

ÅRSREDOVISNING

2022-01-01--2022-12-31

för

ADB Safegate Sweden AB
556177-5387

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FASTSTÄLLELSEINTYG

Undertecknad verkställande direktör intygar härmed, dels att denna kopia av årsredovisningen stämmer överrens med originalet, dels att resultaträkningen och balansräkningen har fastställts på årsstämman den 30 juni 2023. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Malmö den 30 juni 2023



Alexander Strandberg
Verkställande Direktör

ADB Safegate Sweden AB
556177-5387

ÅRSREDOVISNING FÖR ADB SAFEGATE SWEDEN AB

Styrelsen och verkställande direktören för ADB Safegate Sweden AB avger härmed årsredovisning för räkenskapsåret 2022-01-01--2022-12-31.

FÖRVALTNINGSBERÄTTELSE

Ägarförhållanden

ADB Safegate Sweden AB är sedan februari 2016 ett dotterbolag till ADB Safegate BV. ADB Safegate Group ägs sedan oktober 2017 av Carlyle Group.

ADB Safegate Sweden AB är moderbolag till de helägda dotterbolagen ADB Safegate Gulf L.L.C., Förenade Arabemiraten, ADB Safegate Doha W.L.L., Qatar, ADB Safegate (Beijing) Airfield Technologies Ltd, Kina, Safegate do Brasil Ltda, Brasilien, ADB Safegate Russia L.L.C., Ryssland och ADB Safegate Canada Inc., Canada.

Allmänt

ADB Safegate Sweden AB är en global leverantör av produkter och system till den snabbt växande flygindustrin. ADB Safegate Group tillhandahåller integrerade lösningar som ökar effektiviteten, förbättrar säkerheten, minskar utsläppen och minskar driftkostnaderna för flygplatser och flygbolag. Världsmarknaden för flygpassagerare har ökat kraftigt ända sedan 1945, med undantag för några få år beroende på olika katastrofhändelser i världen. Den ökande marknaden ställer krav på effektivare flygplatser och ADB Safegates lösningar omfattar bland annat automatiserad dockning av flygplan, kontrollsystem för flygplatsbelysning med automatiserad guidning till piloter, system till kontrolltornet för effektiv kontroll av flygtrafiken samt avancerade analysverktyg som knyter ihop data från system för att i framtiden kunna effektivisera flödena på flygplatsen ytterligare. ADB Safegate Group finns representerade med säljkontor i de flesta delar av världen.

Årets verksamhet

Covid-19-pandemin fortsatte att påverka koncernen under 2022. Koncernen fortsatte att konfronteras med stora utmaningar i leveranskedjan, som indirekt härrörde från pandemin, samt stigande fraktpriser. Den höga inflationen påverkade marginalerna och ökade våra driftkostnader. Kriget mellan Ryssland och Ukraina och sanktionerna mot Ryssland har haft en negativ påverkan på koncernens intäkter i Östeuropa. Trots utmaningarna har koncernens intäkter och orderstock ökat jämfört med 2021 och vi kan tydligt se en pågående återhämtning av marknaden.

När flygplatser går ner i kapacitet så stänger de stora delar av flygplatserna. Att kunna operera de delar som fortfarande är öppna ställer stora krav på hög effektivitet. Våra produkter ger ökad effektivitet och ett bättre kapacitetsutnyttjande och ligger därmed väl i tiden. Att hjälpa kunderna med deras omställningar har därför inneburit nya möjligheter för oss. Under året har vi fortsatt att investera i produktutveckling. Vi har också fortsatt lagt stort fokus på att förbättra våra interna processer för att bli ännu mer konkurrenskraftiga i framtiden.

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Viktiga händelser under 2022

2022 har handlat om återhämtning från Covid-19-pandemin och vi har kunnat se en omsättningsökning jämfört med föregående år. Under året har koncernen upplevt stora utmaningar i leveranskedjan, vilket kom att ha en negativ påverkan på produktionsvolym, lagernivåer, rörelsekapital och intäkter. Koncernen fortsätter att noggrant följa upp detta för att proaktivt kunna införa åtgärder för att minska påverkan för våra kunder. Centralt genomförda åtgärder inkluderar selektiv uppbyggnad av buffertlager, förbättrad planering och prognoser, ökad leverantörskommunikation och proaktiv leverantörshantering. Den höga inflationen var ytterligare en extern faktor som kom att påverka koncernens lönsamhet.

Resultat och ställning,

Nedan visas bolagets resultat och ställning i sammandrag.

(Tkr)	2022	2021	2020	2019	2018
Nettoomsättning	157 769	124 363	400 859	668 956	633 454
Driftsresultat (EBITDA)	11 101	116	-8 855	87 613	-23 098
Resultat före skatt (EBT)	-74 305	-114 154	-187 485	-176 142	-290 158
Balansomslutning	1 160 799	1 128 398	1 084 930	1 360 658	1 314 926
Soliditet I	10%	17%	14%	23%	3%
Medelantal anställda	41	73	78	91	95

Produktutveckling

ADB Safegates strategi är att erbjuda sina kunder integrerade lösningar baserat på standardiserade produkter som hjälper dem till att driva säkrare och effektivare flygplatser. Inom R&D säkerställs att utveckling av nya produkter och system uppfyller globala standarder och kommande krav med avseende på systematisering, integration och miljö.

Inom segmentet Gate och Apron, har ADB Safegate fokuserat på att utveckla beslutsstödsystem för att kunna automatisera turn-around aktiviteten vid gate. Detta leder till säkrare processer, högre kapacitet samt bättre effektivitet och lönsamhet för våra kunder.

Vårt specialdesignade forskningscenter i Sverige har visat sig vara en stor tillgång vid kundbesök. En unik egenskap är dess avkortade landningsbana och taxibanor som är en exakt kopia av en verklig flygplats. Alla produkter och system som används här är identiska som de som används på en riktig flygplats.

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Väsentliga risker och osäkerhetsfaktorer

Risker och osäkerheter associerade med aktiviteter utförda under verksamhetsåret reflekteras i årsredovisningen genom lämpliga avsättningar.

En av gruppens stora risker är den miljöpåverkan som flygindustrin har. Tillväxt genom nya flygplatser eller utbyggnad av befintliga flygplatser påverkar gruppens verksamhet.

Covid-19 har skapat osäkerhet i världen och drabbar flygplansindustrin hårt. Gruppen följer noga utvecklingen för att kunna vidta åtgärder i tid och minska påverkan på verksamheten.

Kreditrisker associerade med kunder följs noga upp och kan ha en påverkan på resultatet.

Det är också en nyckelfaktor för bolaget att behålla kvalificerad personal.

Händelser efter balansdagen

Inga väsentliga affärstransaktioner har inträffat efter balansdagen som påverkar bolagets ställning och resultat.

Förväntad utveckling 2023

För närvarande minskar osäkerheten om pandemins långsiktiga inverkan på flygtrafiken eftersom det är tydligt att flygtrafiken håller på att återhämta sig. Nästa stora utmaning för flygindustrin är dess klimatpåverkan. Eftersom flygindustrin står för cirka 2,5% av de globala CO₂-utsläppen kan dess klimatpåverkan inte ignoreras. Även om industrins långsiktiga tillväxt kan komma att påverkas av oron för klimatet förväntas fortfarande flygindustrin att växa och flygresandet att fortsätta öka då flygindustrin spelar en avgörande roll i det moderna samhället. En del av flygplatsernas arbete för att minska sin klimatpåverkan är att öka effektiviteten och kapacitetsutnyttjandet på marken och här spelar våra produkter en viktig roll.

Ledningen tror att 2023 kommer vara ett år av stark tillväxt där vi kommer att få se en bredare återhämtning av flygtrafiken och många flygplatser kommer att återuppta sina projekt med att omforma flygplatserna.

Hållbarhetsrapport

Hållbarhetsrapport för 2022 har upprättats av moderbolaget ADB Safegate BV och omfattar även ADB Safegate Sweden AB och dess dotterbolag. Hållbarhetsrapporten finns att hämta på <https://adbsafegate.com/about/corporate/corporate-social-responsibility/>. Se även not 24.

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Förslag till behandling av bolagets förlust (kronor)

Till årsstämman förfogande står:

Balanserad vinst	164 393 752
Ovillkorat aktieägartillskott	
Årets resultat	<u>-76 100 285</u>
	<u>88 293 467</u>

Styrelsen föreslår att vinstmedlen behandlas så att:

i ny räkning balanseras	<u>88 293 467</u>
	<u>88 293 467</u>

Beträffande företagens resultat och ställning i övrigt hänvisas till efterföljande resultat-och balansräkningar, rapporter över eget kapital, kassaflödesanalyser samt noter. Alla belopp uttrycks i tusentals svenska kronor där ej annat anges.

