained by contacting Nordea at +47 24 01 19 46. Nordea (on behalf of the Managers) is only authorised to debit each account once, but reserves the right (but has no obligation) to make up to three debit attempts through 1 June 2017 if there are insufficient funds on the account on the Payment Date. Should any applicant have insufficient funds on its account, or should payment be delayed for any reason, or if it is not possible to debit the account, overdue interest will accrue and other terms will apply as set out under the heading "Overdue and missing payment" below. Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or about 26 May 2017 (or such later date upon the successful debit of the relevant account).

Guidelines for the applicant: Please refer to the second page of this Retail Application Form for further application guidelines.

Applicant's VPS-account (12 digits):	**I/we apply for Offer Shares for a total of NOK (minimum NOK 10,500 and maximum NOK 1,999,999):**	**Applicant's bank account to be debited (11 digits):**

OFFER PRICE: My/our application is conditional upon the final Offer Price not being set above the upper end of the Indicative Price Range (insert cross) **(must only be completed if the application is conditional upon the final Offer Price not being set above the upper end of the Indicative Price Range):**	

I/we hereby irrevocably (i) apply for the number of Offer Shares allocated to me/us, at the Offer Price, up to the aggregate application amount as specified above subject to the terms and conditions set out in this Retail Application Form and in the Prospectus, (ii) authorise and instruct each of the Managers (or someone appointed by any of them) acting jointly or severally to take all actions required to purchase and/or subscribe the Offer Shares allocated to me/us on my/our behalf, to take all other actions deemed required by them to give effect to the transactions contemplated by this Retail Application Form, and to ensure delivery of such Offer Shares to me/us in the VPS, on my/our behalf, (iii) authorise Nordea to debit my/our bank account as set out in this Retail Application Form for the amount payable for the Offer Shares allotted to me/us, and (iv) confirm and warrant to have read the Prospectus and that I/we are eligible to apply for and purchase Offer Shares under the terms set forth therein.

Date and place*:	**Binding signature****:

* Must be dated during the Application Period.
** The applicant must be of legal age. If the Retail Application Form is signed by a proxy, documentary evidence of authority to sign must be attached in the form of a power of attorney or company registration certificate.

DETAILS OF THE APPLICANT — ALL FIELDS MUST BE COMPLETED	
First name	Surname/Family name/Company name
Home address (for companies: registered business address)	Zip code and town
Identity number (11 digits) / business registration number (9 digits)	Nationality
Telephone number (daytime)	E-mail address

GUIDELINES FOR THE APPLICANT

THIS RETAIL APPLICATION FORM IS NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL. OTHER RESTRICTIONS ARE APPLICABLE. PLEASE SEE "SELLING RESTRICTIONS" BELOW.

Regulatory issues: Legislation passed throughout the European Economic Area (the "**EEA**") pursuant to the Markets and Financial Instruments Directive ("**MiFID**") implemented in the Norwegian Securities Trading Act, imposes requirements in relation to business investment. In this respect the Managers must categorise all new clients in one of three categories: Eligible counterparties, Professional and Non-professional clients. All applicants applying for Offer Shares in the Offering who/which are not existing clients of one of the Managers will be categorised as Non-professional clients. The applicant can by written request to the Managers ask to be categorised as a Professional client if the applicant fulfils the provisions of the Norwegian Securities Trading Act. For further information about the categorisation the applicant may contact the Managers. The applicant represents that it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision to invest in the Company by applying for Offer Shares, and the applicant is able to bear the economic risk, and to withstand a complete loss of an investment in the Company.

Execution only: As the Managers are not in the position to determine whether the application for Offer Shares is suitable for the applicant, the Managers will treat the application as an execution only instruction from the applicant to apply for Offer Shares in the Offering. Hence, the applicant will not benefit from the corresponding protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information barriers: The Managers are securities firms, offering a broad range of investment services. In order to ensure that assignments undertaken in the Managers' corporate finance departments are kept confidential, the Managers' other activities, including analysis and stock broking, are separated from their corporate finance departments by information barriers known as "Chinese walls". The applicant acknowledges that the Managers' analysis and stock broking activity may act in conflict with the applicant's interests with regard to transactions in the Offer Shares as a consequence of such Chinese walls.

VPS account and anti-money laundering procedures: The Retail Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulation of 13 March 2009 no. 302 (collectively, the "**Anti-Money Laundering Legislation**"). Applicants who are not registered as existing customers of one of the Managers must verify their identity to one of the Managers in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Retail Application Form are exempted, unless verification of identity is requested by a Manager. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period will not be allocated Offer Shares. Participation in the Retail Offering is conditional upon the applicant holding a VPS account. The VPS account number must be stated in the Retail Application Form. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised investment firms in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian Ministry of Finance.

Selling restrictions: The Offering is subject to specific legal or regulatory restrictions in certain jurisdictions, see Section 20 "Selling and Transfer Restrictions" in the Prospectus. Neither the Company nor the Selling Shareholder assumes any responsibility in the event there is a violation by any person of such restrictions. The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or under any securities laws of any state or other jurisdiction of the United States and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States. The Offer Shares will, and may, not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any jurisdiction where the offer or sale of the Offer Shares is not permitted, or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any jurisdiction where the offer or sale is not permitted, except pursuant to an applicable exemption. In the Retail Offering, the Offer Shares are being offered and sold to certain persons outside the United States in offshore transactions within the meaning of and in compliance with Rule 903 of Regulation S under the U.S. Securities Act.

The Company has not authorised any offer to the public of its securities in any Member State of the EEA other than Norway. With respect to each Member State of the EEA other than Norway and which has implemented the EU Prospectus Directive (each, a "**Relevant Member State**"), no action has been undertaken or will be undertaken to make an offer to the public of the Offer Shares requiring a publication of a prospectus in any Relevant Member State. Any offers outside Norway will only be made in circumstances where there is no obligation to produce a prospectus.

Stabilisation: In connection with the Offering, Carnegie (as the "**Stabilisation Manager**"), or its agents, on behalf of the Managers, may, upon exercise of the Lending Option, from the first day of the Listing engage in transactions that stabilise, maintain or otherwise affect the price of the Shares for up to 30 days from the first day of the Listing. Specifically, the Stabilisation Manager may effect transactions with a view to supporting the market price of the Shares at a level higher than might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilisation Manager and its agents to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilisation activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the first day of the Listing.

Investment decisions based on full Prospectus: Investors must neither accept any offer for, nor acquire any Offer Shares, on any other basis than on the complete Prospectus.

Terms and conditions for payment by direct debiting - securities trading: Payment by direct debiting is a service provided by cooperating banks in Norway. In the relationship between the payer and the payer's bank the following standard terms and conditions apply.

1. The service "Payment by direct debiting — securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
2. Costs related to the use of "Payment by direct debiting — securities trading" appear from the bank's prevailing price list, account information and/or information is given by other appropriate manner. The bank will charge the indicated account for incurred costs.
3. The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
4. In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Financial Contracts Act, the payer's bank shall assist if payer withdraws a payment instruction which has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
5. The payer cannot authorise for payment a higher amount than the funds available at the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall be covered by the payer immediately.
6. The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
7. If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Financial Contracts Act.

Overdue and missing payments: Overdue payments will be charged with interest at the applicable rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976 no. 100, which at the date of the Prospectus is 8.50% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or, from the third day after the Payment Date, otherwise dispose of or assume ownership to the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and that the applicant will not be entitled to any profit therefrom). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company, the Selling Shareholder and/or the Managers may enforce payment of any such amount outstanding.

In order to provide for prompt registration of the New Shares with the Norwegian Register of Business Enterprises, the Managers are expected to, on behalf of the applicants, pre-fund payment for New Shares allocated in the Offering at a total subscription price equal to the Offer Price multiplied by the aggregate number of allocated New Shares.

Saferoad Holding ASA
Enebakkveien 150
N-0680 Oslo
Norway

Joint Global Coordinator and Joint Bookrunner

Carnegie
Fjordalléen 16
P.O. Box 684 Sentrum
N-0106 Oslo
Norway

Joint Global Coordinator and Joint Bookrunner

Nordea
Essendropsgate 7
P.O. Box 1166 Sentrum
N-0107 Oslo
Norway

Joint Bookrunner

Danske Bank
Bryggetorget 4
P.O. Box 1170 Sentrum
N-0107 Oslo
Norway

Legal Adviser to the Company
(as to Norwegian law)

Advokatfirmaet Thommessen AS
Haakon VIIs gate 10
N-0161 Oslo
Norway

Legal Adviser to the Joint Global Coordinators and the Joint Bookrunners
(as to Norwegian law)