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RESULTATRÄKNING

(Tkr)

	Not	2022	2021
Nettoomsättning	4,5	157 769	124 363
Kostnad för sålda varor	5,8	-88 454	-95 529
Bruttoresultat		69 315	28 834
Försäljnings- och administrationskostnader	6,7,8, 14	-39 002	-50 163
Utvecklingskostnader	7,8	-47 377	-41 585
Övriga rörelseintäkter	9	28 165	32 089
Rörelseresultat		11 101	-30 825
Resultat från finansiella investeringar			
Resultat från andelar i dotterföretag	15	-219	-
Ränteintäkter och liknande resultatposter	10	4 504	3 448
Räntekostnader och liknande resultatposter	10	-89 691	-86 822
Resultat efter finansiella poster		-74 305	-114 199
Bokslutsdispositioner			
Förändring av överavskrivningar		-	45
Resultat före skatt		-74 305	-114 154
Skatt på årets resultat	11	-1 795	-3 335
ÅRETS RESULTAT		-76 100	-117 489

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BALANSRÄKNING	Not	2022-12-31	2021-12-31
(Tkr)			
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Goodwill, varumärken och andra rättigheter	12	359	72
		<u>359</u>	<u>72</u>
Materiella anläggningstillgångar	13		
Byggnader och markanläggningar		938	2 122
Inventarier		658	815
		<u>1 596</u>	<u>2 937</u>
Finansiella anläggningstillgångar			
Andelar i koncernföretag	15	229 668	228 338
Fordringar hos koncernföretag		1 408	1 357
Uppskjuten skattefordran	21	271	1 328
		<u>231 347</u>	<u>231 023</u>
Summa anläggningstillgångar		233 302	234 032
Omsättningstillgångar			
Kortfristiga fordringar			
Kundfordringar		6 574	9 269
Fordringar hos koncernföretag		899 326	864 838
Pågående arbeten för annans räkning	16	888	818
Övriga fordringar		1 379	2 133
Skattefordran		15 910	12 457
Förutbetalda kostnader och upplupna intäkter	17	3 104	4 633
		<u>927 181</u>	<u>894 148</u>
Kassa och bank		316	218
Summa omsättningstillgångar		927 497	894 366
SUMMA TILLGÅNGAR		1 160 799	1 128 398

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BALANSRÄKNING	Not	2022-12-31	2021-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
<i>Bundet eget kapital</i>			
Aktiekapital (2.009.546 aktier)		20 095	20 095
Reservfond		4 020	4 020
		<u>24 115</u>	<u>24 115</u>
<i>Fritt eget kapital</i>			
Balanserat resultat		164 394	281 883
Årets resultat		-76 100	-117 489
		<u>88 294</u>	<u>164 394</u>
Summa eget kapital		112 409	188 509
Avsättningar			
Uppskjuten skatteskuld	21	738	-
Garantiavsättningar		883	1 017
		<u>1 621</u>	<u>1 017</u>
Långfristiga skulder			
Skulder till kreditinstitut	18	987 619	874 075
		<u>987 619</u>	<u>874 075</u>
Kortfristiga skulder			
Skulder till koncernföretag		20 766	8 514
Förskott från kunder	19	8 776	27 159
Leverantörsskulder		10 102	5 554
Övriga skulder		3 789	3 432
Upplupna kostnader och förutbetalda intäkter	20	15 717	20 138
		<u>59 150</u>	<u>64 797</u>
SUMMA EGET KAPITAL OCH SKULDER		1 160 799	1 128 398

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RAPPORT ÖVER FÖRÄNDRING I EGET KAPITAL

(Tkr)

	<i>Bundet eget kapital</i>		<i>Fritt eget kapital</i>		Summa eget kapital
	Aktie- kapital	Reserv- fond	Balanserad vinst eller förlust	Årets resultat	
Ingående balans per 1 januari 2022	20 095	4 020	281 883	-117 489	188 509
Disposition av föregående års resultat			-117 489	117 489	0
Årets resultat				-76 100	-76 100
Utgående balans per 31 december 2022	20 095	4 020	164 394	-76 100	112 409

Aktiekapital 2.009.546 aktier á kvotvärde 10 kronor.

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KASSAFLÖDESANALYS

(Tkr)	Not	2022	2021
Den löpande verksamheten			
Rörelseresultat		11 101	-30 825
Justeringar för poster som inte ingår i kassaflödet:			
Avskrivningar		1 301	30 941
Rearesultat försäljning av anläggningstillgångar		536	4
Förändring avsättningar		-134	-9 058
Valutakursdifferenser		-716	-1 001
Erhållen ränta		4 504	3 448
Erlagd ränta		-60 004	-42 676
Betald inkomstskatt		-3 453	-4 515
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		-46 865	-53 682
Kassaflöde från förändringar i rörelsekapital			
Minskning(+)/ökning(-) av varulager		-	5 111
Minskning(+)/ökning(-) av övriga kortfristiga fordringar		28 357	10 683
Minskning(-)/ökning(+ av övriga kortfristiga skulder, exkl. lån		-12 275	-51 384
Kassaflöde från den löpande verksamheten		-30 783	-89 272
Investeringsverksamheten			
Resultat av andelar i dotterföretag		-1 549	-
Förvärv av materiella anläggningstillgångar		-391	-102
Förvärv av immateriella anläggningstillgångar		-392	-
Återbetalda fordringar		-	1 054
Kassaflöde från investeringsverksamheten		-2 332	952
Finansieringsverksamheten			
Minskning(-)/ökning(+) nyttjande av cash pool		33 213	-65 307
Aktieägartillskott		-	153 600
Kassaflöde från finansieringsverksamheten		33 213	88 293
Årets kassaflöde		98	-27
Likvida medel vid årets början		218	245
Likvida medel vid årets slut		316	218

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NOTER

Not 1 Allmän information

ADB Safegate Sweden AB med organisationsnummer 556177-5387 är ett aktiebolag registrerat i Sverige med säte i Malmö. Adressen till huvudkontoret är Djurhagegatan 19, 213 76 Malmö, Sverige.

Bolaget är dotterbolag till ADB Safegate BV, org. nr. BE 0400.624.648 med säte i Belgien. Koncernens moderbolag är ADB Safegate Luxembourg 1 S.à r.l.

Not 2 Redovisningsprinciper och värderingsprinciper

Bolaget tillämpar Årsredovisningslagen (1995:1554) och Bokföringsnämndens allmänna råd BFNAR 2012:1 *Årsredovisning och koncernredovisning* ("K3"). Koncernredovisning upprättas inte i enlighet med Årsredovisningslagen 7 kap 2 §.

Koncernredovisning har upprättats av ADB Safegate Luxembourg 1 S.à r.l, org nr. B217137.

Redovisningsprinciperna är oförändrade jämfört med tidigare år.

Tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Intäkter

Det inflöde av ekonomiska fördelar som företaget erhållit eller kommer att erhålla för egen räkning redovisas som intäkt. Intäkter värderas till verkliga värdet av det som erhållits eller kommer att erhållas, med avdrag för rabatter.

Försäljning av varor

Vid försäljning av varor redovisas intäkten vid leveransen.

Tjänsteuppdrag - fast pris

Intäkter från försäljning av tjänster till fast pris redovisas med tillämpning av den s.k. färdigställandemetoden. Det innebär att företaget intäktsredovisar ett uppdrag när det är väsentligen fullgjort. Fram till vinstavräkningen redovisas nedlagda utgifter för uppdraget som tillgång och fakturerade belopp som skuld. Är det sannolikt att de totala uppdragsutgifterna kommer att överstiga den totala uppdragsinkomsten från ett uppdrag, redovisas den befarade förlusten som en kostnad oavsett om uppdraget har påbörjats eller inte.

Balanserade utgifter för utveckling

För utvecklingsprojekt med start från och med 1 januari 2009, har företaget valt att utnyttja möjligheten att redovisa utgifter för utveckling i resultaträkningen, i enlighet med BFN R1.

Övriga immateriella anläggningstillgångar

Övriga immateriella anläggningstillgångar som förvärvats är redovisade till anskaffningsvärde minskat med ackumulerade avskrivningar och nedskrivningar.

Materiella anläggningstillgångar

Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och nedskrivningar. I anskaffningsvärdet ingår förutom inköpspriset även utgifter som är direkt hänförliga till förvärvet.

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Avskrivningar

Avskrivningar enligt plan är baserad på anläggningstillgångarnas anskaffningsvärden och beräknade nyttjandetid. Följande avskrivningsprocenter har tillämpats:

Varumärkesrättigheter	5 %
Produkträttigheter mm	10 %
Goodwill	20 %
Land och byggnader	5-10%
Inventarier	20-33 %

Varulager

Varulager värderas till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet på balansdagen. Anskaffningsvärdet beräknas genom tillämpning av först-in-först-ut-metoden (FIFU). Nettoförsäljningsvärde är försäljningsvärdet efter avdrag för beräknade kostnader som direkt kan hänföras till försäljningstransaktionen.

Fordringar och skulder i utländsk valuta

Fordringar och skulder i utländsk valuta värderas till balansdagens kurser. I de fall terminskontrakt tecknats används dock terminskursen vid värderingen av underliggande fordran eller skuld.

Finansiella tillgångar och skulder

Finansiella tillgångar och skulder redovisas i enlighet med kapitel 11 (Finansiella instrument värderade utifrån anskaffningsvärdet) i BFNAR 2012:1

Redovisning i och borttagande från balansräkningen

En finansiell tillgång eller finansiell skuld tas upp i balansräkningen när företaget blir part i instrumentets avtalsmässiga villkor. En finansiell tillgång tas bort från balansräkningen när den avtalsenliga rätten till kassaflödet från tillgången har upphört eller reglerats. Detsamma gäller när de risker och fördelar som är förknippade med innehavet i allt väsentligt överförs till annan part och företaget inte längre har kontroll över den finansiella tillgången. En finansiell skuld tas bort från balansräkningen när den avtalade förpliktelsen fullgjorts eller upphört.

Värdering av finansiella tillgångar

Finansiella tillgångar värderas vid första redovisningstillfället till anskaffningsvärde, inklusive eventuella transaktionsutgifter som är direkt hänförliga till förvärvet av tillgången.

Finansiella omsättningstillgångar värderas efter första redovisningstillfället till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet på balansdagen.

Kundfordringar och övriga fordringar som utgör omsättningstillgångar värderas individuellt till det belopp som beräknas inflyta.

Finansiella anläggningstillgångar värderas efter första redovisningstillfället till anskaffningsvärde med avdrag för eventuella nedskrivningar och med tillägg för eventuella uppskrivningar.

Räntebärande finansiella tillgångar värderas till upplupet anskaffningsvärde med tillämpning av effektivräntemetoden

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Värdering av finansiella skulder

Finansiella skulder värderas till upplupet anskaffningsvärde. Utgifter som är direkt hänförliga till upptagande av lån korrigerar lånets anskaffningsvärde och periodiseras enligt effektivräntemetoden.

Andelar i dotterföretag

Andelar i dotterföretag redovisas till anskaffningsvärde minskat med ackumulerade nedskrivningar. I anskaffningsvärdet ingår förutom inköpspriset även utgifter som är direkt hänförliga till förvärvet.