Advokatfirmaet Wiersholm AS
Dokkveien 1
N-0250 Oslo
Norway

www.kursiv.no

SUPPLEMENTAL PROSPECTUS

SAFEROAD®

Saferoad Holding ASA

(A public limited company incorporated under the laws of Norway)

Supplementing information contained in the Prospectus dated 10 May 2017 concerning the initial public offering and listing on the Oslo Stock Exchange of the shares of Saferoad Holding ASA

This document (the "**Supplemental Prospectus**") is a supplement to the prospectus dated 10 May 2017 (the "**Prospectus**") prepared by Saferoad Holding ASA (the "**Company**", and together with its consolidated subsidiaries, "**Saferoad**" or the "**Group**"), a public limited company incorporated under the laws of Norway, in connection with the initial public offering (the "**Offering**") of shares of the Company and the related listing (the "**Listing**") of the Company's shares, each with a nominal value of NOK 0.10 (the "**Shares**") on the Oslo Stock Exchange.

This Supplemental Prospectus constitutes a supplement to the Prospectus. The information is to be considered part of the Prospectus and (i) supersedes information originally contained in the Prospectus to the extent inconsistent with such information and (ii) supplements information originally contained in the Prospectus so that any statement contained therein will be deemed to be modified to the extent that a statement in this Supplemental Prospectus modifies such statement. This Supplemental Prospectus must be read together with the Prospectus and as part of the basis for any decision of investment in the Company's Shares. Capitalised terms and expressions defined in the Prospectus shall have the same meaning when used in this Supplemental Prospectus unless otherwise defined herein or the context otherwise requires. References in the Prospectus to the "Prospectus" should, unless the context otherwise requires, hereafter be read to refer to the Prospectus, as supplemented hereby.

Investing in the Offer Shares involves a high degree of risk. Prospective investors should read the entire Supplemental Prospectus and the Prospectus and, in particular, consider Section 2 "Risk factors" of the Prospectus when considering an investment in the Company.

The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold: (i) in the United States only to persons who are "qualified institutional buyers" ("QIBs") in reliance on an exemption from the registration requirements under the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S under the U.S. Securities Act ("Regulation S"). The distribution of this Supplemental Prospectus and the Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. Persons in possession of this Supplemental Prospectus and the Prospectus are required to inform themselves about and to observe any such restrictions. See Section 20 "Selling and transfer restrictions" in the Prospectus.

Any dispute arising with regard to this Supplemental Prospectus is subject to Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering, the Prospectus or this Supplemental Prospectus.

Information in the Prospectus shall still apply unless and then only to the extent it has not been amended, supplemented or deleted by this Supplemental Prospectus, as described above.

Joint Global Coordinators and Joint Bookrunners

Carnegie Nordea

Joint Bookrunner

Danske Bank

The date of this Supplemental Prospectus is 15 May 2017

IMPORTANT INFORMATION

This Supplemental Prospectus is a supplement to the original Prospectus issued by the Company in connection with the Offering and the Listing of the Company's Shares on the Oslo Stock Exchange. This Supplemental Prospectus contains information important to the Offering.

The Supplemental Prospectus is a part of an EEA prospectus and has been reviewed and approved by the Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "**Norwegian FSA**") in accordance with Section 7-7, cf. Section 7-15 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information included in this Supplemental Prospectus. The approval by the Norwegian FSA is dated 15 May 2017 and only relates to the information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or referred to in this Supplemental Prospectus. This Supplemental Prospectus is published in an English version only.

Applicants that have applied for Offer Shares in the Offering before the publication of this Supplemental Prospectus have the right to withdraw their application within two days after the publication of this Supplemental Prospectus, cf. Section 7-21(2) the Norwegian Securities Trading Act (i.e. prior to 16:30 hours (CET) on 18 May 2017) cf. Section 2.3 "Right to withdraw applications" below). Such withdrawal is made by contacting the Manager with whom the application was made or, with respect to investors that have applied for Offer Shares through the VPS' online application system, by contacting Nordea. Applicants that have applied for Offer Shares in the Offering before the publication of this Supplemental Prospectus and that have not used the right to withdraw their application within the two-day deadline as indicated above, will be regarded as having accepted the revised terms of the Offering and hence will not need to submit a new application form.

Applications made in the Institutional Offering may be withdrawn or amended by the investor at any time up to the end of the Bookbuilding Period (i.e. 14:00 hours (CET) on 22 May 2017). At the close of the Bookbuilding Period, all applications in the Institutional Offering that have not been withdrawn or amended are irrevocable and binding upon the investor.

The information in this Supplemental Prospectus is to be considered part of the Prospectus and (i) supersedes information originally contained in the Prospectus to the extent inconsistent with such information and (ii) supplements information originally contained in the Prospectus so that any statement contained therein will be deemed to be modified to the extent that a statement in this Supplemental Prospectus modifies such statement. Information in the Prospectus shall still apply unless and then only to the extent it has not been amended, supplemented or deleted by this Supplemental Prospectus.

The Company has engaged Carnegie AS ("**Carnegie**") and Nordea Bank AB (publ), filial i Norge ("**Nordea**") as "**Joint Global Coordinators**" and "**Joint Bookrunners**" and Danske Bank A/S, Norwegian branch ("**Danske Bank**") as "**Joint Bookrunner**". The Joint Global Coordinators and the Joint Bookrunners are together referred to herein as the "**Managers**".

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group and the terms of the Offering, including the merits and risks involved. None of the Company, the Existing Shareholder or the Managers, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

NOTICE ABOUT NORDEA

Nordea is not a SEC registered broker/dealer and will only participate in the Offering outside the United States. No action taken by the Company, the Existing Shareholder or any of the other Managers in the United States shall be attributed to Nordea.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS IN THE UNITED STATES

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares. The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from, on in transactions not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in reliance on Regulation S. **Prospective purchasers are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. See Section 20.2.1 "United States" in the Prospectus.**

Any Offer Shares offered or sold in the United States will be subject to certain transfer restrictions and each purchaser will be deemed to have made acknowledgements, representations and agreements, as set forth under Section 20.3.1 "United States" in the Prospectus.

The Offer Shares have not been recommended by any United States federal or state securities commission or regulatory authority. Further, the foregoing authorities have not passed upon the merits of the Offering or confirmed the accuracy or determined the adequacy of this Supplemental Prospectus and the Prospectus. Any representation to the contrary is a criminal offense under the laws of the United States.

In the United States, this Supplemental Prospectus and the Prospectus are being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the Offer Shares. The information contained in this Supplemental Prospectus and the Prospectus has been provided by the Company and other sources identified herein. Distribution of this Supplemental Prospectus and the Prospectus to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised and any disclosure of its contents, without prior written consent of the Company, is prohibited. This Supplemental Prospectus and the Prospectus are personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or subscribe for or otherwise acquire the Offer Shares.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Supplemental Prospectus and the Prospectus are only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "**UK**") or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Supplemental Prospectus and the Prospectus or any of its contents.

Each of the Managers has represented, warranted and agreed (i) that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company and (ii) that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the UK.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

In any member state of the European Economic Area (the "**EEA**") that has implemented the EU Prospectus Directive, other than Norway (each, a "**Relevant Member State**"), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the EU Prospectus Directive. This Supplemental Prospectus and the Prospectus have been prepared on the basis that all offers of Offer Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Directive from the requirement to produce a prospectus for offer of shares. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which is the subject of the Offering contemplated in this Supplemental Prospectus and the Prospectus within any EEA member state (other than Norway) should only do so in circumstances in which no obligation arises for the Company or any of the Managers to publish a prospectus or a supplement to a prospectus under the EU Prospectus Directive for such offer. Neither the Company nor the Managers have authorised, nor do they authorise, the making of any offer of Shares through any financial intermediary, other than offers made by Managers which constitute the final placement of Offer Shares contemplated in this Supplemental Prospectus and the Prospectus.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Supplemental Prospectus and the Prospectus in Norway, who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Supplemental Prospectus and the Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

a) it is a qualified investor as defined in the EU Prospectus Directive or covered by another exemption under the EU Prospectus Directive from the requirement to produce a prospectus for offer of shares; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) such Offer Shares acquired by it in the Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any of the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State, and the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

See Section 20 "Selling and transfer restrictions" in the Prospectus for certain other notices to investors.

STABILISATION

In connection with the Offering, Carnegie (the "**Stabilisation Manager**"), or its agents, on behalf of the Managers, may, upon exercise of the Lending Option, engage in transactions that stabilise, maintain or otherwise affect the price of the Shares for up to 30 days from the first day of the Listing. Specifically, the Stabilisation Manager may effect transactions with a view to supporting the market price of the Shares at a level higher than might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilisation Manager and its agents to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilising activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the first day of the Listing. Save as required by law or regulation, the Stabilisation Manager does not intend to disclose the extent of any stabilisation transactions under the Offering.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited company incorporated under the laws of Norway. As a result, the rights of holders of the Company's Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. The members of the Company's board of directors (the "**Board Members"** and the "**Board of Directors**", respectively) and the members of the Group's senior management (the "**Management**") are not residents of the United States, and a substantial portion of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company or its Board Members and members of Management in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgments based on the civil liability provisions of the securities laws of the United States or any State or territory within the United States. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters with Norway.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act.