Ersättningar till anställda

Ersättningar till anställda efter avslutad anställning

Leasing

Samtliga leasingavtal har klassificerats som operationella leasingavtal, vilket innebär att leasingavgiften fördelas linjärt över leasingperioden.

Avsättningar

Avsättningar redovisas när företaget har ett befintligt åtagande som är hänförligt till en inträffad händelse och som troligt kommer att resultera i ett utflöde av resurser som kan uppskattas på ett tillförlitligt sätt.

Avsättningar för omstruktureringskostnader redovisas när koncernen har en fastställd detaljerad omstruktureringsplan som har meddelats berörda parter.

Kassaflödesanalys

Kassaflödesanalysen upprättas enligt den indirekta metoden. (Det redovisade kassaflödet omfattar endast transaktioner som medför in- eller utbetalningar.)

Definitioner Nyckeltal

Bruttoresultat (EBITDA): Resultat före avskrivningar, finansnetto och skatt.

Resultat före skatt (EBT): Resultat före skatt.

Balansomslutning: Totala summan av bolagets tillgångar

Soliditet I: Eget kapital inkl. minoritetsintresse i förhållande till balansomslutningen.

Antal anställda: Genomsnittligt antal årsanställda.

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Not 3 Viktiga uppskattningar och bedömningar

Upprättande av årsredovisning enligt K3 kräver att företagsledning och styrelse gör antaganden om framtiden och andra viktiga källor till osäkerhet i uppskattningar på balansdagen som innebär en betydande risk för en väsentlig justering av de redovisade värdena för tillgångar och skulder i framtiden. Det slutliga utfallet av uppskattningar och bedömningar kan komma att avvika från nuvarande uppskattningar och bedömningar. Effekterna av ändringar i dessa redovisas i resultaträkningen under det räkenskapsår som ändringen görs samt under framtida räkenskapsår om ändringen påverkar både aktuellt och kommande räkenskapsår. Uppskattningar och bedömningar ses över årligen. Viktiga uppskattningar och bedömningar beskrivs nedan.

Goodwill och Andelar i dotterföretag

Bolaget har betydande värden redovisade i balansräkningen avseende immateriella anläggningstillgångar samt andelar i dotterföretag. Prövning av nedskrivningsbehov av andelar i dotterföretag och Goodwill görs årligen. För dessa beräkningar måste vissa uppskattningar göras avseende framtida kassaflöden. För att bedöma detta används budget och affärsplan för kommande år.

Varulager

Bedömning av inkuransbehovet av varulagret görs årligen och när händelser eller omständigheter indikerar på att värdet på varulagret kan ha minskat. Beräkningen av inkuransbehovet görs i två steg. Först analyseras konsumtionen och i nästa steg analyseras omsättningshastigheten. Artiklar som är knutna till specifika säljordrar tas inte med i beräkningen. Årets resultat har påverkats med 0 tkr (0 tkr) för justering av inkuransnedskrivningar.

Kundfordringar

Bolaget gör regelbundna analyser av risken i utestående fordringar och nedskrivning görs för osäkra fordringar.

Tvister

Uppskattning av kostnader för rättstvister har gjorts. Bolaget rådgör med juridisk expertis i frågor rörande rättstvister.

Upparbetad ej fakturerad intäkt

Bolaget gör regelbundet en värdering av upparbetade men ej fakturerade intäkter. Det görs en bedömning av vad som förväntas inflyta och eventuell mellanskillnad reserveras. Projektens resultat följs noga upp varje månad. Bedömning har gjorts att det inte föreligger någon risk för väsentlig förlust i pågående projekt.

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Not 4 Nettoomsättningens fördelning

Nettoomsättning per geografisk marknad	2022	2021
Europa	154 666	115 757
Övriga världen	3 103	8 606
Summa	157 769	124 363

Not 5 Inköp och försäljning mellan koncernföretag

	2022	2021
Inköp	44%	50%
Försäljning	19%	44%

Not 6 Uppllysning om revisorers arvode

	2022	2021
Deloitte		
Revisionsuppdrag	480	-
Summa	480	0
Övriga revisorer		
Revisionsuppdrag	200	485
Summa	200	485
Summa totalt	680	485

Med revisionsuppdrag avses revisorns ersättning för den lagstadgade revisionen. Arbetet innefattar granskningen av årsredovisningen och bokföringen, styrelsens och verkställande direktörens förvaltning samt arvode för revisionsrådgivning som lämnats i samband med revisionsuppdraget. Revisionsverksamhet utöver revisionsuppdraget avser i princip kvalitetssäkringstjänster.

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Not 7 Medelantal anställda, löner, andra ersättningar och sociala kostnader

	2022		2021	
	Antal anställda	Varav män	Antal anställda	Varav män
Sverige	41	71%	73	55%
Totalt	41	71%	73	55%

Könsfördelning inom styrelsen och företagsledningen

	2022		2021	
	Män	Kvinnor	Män	Kvinnor
Styrelseledamöter	75%	25%	75%	25%
VD och övriga befattningshavare	100%	0%	100%	0%

	2022		2021	
	Löner och andra ersättningar	Soc kostn (varav pensionskostnader)	Löner och andra ersättningar	Soc kostn (varav pensionskostnader)
Löner, andra ersättningar och sociala kostnader				
Styrelse, VD och övriga ledande befattningshavare	1 883	988 (376)	1 567	792 (299)
Övriga anställda	25 268	10 168 (3 389)	33 581	14 817 (5 791)
Total	27 151	11 156	35 148	15 609

Bolaget har träffat avtal med VD om avgångsvederlag med en uppsägningstid om maximalt 12 månader.

Not 8 Avskrivningar

Avskrivningar per tillgångsslag:	2022	2021
Goodwill, varumärken och andra rättigheter	105	29 021
Byggnader och markanläggningar	648	1 264
Inventarier	548	656
Summa	1 301	30 941
Avskrivningarnas fördelning per funktion:	2022	2021
Kostnad sålda varor	-	28 972
Försäljnings- och administrationskostnader	1 301	1 969
Summa	1 301	30 941

Kostnad sålda varor ovan avser avskrivningen på goodwill som är en effekt av fusionen med Fjäril Holding AB som skedde 2016. Goodwill fullt avskriven 2021.

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Not 9 Övriga rörelseintäkter

	2022	2021
Intäkter från försäljning av byggnad	15 713	-
Intäkter från vidareförsäljning och fakturering av tjänster inom koncernen	12 216	31 630
Övrigt	236	459
Summa	28 165	32 089

Not 10 Resultat från finansiella investeringar

	2022	2021
Ränteintäkter	4 504	3 448
Summa ränteintäkter och liknande resultatposter	4 504	3 448
	2022	2021
Räntekostnader	-55 393	-38 882
Valutadifferenser	-29 687	-44 146
Övriga finansiella kostnader	-4 611	-3 794
Summa räntekostnader och liknande resultatposter	-89 691	-86 822

Not 11 Skatt på årets resultat

Följande komponenter ingår i skattekostnaden:	2022	2021
Uppskjuten skatt	-1 795	-3 335
Skatt på årets resultat	-1 795	-3 335
Avstämning årets skattekostnad	2022	2021
Redovisat resultat före skatt	-74 305	-114 154
Skatt beräknad enligt gällande skattesats:	15 307	23 516
Skatteeffekt av:		
Skatt på ej aktiverade underskottsavdrag	-5 796	-13 721
Ej avdragsgilla kostnader, avskrivning Goodwill	-	-5 968
Ej avdragsgilla kostnader, övrigt	-11 306	-7 162
Redovisad skatt	-1 795	-3 335

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Not 12 Immateriella anläggningar

	2022-12-31	2021-12-31
Goodwill, varumärken och andra rättigheter		
Ingående anskaffningsvärde	869 355	878 600
Årets anskaffning	392	-
Försäljningar/utrangeringar	-	-9 245
Utgående ackumulerade anskaffningsvärden	869 747	869 355
Ingående avskrivningar	-869 283	-849 507
Försäljningar/utrangeringar	-	9 245
Årets avskrivningar	-105	-29 021
Utgående ackumulerade avskrivningar	-869 388	-869 283
Utgående redovisat värde	359	72

Not 13 Materiella anläggningstillgångar

Byggnader och markanläggningar

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	22 503	22 503
Försäljningar	-10 541	-
Utgående ackumulerade anskaffningsvärden	11 962	22 503
Ingående avskrivningar	-20 381	-19 117
Försäljningar/utrangeringar	10 005	-
Årets avskrivningar	-648	-1 264
Utgående ackumulerade avskrivningar	-11 024	-20 381
Utgående redovisat värde	938	2 122

Inventarier

	2022-12-31	2021-12-31
Ingående anskaffningsvärde	21 559	25 243
Inköp	391	102
Försäljningar/utrangeringar	-	-3 786
Utgående ackumulerade anskaffningsvärden	21 950	21 559
Ingående avskrivningar	-20 744	-23 870
Försäljningar/utrangeringar	-	3 782
Årets avskrivningar	-548	-656
Utgående ackumulerade avskrivningar	-21 292	-20 744
Utgående redovisat värde	658	815

Not 14 Leasingkostnader

	2022	2021
Årets kostnad för operationella leasingavtal uppgår till:	7 093	7 727
Förfallotidpunkt framtida leasingavgifter:		
Inom ett år	7 005	7 369
Senare än ett år men inom fem år	182	6 889
Senare än fem år	-	-
Summa	7 187	14 258

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Not 15 Aktier och andelar i koncernföretag

	2022-12-31	2021-12-31
Ingående anskaffningsvärde	311 643	311 643
Årets anskaffningar	1 549	-
Utgående ackumulerade anskaffningsvärden	313 192	311 643
Ingående nedskrivningar	-83 305	-83 305
Årets nedskrivningar	-219	-
Utgående ackumulerade nedskrivningar	-83 524	-83 305
Utgående redovisat värde	229 668	228 338

Företagets innehav av andelar i koncernföretag

Företagets namn	Kapital andel	Rösträttsandel	Bokfört värde	
			2022-12-31	2021-12-31
ADB Safegate Gulf L.L.C.	100%	100%	104 374	102 825
ADB Safegate Doha W.L.L.	100%	100%	16 461	16 461
ADB Safegate (Beijing) Airfield Technologies Ltd	100%	100%	25 611	25 611
ADB Safegate Canada Inc.	100%	100%	81 483	81 483
Safegate do Brazil Ltda	100%	100%	1 739	1 739
ADB Safegate Russia L.L.C.	100%	100%	0	219
Summa			229 668	228 338

Koncernföretag	Org.nr	Säte
ADB Safegate Gulf L.L.C.	52173	Dubai, Förenade Arabemiraten
ADB Safegate Doha W.L.L.	39826	Doha, Qatar
ADB Safegate (Beijing) Airfield Technologies Ltd	110000450099659	Beijing, Kina
ADB Safegate Canada Inc.	02050535	Burlington, Kanada
Safegate do Brazil Ltda	14.403.507/0001-09	São Paulo, Brasilien
ADB Safegate Russia L.L.C.	1097746772243	Moskva, Ryssland

Not 16 Pågående arbete för annans räkning

	2022-12-31	2021-12-31
Nedlagda kostnader	6 080	818
Fakturerat belopp	-5 192	-
Summa	888	818

Not 17 Förutbetalda kostnader och upplupna infäkter

	2022-12-31	2021-12-31
Förutbetalda hyror	2 153	1 959
Övriga interimsposter	951	2 674
Summa	3 104	4 633

Not 18 Skulder till kreditinstitut

	2022	2021
Skulder som förfaller inom ett år från balansdagen	-	-
Skulder som förfaller inom två till fem år från balansdagen	987 619	-
Skulder som förfaller senare än fem år från balansdagen	-	874 075
Summa	987 619	874 075

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Not 19 Förskott från kund

	2022-12-31	2021-12-31
Fakturerat belopp	18 463	65 113
Nedlagda kostnader	-9 687	-37 954
Summa	8 776	27 159

Not 20 Upplupna kostnader och förutbetalda intäkter

	2022-12-31	2021-12-31
Upplupna löner och lönebikostnader	6 723	11 180
Upplupna fakturor och räntor	8 414	8 489
Erhållet gods där faktura ej erhållits	290	57
Övriga interimsposter	290	412
Summa	15 717	20 138

Not 21 Uppskjutna skattefordringar och skatteskulder

	2022-12-31		2021-12-31	
	Uppskjuten skattefordran	Uppskjuten skatteskuld	Uppskjuten skattefordran	Uppskjuten skatteskuld
Byggnader och mark	69	-	758	-
Kundfordringar	20	-	83	-
Övriga avsättningar	182	-	383	-
Räntebärande skulder	-	-738	104	-
Summa	271	-738	1 328	0

Not 22 Ställda säkerheter och eventalförpliktelser

Det finns inga ställda säkerheter eller eventalförpliktelser per den 31-12-2022.

Not 23 Händelser efter balansdagen

Inga väsentliga händelser efter balansdagen.

Not 24 Hållbarhetsrapport

Hållbarhetsrapport för 2022 har upprättats av moderbolaget ADB Safegate BV (org nr: BE 0400.624.648 med säte i Belgien) och omfattar även ADB Safegate Sweden AB och dess dotterbolag.
Hållbarhetsrapporten finns att hämta på <https://adbsafegate.com/about/corporate/corporate-social-responsibility/>.

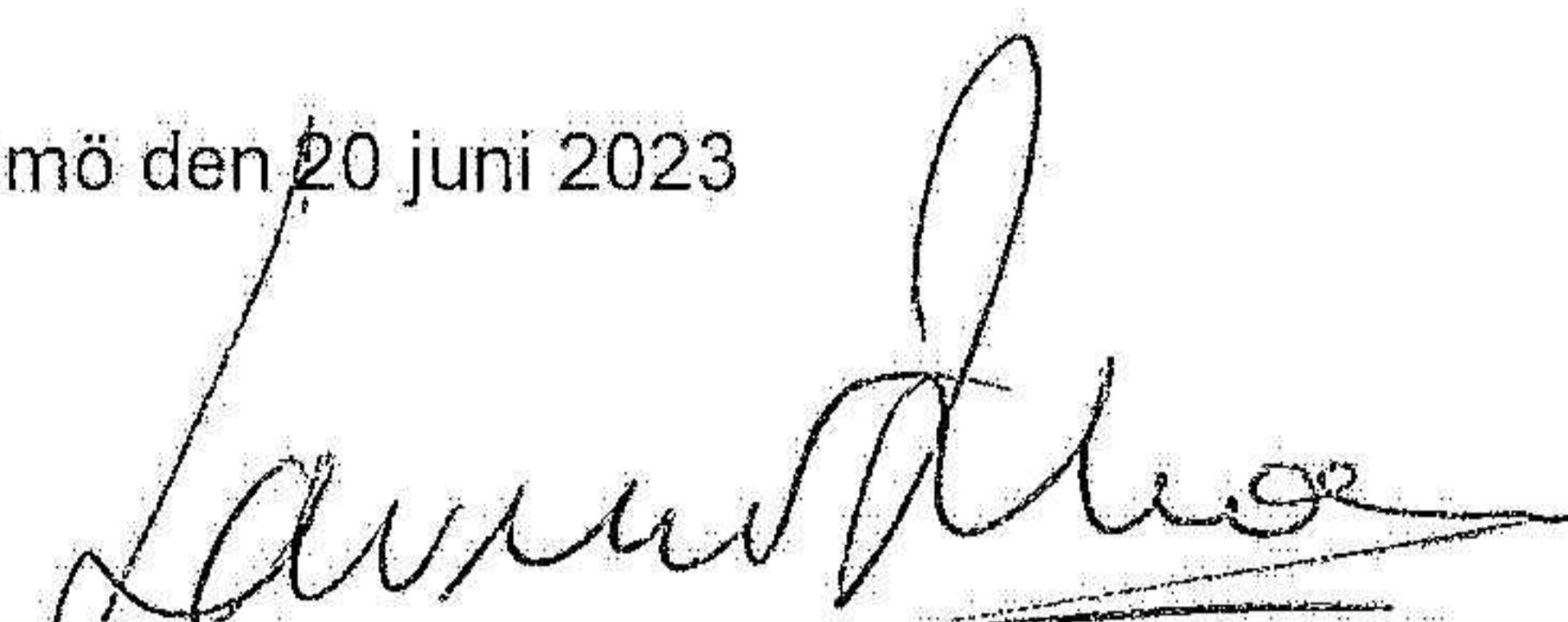
Not 25 Disposition av företagets vinst


Till årsstämmans förfogande står följande vinstmedel: 88 293 467 kr
Styrelsen föreslår att i ny räkning balanseras: 88 293 467 kr


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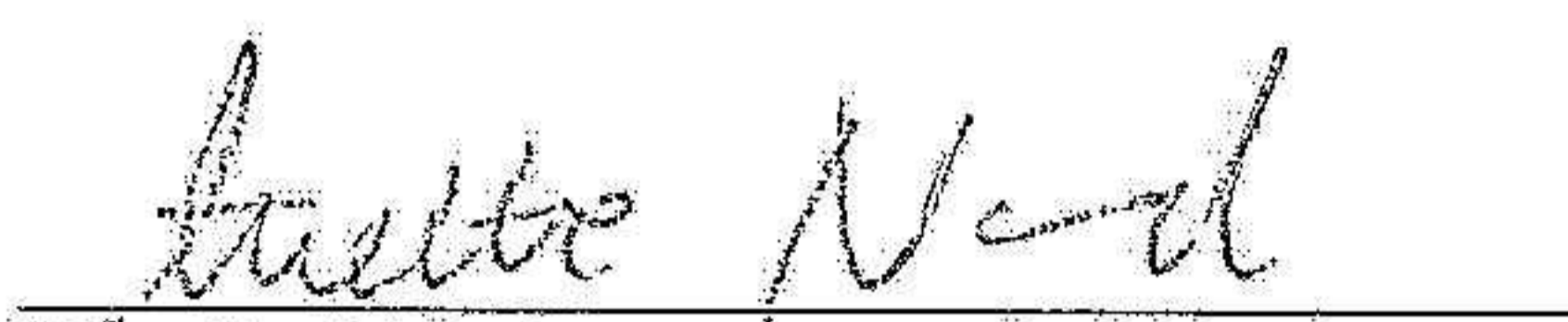
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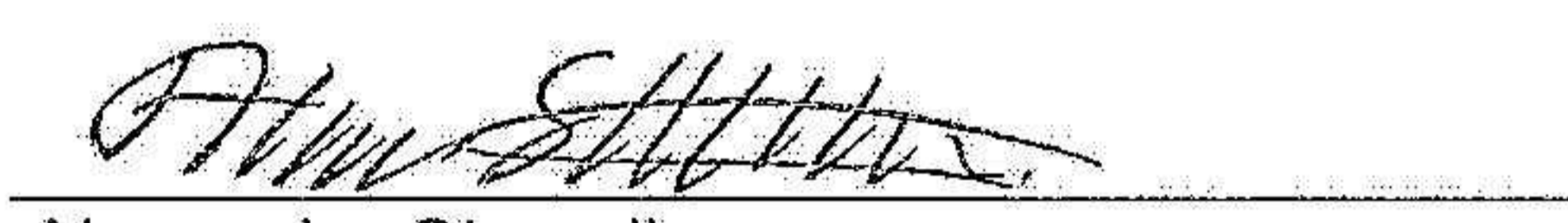
Malmö den 20 juni 2023