1 RESPONSIBILITY FOR THE SUPPLEMENTAL PROSPECTUS

The Board of Directors of Saferoad Holding ASA accepts responsibility for the information contained in this Supplemental Prospectus. The members of the Board of Directors confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Supplemental Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

15 May 2017

The Board of Directors of Saferoad Holding ASA

Johan Ek *Chairman*	Bård Mikkelsen *Vice Chairman*	Olof Faxander *Board Member*
Annika Poutiainen *Board Member*	Synnøve Lyssand Sandberg *Board Member*	Gry Hege Sølsnes *Board Member*
Jan Torgeir Hovden *Board Member*	Britt Sandvik *Board Member*	Knut Brevik *Board Member*

2 SUPPLEMENTAL INFORMATION

2.1 Unaudited consolidated interim financial statements of the Company as at, and for the three month periods ended, 31 March 2017 and 2016

On 15 May 2017, the Company published the unaudited consolidated interim financial statements of the Company as at, and for the three month periods ended, 31 March 2017 and 2016 (the "**Q1 Interim Financial Statements**"). The Company deems the Q1 Interim Financial Statements to be of importance to prospective investors when determining whether to invest in the Shares.

The Q1 Interim Financial Statements are incorporated by reference to this Supplemental Prospectus. The information in the Q1 Interim Financial Statements is relevant for the information included in Section 10 "Selected financial and other information" and Section 11 "Operating and financial review" of the Prospectus. The Q1 Interim Financial Statements are available on www.saferoad.com/globalassets/saferoad-group/investors/saferoad-q1-2017.pdf.

Copies of Q1 Interim Financial Statements will also, together with this Supplemental Prospectus, be available for inspection at the Company's offices at Enebakkveien 150, N-0680 Oslo, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Supplemental Prospectus.

2.2 Submission of listing application

On 10 May 2017, the Company applied for admission to trading of its Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange will approve the listing application of the Company on 15 May 2017, subject to certain condition being met. See Section 19.13 "Conditions for completion of the Offering—Listing and trading of the Offer Shares" in the Prospectus.

2.3 Right to withdraw applications

Applicants that have applied for Offer Shares in the Retail Offering before the publication of this Supplemental Prospectus have the right to withdraw their application within two days after the publication of this Supplemental Prospectus, cf. Section 7-21(2) of the Norwegian Securities Trading Act (i.e. prior to 16:30 hours (CET) on 18 May 2017). Such withdrawal is made by contacting the Manager with whom the application was made or, with respect to investors that have applied for Offer Shares through VPS online application system, by contacting Nordea. Investors that have applied for Offer Shares in the Retail Offering before the publication of this Supplemental Prospectus and have not utilised the right to withdraw their application within the two-day deadline as indicated above, will be regarded as having accepted the revised terms of the Offering and hence will not need to submit a new application.

Applications made in the Institutional Offering may be withdrawn or amended by the investor at any time up to the end of the Bookbuilding Period (i.e. 14:00 hours (CET) on 22 May 2017). At the close of the Bookbuilding Period, all applications in the Institutional Offering that have not been withdrawn or amended are irrevocable and binding upon the investor.

SUPPLEMENTAL PROSPECTUS

Saferoad Holding ASA
Enebakkveien 150
N-0680 Oslo
Norway

Joint Global Coordinator and Joint Bookrunner

Carnegie
Fjordalléen 16
P.O. Box 684 Sentrum
N-0106 Oslo
Norway

Joint Global Coordinator and Joint Bookrunner

Nordea
Essendropsgate 7
P.O. Box 1166 Sentrum
N-0107 Oslo
Norway

Joint Bookrunner

Danske Bank
Bryggetorget 4
P.O. Box 1170 Sentrum
N-0107 Oslo
Norway

Legal Adviser to the Company
(as to Norwegian law)

Advokatfirmaet Thommessen AS
Haakon VIIs gate 10
N-0161 Oslo
Norway

Legal Adviser to the Joint Global Coordinators and the Joint Bookrunners
(as to Norwegian law)

Advokatfirmaet Wiersholm AS
Dokkveien 1
N-0250 Oslo
Norway

SUPPLEMENTAL PROSPECTUS

SAFEROAD®

Saferoad Holding ASA

(A public limited company incorporated under the laws of Norway)

Supplementing information contained in the Prospectus dated 10 May 2017 concerning the initial public offering and listing on the Oslo Stock Exchange of the shares of Saferoad Holding ASA

This document (the "**Supplemental Prospectus**") is a supplement to the prospectus dated 10 May 2017, as supplemented by the supplemental prospectus dated 15 May 2017, (the "**Prospectus**") prepared by Saferoad Holding ASA (the "**Company**", and together with its consolidated subsidiaries, "**Saferoad**" or the "**Group**"), a public limited company incorporated under the laws of Norway, in connection with the initial public offering (the "**Offering**") of shares of the Company and the related listing (the "**Listing**") of the Company's shares, each with a nominal value of NOK 0.10 (the "**Shares**") on the Oslo Stock Exchange.

This Supplemental Prospectus constitutes a supplement to the Prospectus. The information is to be considered part of the Prospectus and (i) supersedes information originally contained in the Prospectus to the extent inconsistent with such information and (ii) supplements information originally contained in the Prospectus so that any statement contained therein will be deemed to be modified to the extent that a statement in this Supplemental Prospectus modifies such statement. This Supplemental Prospectus must be read together with the Prospectus and as part of the basis for any decision of investment in the Company's Shares. Capitalised terms and expressions defined in the Prospectus shall have the same meaning when used in this Supplemental Prospectus unless otherwise defined herein or the context otherwise requires. References in the Prospectus to the "Prospectus" should, unless the context otherwise requires, hereafter be read to refer to the Prospectus, as supplemented hereby.

Investing in the Offer Shares involves a high degree of risk. Prospective investors should read the entire Supplemental Prospectus and the Prospectus and, in particular, consider Section 2 "Risk factors" in the Prospectus when considering an investment in the Company.

The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold: (i) in the United States only to persons who are "qualified institutional buyers" ("QIBs") in reliance on an exemption from the registration requirements under the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S under the U.S. Securities Act ("Regulation S"). The distribution of this Supplemental Prospectus and the Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. Persons in possession of this Supplemental Prospectus and the Prospectus are required to inform themselves about and to observe any such restrictions. See Section 20 "Selling and transfer restrictions" in the Prospectus.

Any dispute arising with regard to this Supplemental Prospectus is subject to Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering, the Prospectus or this Supplemental Prospectus.

Information in the Prospectus shall still apply unless and then only to the extent it has not been amended, supplemented or deleted by this Supplemental Prospectus, as described above.

Joint Global Coordinators
and Joint Bookrunners

Carnegie Nordea

Joint Bookrunner

Danske Bank

The date of this Supplemental Prospectus is 23 May 2017

IMPORTANT INFORMATION

This Supplemental Prospectus is a supplement to the original Prospectus issued by the Company in connection with the Offering and the Listing of the Company's Shares on the Oslo Stock Exchange. This Supplemental Prospectus contains information important to the Offering.

The Supplemental Prospectus is a part of an EEA prospectus and has been reviewed and approved by the Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "**Norwegian FSA**") in accordance with Section 7-7, cf. Section 7-15 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information included in this Supplemental Prospectus. The approval by the Norwegian FSA is dated 23 May 2017 and only relates to the information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or referred to in this Supplemental Prospectus. This Supplemental Prospectus is published in an English version only.

Applicants that have applied for Offer Shares in the Offering before the publication of this Supplemental Prospectus have the right to withdraw their application within two days after the publication of this Supplemental Prospectus, cf. Section 7-21(2) of the Norwegian Securities Trading Act (i.e. prior to 16:30 hours (CET) on 24 May 2017), cf. Section 2.2 "Right to withdraw applications" below. Such withdrawal is made by contacting the Manager with whom the application was made or, with respect to investors that have applied for Offer Shares through the VPS' online application system, by contacting Nordea. Investors that have applied for Offer Shares in the Offering before the publication of this Supplemental Prospectus and that have not used the right to withdraw their application within the two-day deadline as indicated above, will be regarded as having accepted the revised terms of the Offering and hence will not need to submit a new application.