Laurent Dubois
Styrelsens ordförande

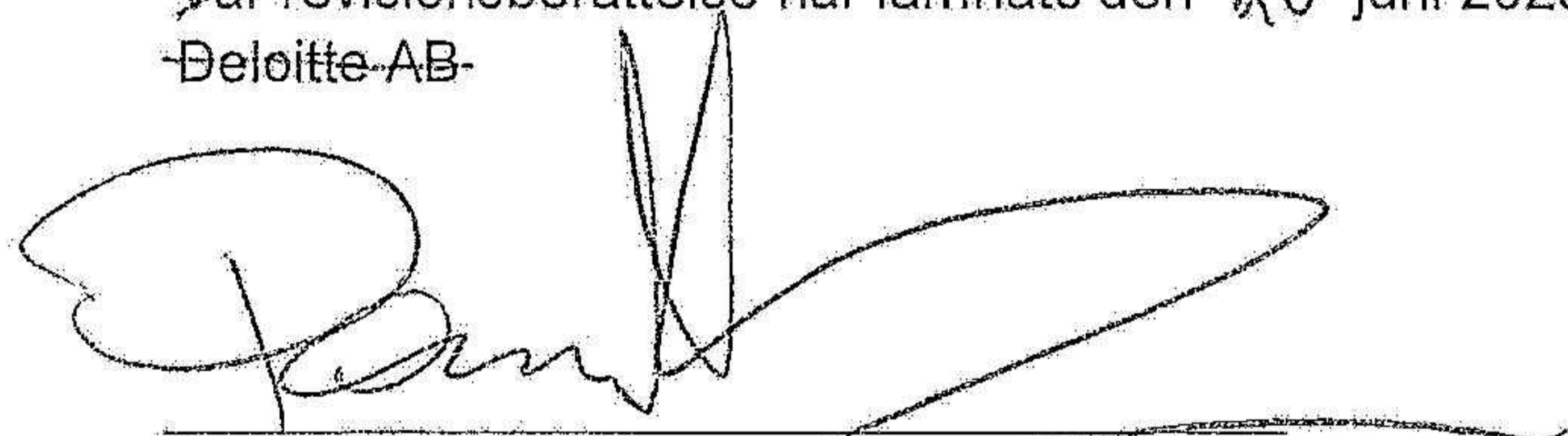

Erik Van Ockenburg


Thorben Bulghardt


Anette Nord


Alexander Strandberg
Verkställande direktör

Mm
Vår revisionsberättelse har lämnats den 20 juni 2023
~~Deloitte AB~~


Pernilla Rehnberg
Auktoriserad revisor

REVISIONSBERÄTTELSE

Till bolagsstämman i ADB Safegate Sweden AB
organisationsnummer 556177-5387

Rapport om årsredovisningen

Uttalanden

Jag har utfört en revision av årsredovisningen för ADB Safegate Sweden AB för räkenskapsåret 2022-01-01 - 2022-12-31.

Enligt min uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av ADB Safegate Sweden ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Jag tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Jag har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Mitt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Jag är oberoende i förhållande till ADB Safegate Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort mitt yrkesetiska ansvar enligt dessa krav.

Jag anser att de revisionsbevis jag har inhämtat är tillräckliga och ändamålsenliga som grund för mina uttalanden.

Övriga upplysningar

Revisionen av årsredovisningen för räkenskapsåret 2021-01-01 - 2021-12-31 har utförts av en annan revisor som lämnat en revisionsberättelse daterad 7 oktober 2022 med omodifierade uttalanden i Rapport om årsredovisningen.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller på fel.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att

likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Mina mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller på fel, och att lämna en revisionsberättelse som innehåller mina uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller fel och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder jag professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer jag riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller på fel, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för mina uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på fel, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar jag mig en förståelse av den del av bolagets interna kontroll som har betydelse för min revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala mig om effektiviteten i den interna kontrollen.
- utvärderar jag lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar jag en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Jag drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om

jag drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste jag i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Mina slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

- utvärderar jag den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Jag måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Jag måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som jag identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver min revision av årsredovisningen har jag även utfört en revision av styrelsens och verkställande direktörens förvaltning för ADB Safegate Sweden AB för räkenskapsåret 2022-01-01 - 2022-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Jag tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Jag har utfört revisionen enligt god revisionssed i Sverige. Mitt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Jag är oberoende i förhållande till moderbolaget enligt god revisorssed i Sverige och har i övrigt fullgjort mitt yrkesetiska ansvar enligt dessa krav.

Jag anser att de revisionsbevis jag har inhämtat är tillräckliga och ändamålsenliga som grund för mina uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett

betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Mitt mål beträffande revisionen av förvaltningen, och därmed mitt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Mitt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed mitt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder jag professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på min professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att jag fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Jag går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för mitt uttalande om ansvarsfrihet. Som underlag för mitt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har jag granskat om förslaget är förenligt med aktiebolagslagen.

Jönköping, 2023-06-20



Pernilla Rehnberg
Auktoriserad revisor

ADB Safegate Luxembourg 1 S.à r.l.

R.C.S. Luxembourg B 217.137

with a share capital of EUR 466.500.000

12, rue Jean Engling • L-1466 Luxembourg

Consolidated Financial Statements

*Consolidated financial statements for the financial year
ended December 31, 2022 (with the report of the
Réviseur d'entreprises Agréé thereon)*

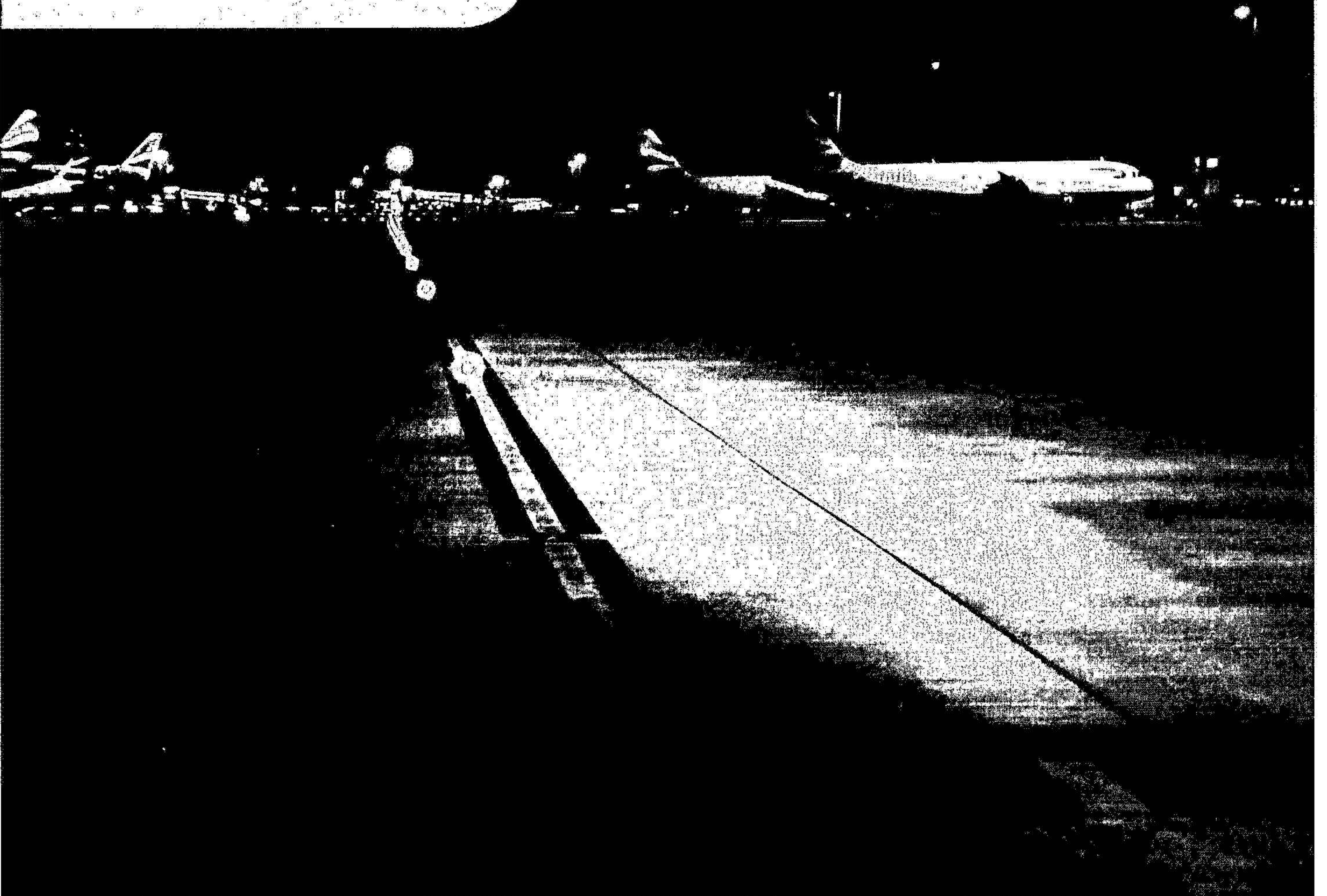


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CONSOLIDATED MANAGEMENT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ADB SAFEGATE LUXEMBOURG 1 S.à r.l. AS AT 31 DECEMBER 2022

In accordance with the Luxembourg law, we hereby submit our consolidated management report on the financial year ended 31 December 2022 of ADB Safegate Luxembourg 1 S.à r.l. (“the Company”) together with its subsidiaries (the “ADB SAFEGATE Group” or the “Group”). The consolidated financial statements cover the year from 1 January 2022 to 31 December 2022 with a comparative year from 1 January 2021 to 31 December 2021.

ADB Safegate Luxembourg 1 S.à r.l. is a Luxembourg company registered at the address 12, rue Jean Engling, L-1466 Luxembourg. The Company was incorporated on 11 August 2017 and is the ultimate parent company of the ADB SAFEGATE Group.

The ADB SAFEGATE Group was formed when on 3 October 2017, ADB Luxembourg 1 S.à r.l. acquired all the shares of the ADB SAFEGATE Luxembourg S.A. Group for a consideration transferred of 674,9 mEUR with acquired cash excluded.