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The Company has engaged Carnegie AS ("**Carnegie**") and Nordea Bank AB (publ), filial i Norge ("**Nordea**") as "**Joint Global Coordinators**" and "**Joint Bookrunners**" and Danske Bank A/S, Norwegian branch ("**Danske Bank**") as "**Joint Bookrunner**". The Joint Global Coordinators and the Joint Bookrunners are together referred to herein as the "**Managers**".

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group and the terms of the Offering, including the merits and risks involved. None of the Company, the Existing Shareholder or the Managers, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

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In the United States, this Supplemental Prospectus and the Prospectus are being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the Offer Shares. The information contained in this Supplemental Prospectus and the Prospectus has been provided by the Company and other sources identified herein. Distribution of this Supplemental Prospectus and the Prospectus to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised and any disclosure of its contents, without prior written consent of the Company, is prohibited. This Supplemental Prospectus and the Prospectus are personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or subscribe for or otherwise acquire the Offer Shares.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Supplemental Prospectus and the Prospectus are only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "**UK**") or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Supplemental Prospectus and the Prospectus or any of its contents.

Each of the Managers has represented, warranted and agreed (i) that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company and (ii) that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the UK.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

In any member state of the European Economic Area (the "**EEA**") that has implemented the EU Prospectus Directive, other than Norway (each, a "**Relevant Member State**"), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the EU Prospectus Directive. This Supplemental Prospectus and the Prospectus have been prepared on the basis that all offers of Offer Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Directive from the requirement to produce a prospectus for offer of shares. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which is the subject of the Offering contemplated in this Supplemental Prospectus and the Prospectus within any EEA member state (other than Norway) should only do so in circumstances in which no obligation arises for the Company or any of the Managers to publish a prospectus or a supplement to a prospectus under the EU Prospectus Directive for such offer. Neither the Company nor the Managers have authorised, nor do they authorise, the making of any offer of Shares through any financial intermediary, other than offers made by Managers which constitute the final placement of Offer Shares contemplated in this Supplemental Prospectus and the Prospectus.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Supplemental Prospectus and the Prospectus in Norway, who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Supplemental Prospectus and the Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

a) it is a qualified investor as defined in the EU Prospectus Directive or covered by another exemption under the EU Prospectus Directive from the requirement to produce a prospectus for offer of shares; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) such Offer Shares acquired by it in the Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any of the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State, and the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

See Section 20 "Selling and transfer restrictions" in the Prospectus for certain other notices to investors.

STABILISATION

In connection with the Offering, Carnegie (the "**Stabilisation Manager**"), or its agents, on behalf of the Managers, may, upon exercise of the Lending Option, engage in transactions that stabilise, maintain or otherwise affect the price of the Shares for up to 30 days from the first day of the Listing. Specifically, the Stabilisation Manager may effect transactions with a view to supporting the market price of the Shares at a level higher than might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilisation Manager and its agents to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilising activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the first day of the Listing. Save as required by law or regulation, the Stabilisation Manager does not intend to disclose the extent of any stabilisation transactions under the Offering.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited company incorporated under the laws of Norway. As a result, the rights of holders of the Company's Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. The members of the Company's board of directors (the "**Board Members"** and the "**Board of Directors**", respectively) and the members of the Group's senior management (the "**Management**") are not residents of the United States, and a substantial portion of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company or its Board Members and members of Management in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgments based on the civil liability provisions of the securities laws of the United States or any State or territory within the United States. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters with Norway.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act.

1 RESPONSIBILITY FOR THE SUPPLEMENTAL PROSPECTUS

The Board of Directors of Saferoad Holding ASA accepts responsibility for the information contained in this Supplemental Prospectus. The members of the Board of Directors confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Supplemental Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

23 May 2017

The Board of Directors of Saferoad Holding ASA

Johan Ek *Chairman*	Bård Mikkelsen *Vice Chairman*	Olof Faxander *Board Member*
Annika Poutiainen *Board Member*	Synnøve Lyssand Sandberg *Board Member*	Gry Hege Sølsnes *Board Member*
Jan Torgeir Hovden *Board Member*	Britt Sandvik *Board Member*	Knut Brevik *Board Member*

2 SUPPLEMENTAL INFORMATION

2.1 Revised terms of the Offering

For information about the Offering, see Section 19 "The terms of the Offering" of the Prospectus.