The Group is a global leading airfield technology group providing advanced, integrated and sustainable solutions for visual and other guidance to the airfield sector.

The Group has adopted new and amended IFRS standards and IFRIC interpretations applicable as from 1 January 2022. They did not have any impact on the amounts recognised in the current period and are not expected to significantly affect future periods. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

1. Overview of the Group financial performance

Revenue for the financial year ended 31 December 2022 amounted to 407,4 mEUR (356,2 mEUR in 2021). Total comprehensive income for the year was -29,4 mEUR (-24,3 mEUR in 2021). Operating result was -1,2 mEUR (+8,7 mEUR in 2021). EBITDA¹ was 63,2 mEUR (65,3 mEUR in 2021).

The financial year was characterized by non-recurring expenses of 14,3 mEUR mainly in connection with abnormal supply chain disruptions and freight costs following the Covid-19 pandemic for an amount of 8,7 mEUR,

¹ EBITDA is a non-IFRS performance measure calculated by adding back from the Result from Operating activities the Amortisation, Depreciation, Impairment and Non-recurring expenses.

IT remediation and upgrading costs for an amount of 2,0 mEUR, new business start-up costs for 1,8 mEUR, and acquisition related costs for an amount of 0,7 mEUR.

As a result of the impairment testing on goodwill performed at 31 December 2022, no impairment loss on goodwill was recognized (nil in 2021). However, the Group accounted for an impairment loss amounting to 1,5 mEUR on Intangible assets (technology) (10,4 mEUR in 2021). 51,1 mEUR net financial expenses were incurred in 2022 (44,6 mEUR in 2021), out of which a net foreign exchange loss of 9,1 mEUR (9,2 mEUR net loss in 2021).

The Group complies with environmental and employment regulations applicable in the countries where the Group conducts its activities. The sites of Graz, Malmö and Zaventem are ISO 14001:2015 certified. The sites of Malmö and Zaventem are also ISO 45001:2018 certified.

2. Key financial year 2022 events

The outbreak of the COVID-19 pandemic continued to have an impact on the Group in 2022. The Group was confronted with important supply chain challenges indirectly arising from the pandemic, as well as elevated freight costs. Furthermore, the strict zero-Covid policy in China had an impact on our ability to conduct operations and on revenues in China. High inflation negatively affected our margins and increased our operating costs. Finally, the Russia/Ukraine war and the sanction regimes against Russia had a negative impact on our revenues from Eastern Europe.

Despite these headwinds, revenues came in at 407,4 mEUR in 2022 vs 356,2 mEUR in 2021, an increase of 14%. The acquired businesses at the end of 2021, DBT, contributed 23,0 mEUR to 2022 revenues (5,7%). The average currency conversion rate USD/EUR had a favorable impact on the Group's revenues, with approximately 36,5% of revenues coming from USA markets. However, the strict zero-Covid policy in China slowed down or stopped ongoing projects in execution, resulting in a decrease in revenue of 42,6% compared to 2021 in China. Still, the Group achieved an order intake of 448,6 mEUR in 2022 versus 363,7 mEUR in 2021, as we have seen a clear and ongoing recovery of the markets, in particular in Europe and USA markets in 2022.

From an operational standpoint, disruptions were incurred in the Group's plant in Tianjin (China), due to the strict Zero-Covid policy restrictions in the country. Furthermore, the Group experienced important supply chain challenges in 2022, which negatively affect production volumes, inventory levels, working capital, and revenues. The Group continues to proactively monitor and address this situation in order to limit the disruptions for our customers. Measures implemented include selective build-up of buffer

stock, improved planning and forecasting, increased supplier communications, and proactive supplier management. Finally, the high level of inflation was another external factor affecting our profitability. Compared to 2021, inflation rates in the EU and the US more than tripled, affecting our margins negatively, as the impact of inflation on sales price is only felt with several months of lag.

The Group continues to take measures to adjust its cost structure to the uncertain business environment by streamlining its organization, eliminating management positions, and active procurement management.

At the date of authorization of these financial statements, the Group has 16,2 mEUR of resources comprising cash and cash equivalents and 20,3 mEUR unused Revolving Credit Facility (RCF) available. The Group is required to comply with a Net Debt to EBITDA covenant once over 35% of the RCF is drawn at the date of the financial statements. This covenant test was applicable at year end and the Group complied with this covenant.

For the year ended 31 December 2022 the Group recognized a 44,4 mEUR Net Loss while Net Change in cash was -11,0 mEUR (in 2021, Net Loss of 36,0 mEUR while Net Change in cash was +11,2 mEUR).

The Group's net assets as at 31 December 2022 were -32,6 mEUR (-42,6 mEUR in 2021).

For 2023 management therefore believes it will be a year of strong growth - in which we will see a broader recovery of air traffic to 'normal' levels and airport transformation projects relaunched. Revenues for the Group should grow double digits in 2023. Given long lead times of projects, higher order intake in 2022 will help drive higher revenues for 2023, in particular for larger (often multi-year) projects like expansions or major refurbishment projects.

The main financing facilities of the group were amended during 2022 to extend the maturity of the 2 main facilities from 2024 and 2025 to 2026 and 2027 respectively, and from 2023 to 2025 for the Revolving credit facility, with increased margin on interest rate. This transaction was done in connection with a successfully completed share capital issue of 40,0 mEUR.

Management continues to expect that the Group has adequate resources to continue in operation for at least the next 12 months from the date of approval of these consolidated financial statements and thus assesses that the going concern basis of accounting remains appropriate. Management has not identified any material uncertainty that may cast a significant doubt as to the Group's ability to continue as a going concern.

The share capital of the Company is composed of 18 083 600 ordinary shares with a nominal value of 1,00 EUR, 395 616 400 A preferred shares with a nominal value of 1,00 EUR, 12 800 000 B preferred shares with a nominal value of 1,00 EUR, and, during 2022, the issue of 40,000,000 new class C preferred shares with a nominal value of 1.00 EUR. No shares are held by the company itself, by subsidiary undertakings or by a person acting in his own name but on behalf of those undertakings.

3. Important events that have occurred since the end of the financial year

No significant events occurred since the end of the financial year which could affect the financial position of the Group.

4. Research & Development (R&D) activities

The Group R&D net spending amounted to 8,2 mEUR in 2022 (4,0 mEUR in 2021), excluding 13,5 mEUR qualifying as development costs and recognized as intangible assets in 2022 (13,8 mEUR in 2021). Spending is dedicated to development of new products and systems with improved functionalities. Besides, design-to-cost activities and product portfolio harmonization have continued in 2022 following the 2016 merger between former ADB and former Safegate.

R&D activities are primarily carried out in the US and in Western Europe.

5. Existence of branches

The Group has branch offices and / or permanent establishments in Chile, Finland, France, Italy, Malaysia, the Netherlands, Spain, Taiwan, Turkey, Tunisia, the United Arab Emirates (Abu Dhabi) and the United Kingdom as at 31 December 2022.

6. Financial instruments

The Group had entered into interest rate cap contracts in 2021 to cover interest rate risk exposures but did not enter into new contracts during 2022. Contracts covering interest rate risks are accounted for in accordance with the hedge accounting method. In January 2023, the Group entered into a new interest rate cap hedging transaction with termination date of 3 December 2024.

7. Risks and uncertainties

Risks associated with activities conducted from 1 January 2022 until 31 December 2022 (1 January 2021 until 31 December 2021) have been reflected in the consolidated financial statements through the recording of appropriate provisions. Risks associated with the execution of ongoing sales orders or projects are also reflected in the consolidated financial statements as required.

Some of the Group's main risk factors are associated with its international footprint and the industry in which it operates. Growth in the number or in the size of airports, evolution of airport capital expense budgets and macroeconomic indicators have an influence on the Group's business.

The Group continues to assess climate risk impact on aviation and on airports. As aviation contributes about 2.5% to global CO2 emissions, the impact on climate and climate risks of the sector cannot be ignored. Whereas longer term growth trends may be affected by climate concerns, the aviation sector as a whole and air travel are still expected to continue to grow longer term given the crucial role aviation plays in modern society. In the short and medium term, the Group also sees additional interest in replacing halogen airfields by LED or other latest technology lighting, having a positive impact on business.

The disruptions on supply chain have created uncertainties that the Group follows up carefully taking corrective actions whenever necessary.

Credit risk associated with customers is closely monitored and may have an impact on the Group's results.

The Group's exposure to market risk, credit risk, liquidity risk and cash flow risk is explained in more details in the notes 6 Financial risk management and 23 Financial instruments of the Group's Consolidated Financial Statements. It is also a key success factor for the Group to retain qualified personnel.

8. Risk of misstatements in financial statements

We have a qualified team of professionals preparing the financial statements. The implementation of a new accounting system, SAP S/4 HANA, has now been completed.

Nevertheless, we are still exposed to risks relating to failures in proper financial reporting and the classification of accounting entries and risks of making inaccurate accounting estimates.

9. Other

2023 performance up to 31 March 2023 is satisfactory and above budget 2023. The 2023 budget shows a sufficient cash generation until the end of the year 2023.

2023 budget foresees the Group to pass the covenant test at the end of each quarter. The Group expects no change in Expected Credit Loss (ECL) based on data of the first three months of 2023. The Group does not anticipate any loss of clients; the Order Intake as at 31 March 2023 is above budget. EBITDA as at 31 March 2023 is also above budget by 51%.

26 April 2023

Signature of Directors:



Laurent Dubois



Christelle Frank
manager

To the Partners
ADB Safegate Luxembourg 1 S.à r.l.
12, rue Jean Engling
L - 1466 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of ADB Safegate Luxembourg 1 S.à r.l. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (Law of July 23, 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of July 23, 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the Consolidated Financial Statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The consolidated financial statements of ADB Safegate Luxembourg 1 S.à r.l. for the year ended December 31, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on April 29, 2022.

Other information

The Board of Managers is responsible for the other information. The other information comprises the information stated in the consolidated annual report including the management report but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers and Those Charged with Governance for the Consolidated Financial Statements

The Board of Managers is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Managers is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the “réviseur d’entreprises agréé” for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.
- Conclude on the appropriateness of Board of Managers 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 Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “réviseur d’entreprises agréé” to the related disclosures in the consolidated 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 report of the “réviseur d’entreprises agréé”. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 and 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.

Report on Other Legal and Regulatory Requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

For Deloitte Audit, *Cabinet de révision agréé*

▮



Vincent Blaise

Vincent Blaise, *Réviser d'entreprises agréé*
Partner

April 28, 2023

Consolidated financial statements of ADB Safegate Luxembourg 1 S.à r.l.

Consolidated statement of profit or loss and other comprehensive income of ADB Safegate Luxembourg 1 S.à r.l.

<i>In millions of Euro</i>	Notes	For the year ending 31/12/2022	For the year ending 31/12/2021
Statement of Profit or Loss			
Revenue	8	407,4	356,2
Cost of Sales		-281,1	-233,0
Gross Profit		126,3	123,1
Marketing and Selling Expenses		-27,7	-21,8
General Administration Expenses		-41,8	-34,1
Research and Development Expenses		-8,2	-4,0
Impairment Loss on Trade Receivables and Contract Assets	9, 23	-0,1	3,7
Depreciation	13	-7,5	-6,4
Impairment Loss on Goodwill and Intangible Assets	14	-1,5	-10,4
Amortization	14	-40,4	-32,3
Other Expenses	9	-0,3	-9,0
Result From Operating Activities		-1,2	8,7
Financial Income		18,1	13,7
Financial Costs		-69,1	-58,4
Net Financial Costs	11	-51,1	-44,6
Share of Net Profit of Joint Ventures (Accounted for using Equity Method)		0,0	0,1
Result Before Taxes		-52,3	-35,8
Tax Income / (Expense)	12	7,9	-0,2
Result after Tax for the period		-44,4	-36,0
Result For The Period Attributable To:			
Owners Of The Company		-44,4	-36,0
Non-Controlling Interests		0,0	0,0
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Defined benefit plan actuarial gains (losses)	20	2,1	0,2
Items that may be reclassified subsequently to profit or loss			
	11	13,0	11,4
Foreign currency translation differences – foreign operations		2,0	11,9
Effective portion of changes in fair value of cash-flow hedges		11,0	-0,5
Tax on other comprehensive income		0,0	0,0
Other comprehensive income for the period (net of tax)		15,0	11,7
Total comprehensive income for the period		-29,4	-24,3

The accompanying notes on pages 18 - 76 are an integral part of these consolidated financial statements.

Consolidated statement of financial position of ADB Safegate Luxembourg 1 S.à r.l.

<i>In millions of euro</i>	Notes	31/12/2022	31/12/2021
Assets			
Property, plant and equipment	13	26,0	32,9
Intangible assets	14	306,5	332,7
Goodwill	14	193,5	187,8
Investment in a joint venture		0,1	0,1
Fixed assets		526,0	553,4
Loan receivables		0,3	0,3
Financial assets	23	8,9	0,0
Deferred tax assets	12	0,3	0,2
Costs incurred to obtain or fulfil a contract	8	1,8	2,1
Other non-current assets		11,3	2,5
Total non-current assets		537,3	555,9
Inventories	15	57,0	36,2
Current tax assets	12	1,5	1,6
Current financial assets - interest free	23	1,5	0,0
Trade and other receivables	16	85,3	84,5
Contract assets	8, 16	84,6	71,3
Other current assets		14,9	9,4
Cash and cash equivalents	17	34,2	42,3
Total current assets		279,0	245,3
Total assets		816,4	801,2
Equity			
Share capital	18	466,5	426,5
Reserves		7,7	-4,7
Retained earnings		-508,7	-464,1
Employee benefit obligations	20	1,9	-0,2
Total equity attributable to the owners of the Company		-32,6	-42,6
Non-controlling interests		0,0	0,0
Total equity		-32,6	-42,6
Liabilities			
Loans and borrowings	19	588,8	576,4
Other financial liabilities		0,1	0,2
Employee benefit obligations	20	1,1	3,2
Deferred tax liabilities	12	54,8	66,8
Provisions	21	2,4	2,7
Lease liabilities	19, 24	4,0	7,3
Total non-current liabilities		651,3	656,7
Current tax liabilities	12	2,0	3,4
Loans and borrowings	19	56,4	59,2
Other financial liabilities		0,0	0,6
Trade and other payables, including derivatives	22	72,4	63,7
Contract liabilities	8, 22	40,9	33,3
Provisions	21	5,3	6,2
Lease Liabilities	19, 24	2,9	2,5
Other current liabilities		17,7	18,2
Total current liabilities		197,7	187,1
Total liabilities		849,0	843,8
Total equity and liabilities		816,4	801,2

The accompanying notes on pages 18 - 76 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity of ADB Safegate Luxembourg 1 S.à r.l.

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<i>In millions of euro</i>	Share Capital	Translation Reserve	Hedging Reserve	Actuarial gain/loss Pension Plans	Retained Earnings	Total equity attributable to owners of the company	Non-controlling interests	Total Equity
1/01/2021	426,5	-16,0	-0,1	-0,5	-428,1	-18,2	0,0	-18,2
Total comprehensive income for the period	0,0	11,9	-0,5	0,2	-36,0	-24,3	0,0	-24,2
Profit/(loss)	0,0	0,0	0,0	0,0	-36,0	-36,0	0,0	-36,0
Total other comprehensive income	0,0	11,9	-0,5	0,2	0,0	11,7	0,0	11,8
Other	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-0,1
Issue of share capital	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
31/12/2021	426,5	-4,1	-0,6	-0,2	-464,1	-42,6	0,0	-42,6

<i>In millions of euro</i>	Share Capital	Translation Reserve	Hedging Reserve	Actuarial gain/loss Pension Plans	Retained Earnings	Total equity attributable to owners of the company	Non-controlling interests	Total Equity
01/01/2022	426,5	-4,1	-0,6	-0,2	-464,1	-42,6	0,0	-42,6
Total comprehensive income for the period	0,0	2,0	11,0	2,1	-44,4	-29,4	0,0	-29,4
Profit/(loss)	0,0	0,0	0,0	0,0	-44,4	-44,4	0,0	-44,4
Total other comprehensive income	0,0	2,0	11,0	2,1	0,0	15,0	0,0	15,0
Other	40,0	-0,5	0,0	0,0	-0,1	39,3	0,0	39,3
Issue of share capital	40,0	0,0	0,0	0,0	0,0	40,0	0,0	40,0
Other	0,0	-0,5	0,0	0,0	-0,1	-0,7	0,0	-0,7
31/12/2022	466,5	-2,7	10,4	1,9	-508,7	-32,6	0,0	-32,6

The accompanying notes on pages 18 - 76 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows of ADB Safegate Luxembourg 1 S.à r.l.

<i>in millions of euro</i>	Notes	31/12/2022	31/12/2021
Cash flows from operating activities			
Profit / (Loss) for the period		-44,4	-36,0
Adjustments for:			
Depreciation	13	7,5	6,4
Amortisation of intangible assets	14	40,4	32,3
Impairment on goodwill and intangible assets	14	1,5	10,4
Impairment losses on trade receivables, contract assets & inventory	9, 23	0,7	-3,7
Amortisation of costs to fulfill a contract	9	0,9	1,1
Gain on disposal of property, plant and equipment	13	-1,1	0,0
Net finance expense	11	51,1	44,6
Income tax expense/(income)	12	-7,9	0,2
Change in provisions and employee benefits		-2,9	-1,1
Change in Working Capital - Inventories		-17,7	-8,6
Change in Working Capital - Trade and Other Payables		7,8	8,2
Change in Working Capital - Contract Liabilities		3,5	-17,2
Change in Working Capital - Trade and Other Receivables		1,2	-0,3
Change in Working Capital - Contract Assets		-12,8	26,1
Change in Working Capital - Other Current Assets		-5,9	-1,3
Change in Working Capital - Other Current Liabilities		0,4	-1,6
Change in Other Non Current Assets		1,3	1,7
Income tax paid		-4,7	-3,2
Net cash from (used in) operating activities		18,7	58,0
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	7	0,0	-35,0
Acquisition of Intangible Assets	14	-15,5	-14,1
Acquisition of property, plant and equipment	13	-5,9	-5,0
Proceeds from sale of property, plant and equipment	13	5,6	0,0
Net cash from (used in) investing activities		-15,8	-54,1
Cash flows from financing activities			
Proceeds from issue of share capital and stock options	18	40,0	0,0
Payment of transaction costs	19	-5,9	0,0
New borrowings	19	0,0	44,6
Repayment of borrowings	19	-7,6	-5,1
Repayment of the principal of lease liabilities	24	-3,1	-2,4
Interest and bank charges paid	19, 24	-37,4	-29,8
Net cash from (used in) financing activities		-14,0	7,3
Net Increase / decrease in cash and cash equivalents		-11,0	11,2
Cash and cash equivalents beginning balance	17	42,3	28,0
Effect of exchange rate fluctuations on cash held		2,9	3,1
Cash and cash equivalents ending balance	17	34,2	42,3

The accompanying notes on pages 18 – 76 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements of ADB Safegate Luxembourg 1 S.à r.l.

1. Reporting entity

ADB Safegate Luxembourg 1 S.à r.l. (the "Company") is a company incorporated on 11 August 2017, with registered office at 12, rue Jean Engling, L-1466 Luxembourg, and registered with the Luxembourg Register of Commerce and Companies under number B 217.137.

The consolidated financial statements of the Company for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The comparative year is from 1 January 2021 until 31 December 2021. The Group is a leading provider of intelligent solutions that deliver superior airport performance from approach to departure. The Group's portfolio includes solution and services that harmonize airport performance, tackling every aspect of traffic handling and guidance, from approach, runway and taxiway lighting to tower-based traffic control systems, intelligent gate and docking automation, and weather systems.