The Company announced on 23 May 2017 that the Company and the Existing Shareholder had decided to set the Offer Price at NOK 30 per Offer Share (which is below the Indicative Price Range) and to extend the Bookbuilding Period and the Application Period. The decision was based on the bookbuilding as of 22 May 2017 and a desire to provide a satisfactory basis for the trading in the Shares following the Listing. The revised terms are described in this Section 2.1 "Revised terms of the Offering" and Section 19 "The terms of the Offering" of the Prospectus is accordingly revised as set out below.

2.1.1 Offer Price and number of Offer Shares

The Offer Price has been set by the Company and the Existing Shareholder at NOK 30 per Offer Share.

The Company will issue approximately 46,666,667 New Shares in the Offering, to raise gross proceeds of approximately NOK 1,400 million. Assuming the Over-Allotment Option is exercised in full, the Offering will amount to up to approximately 53,666,667 Offer Shares, representing up to approximately 80.5% of the Shares in issue following the Offering.

2.1.2 Extension of the Bookbuilding Period and the Application Period

The Bookbuilding Period for the Institutional Offering and the Application Period for the Retail Offering has been extended until 16:30 hours (CET) on 24 May 2017 (subject to any additional extension).

As a consequence of the extension of the Bookbuilding Period and the Application Period, the key dates for the Offering are (subject to any additional extension):

Bookbuilding Period ends	24 May 2017 at 16:30 hours (CET)
Application Period ends	24 May 2017 at 16:30 hours (CET)
Allocation of the Offer Shares	On or about 24 May 2017
Publication of the results of the Offering	On or about 24 May 2017
Issuance of allocation notes	On or about 26 May 2017
Accounts from which payment will be debited in the Retail Offering to be sufficiently funded	On or about 26 May 2017
Payment date in the Retail Offering	On or about 29 May 2017
Delivery of the Offer Shares in the Retail Offering (subject to timely payment)	On or about 30 May 2017
Payment date in the Institutional Offering	On or about 29 May 2017
Delivery of the Offer Shares in the Institutional Offering	On or about 29 May 2017
Listing and commencement of trading in the Shares	On or about 29 May 2017

2.1.3 Dilution

Following completion of the Offering (excluding any over-allotments), the immediate dilution for the Existing Shareholder is estimated to be approximately 70.0% assuming issuance of all the New Shares.

2.1.4 Cornerstone Investors

The Cornerstone Investors (Nordea Investment Management and Handelsbanken Fonder) have reconfirmed their commitment to acquire Offer Shares in the Offering for a total of NOK 250 million at the new Offer Price. See Section 19.1 "Overview of the Offering" of the Prospectus for further information regarding the Cornerstone Investors.

2.2 Right to withdraw applications

Applicants that have applied for Offer Shares before the publication of this Supplemental Prospectus have the right to withdraw their application within two days after the publication of this Supplemental Prospectus, cf. Section 7-21(2) of the Norwegian Securities Trading Act (i.e. prior to 16:30 hours (CET) on 24 May 2017). Such withdrawal is made by contacting the Manager with whom the application was made or, with respect to investors that have applied for Offer Shares through VPS online application system, by contacting Nordea. Investors that have applied for Offer Shares before the publication of this Supplemental Prospectus and have not utilised the right to withdraw their application within the two-day deadline as indicated above, will be regarded as having accepted the revised terms of the Offering and hence will not need to submit a new application.

2.3 Approval of listing application

On 15 May 2017, the board of directors of the Oslo Stock Exchange approved the listing application of the Company. The approval is subject to the following conditions being satisfied prior to the first day of Listing: (i) the Company having obtaining a minimum of 500 shareholders, each holding Shares with a value of more than NOK 10,000, (ii) there being a minimum free float of the Shares of 25% and (iii) the proceeds to the Company from the sale of New Shares being at least NOK 1,400 million. See Section 19.13 "Conditions for completion of the Offering—Listing and trading of the Offer Shares" in the Prospectus.

SUPPLEMENTAL PROSPECTUS

SAFEROAD®

Saferoad Holding ASA
Enebakkveien 150
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Joint Global Coordinator and Joint Bookrunner

Carnegie
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Norway

Joint Global Coordinator and Joint Bookrunner

Nordea
Essendropsgate 7
P.O. Box 1166 Sentrum
N-0107 Oslo
Norway

Joint Bookrunner

Danske Bank
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P.O. Box 1170 Sentrum
N-0107 Oslo
Norway

Legal Adviser to the Company
(as to Norwegian law)

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Legal Adviser to the Joint Global Coordinators and the Joint Bookrunners
(as to Norwegian law)

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