2. Significant changes in the current reporting period

During the current reporting period, the Group has issued new shares for 40 mEUR paid in cash and has renegotiated its Senior Facility agreement. See Note 18 and 19 for details.

3. Basis of preparation

a) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The consolidated financial statements were authorised for issue by the Board of Directors on 26 April 2023.

b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for derivative financial instruments which are measured at fair value, net defined benefit liabilities which are measured at fair value of plan assets less the present value of the defined benefit obligation and acquired assets and liabilities assumed in a business combination.

The outbreak of the COVID-19 pandemic continued to have an impact on the Group in 2022. The Group was confronted with important supply chain challenges indirectly arising from the pandemic, as well as elevated freight costs. Furthermore, the strict zero-Covid policy in China had an impact on our ability to conduct operations and on revenues in China. High inflation negatively affected our margins and increased our operating costs. Finally, the Russia/Ukraine war and the sanction regimes against Russia had a negative impact on our revenues from Eastern Europe.

Despite these headwinds, revenues came in at 407,4 mEUR in 2022 vs 356,2 mEUR in 2021, an increase of 14%. The acquired businesses at the end of 2021, DBT, contributed 23,0 mEUR to 2022 revenues (5,7%). The average currency conversion rate USD/EUR had a favourable impact on the Group's revenues, with approximately 36,5% of revenues coming from USA markets. However, the strict zero-Covid policy in China slowed down or stopped ongoing projects in execution, resulting in a decrease in revenue of 42,6% compared to 2021 in China. Still, the Group achieved an order intake of 448,6 mEUR in 2022 versus 363,7 mEUR in 2021, as we have seen a clear and ongoing recovery of the markets, in particular in Europe and USA markets in 2022.

From an operational standpoint, disruptions were incurred in the Group's plant in Tianjin (China), due to the strict Zero-Covid policy restrictions in the country. Furthermore, the Group experienced important supply chain challenges in 2022, which negatively affect production volumes, inventory levels, working capital, and revenues. The Group continues to proactively monitor and address this situation in order to limit the disruptions for our customers. Measures implemented include selective build-up of buffer stock, improved planning and forecasting, increased supplier communications, and proactive supplier management. Finally, the high level of inflation was another external factor affecting our profitability. Compared to 2021, inflation rates in the EU and the US more than tripled, affecting our margins negatively, as the impact of inflation on sales price is only felt with several months of lag.

The Group continues to take measures to adjust its cost structure to the uncertain business environment by streamlining its organization, eliminating management positions, and active procurement management.

The Group continues to assess climate risk impact on aviation and on airports. As aviation contributes about 2.5% to global CO₂ emissions, the impact on climate and climate risks of the sector cannot be ignored. Whereas longer term growth trends may be affected by climate concerns, the aviation sector as a whole and air travel are still expected to continue to grow longer term given the crucial role aviation plays in modern society. In the short and medium term, the Group also sees additional interest in replacing halogen airfields by LED or other latest technology lighting, having a positive impact on business.

For 2023, management therefore believes it will be a year of strong growth - in which we will see a broader recovery of air traffic to 'normal' levels and airport transformation projects relaunched. Revenues for the Group should grow double digits in 2023. Given long lead times of projects, higher order intake in 2022 will help drive higher revenues for 2023, in particular for larger (often multi-year) projects like expansions or major refurbishment projects.

Management continues to expect that the Group has adequate resources to continue in operation for at least the next 12 months from the date of approval of these consolidated financial statements and thus assesses that the going concern basis of accounting remains appropriate. Management has not identified any material uncertainty that may cast a significant doubt as to the Group's ability to continue as a going concern.

c) Functional and presentation currency

These consolidated financial statements are presented in million Euro, which is the Company's functional currency. All financial information presented in million Euro has been rounded to the nearest 0,1 million. Consequently, rounding differences can arise.

d) Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, which are described in note 4, management is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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.

Critical judgements

The Group has not made critical judgements in the process of applying the Group's accounting policies that would have significant effect on the amounts recognised in financial statements.

Key sources of estimation uncertainty

The key assumptions, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

- Impairment of trade receivables and contract assets: see accounting policy (g)

For contract assets and trade receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

- Impairment of non-financial assets: see accounting policy (g) (ii)

The impairment test performed considers the Group's budget for the following year and long-range business plan cash flows for each cash-generating units, discounted to present value at the weighted average cost of capital (WACC) for the year ended on December 31, 2022. In preparing or using this information, the Company uses certain estimates, as follows:

- a) Gross expected cash flow - management projects inflows and outflows based on past performance considering its business strategy and market development expectations.
 - b) Growth rates - the growth rates are reflected in the revenue flow and the gross margin budgeted by the Group, consistent with the forecasts included in industry reports.
 - c) Discount rates - an appropriate discount rate is used that reflects the expectation of both debt and equity investors at the time the calculation is made weighted by their respective contribution of capital.
- Revenue (percentage of completion): see accounting policy (j)

A significant portion of revenue is derived from long-term contracts, recognized over time by using the stage of completion or percentage of completion ("POC") determined using the cost-to-cost method, see further details in the accounting policy (j).

During the contract execution, the Group assesses the costs incurred, adjusting total estimated costs at completion, if necessary, to reflect variations in costs in relation to the projections, mainly due to changes in circumstances and new events, such as contract modification. Any resulting increase or decrease in estimated revenues or costs at completion is recognized as catch-up adjustment in the consolidated statements of profit or loss, increasing or decreasing revenue and gross margin, in the reporting period which the circumstances that give rise to the change become known by management.

- Useful life intangible assets: see accounting policy (e)

Amortisation of intangible assets requires estimates of useful lives, which are determined through the exercise of judgment, taking into consideration factors such as economic and market conditions and the useful lives of the assets.

- Fair value of derivatives: see note 5 (iv)

Fair value is determined by reference to the market price at the end of the period. The interest rate swaps which the Group currently uses to hedge its interest rate risk is estimated based on the present value of future principal and interest cash flows, discounted at the market rate of the interest at the reporting date.

- Liabilities for post-employment and other long-term employee benefits: see accounting policy (h)

The liability in respect of post-employment defined benefit plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about, among others, discount rates, expected rates of return on assets, future salary increases and mortality rates. Due to the long-term nature of these plans, such estimates are subject to uncertainty.

- Acquisition of subsidiary: fair value of the consideration transferred, and fair value of the assets acquired, and liabilities assumed: see note 5.

Management performs a valuation analysis to allocate the purchase price based on the acquisition date fair values of the identifiable assets acquired and liabilities assumed. Determining the fair value of identifiable assets acquired and liabilities assumed on the acquisition date and contingent share consideration requires the use of judgment and estimates. Valuations are highly dependent on the inputs used and assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied.

- Leases – estimation of the incremental borrowing rate: see accounting policy (k)

The measurement of lease obligations is subject to management's judgments of the applicable incremental borrowing rate and the expected lease term. The carrying balance of the right-of-use assets, lease obligations, and the resulting interest and depletion and depreciation expense, may differ due to changes in the market conditions and expected lease terms. Applicable incremental borrowing rates are based on judgments of the economic environment, term, currency, and the underlying risk inherent to the asset.

- Lease term of contracts with renewal and termination options, as a lessee: see accounting policy (k)

The Group leases certain properties which contain extension options exercisable by the Group after the end of the non-cancellable contract period. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

- Recognition of deferred tax assets for carried forward tax losses: see accounting policy (m)

Deferred tax assets relate primarily to tax loss carried forwards and to deductible temporary differences between reported amounts and the tax bases of assets and liabilities. The assets relating to the tax loss carried forwards are recognised if it is probable that the Group will generate future taxable profits against which these tax losses can be set off. The Group analyses past events, and the positive and negative elements of certain economic factors that may affect its business in the foreseeable future to determine the probability of its future utilization of these tax losses carried forward.

e) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2022:

- Reference to the Conceptual Framework – Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendments and interpretation listed above did not have any impact on the amounts recognised in the current period and are not expected to significantly affect future periods. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

f) New standards and interpretations issued but not yet applicable

Several new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2022, and have not been applied in preparing these consolidated financial statements:

- Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (effective 1 January 2024)
- Definition of Accounting Estimates – Amendments to IAS 8 (effective 1 January 2023)
- Disclosure of Accounting policies – Amendments to IAS 1 (effective 1 January 2023)

- Deferred tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 (effective 1 January 2023)
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 (effective 1 January 2024)

The Group is assessing the potential impact on the consolidated financial statements resulting from these amendments. These new standards are not expected to significantly affect future periods. There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

4. Accounting policies and significant judgements

The accounting policies set out below have been applied consistently by the Company and the Group entities and to all the years presented, unless otherwise stated.

4.1 Significant accounting policies

a) Basis of consolidation

(i) Business Combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The consideration transferred for the acquisition of a subsidiary comprises:

- the fair values of the assets transferred
- the liabilities incurred to the former owners of the acquired business
- the equity interests issued by the Group
- the fair value of any asset or liability resulting from a contingent consideration arrangement, and
- the fair value of any pre-existing equity interest in the subsidiary.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

The excess of:

- the consideration transferred,
- the amount of any non-controlling interest in the acquired entity, and
- the acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss. Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct activities of the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(iii) Transactions eliminated on consolidation

Intra-Group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Foreign currency**(i) Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognised in profit or loss, except for the effective portion of designated cash flow hedges, which are recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to euro at exchange rates at the reporting date. The income and expenses of foreign operations are translated to euro at exchange rates at the dates of the transactions.

Foreign currency differences are recognised directly in equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to profit or loss.

c) Financial instruments**(i) Non-derivative financial instruments**

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

These assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured at amortised cost using the effective interest rate method, less impairment losses. The Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. See note 4.1(g) for a description of the Group's impairment policies.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents comprise cash on hand and call deposits. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Cash and cash equivalents are measured at amortized cost.

Trade and other payables

Trade and other payables are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Transaction costs are amortised in accordance with the effective interest method over the expected repayment schedule.

(ii) Derivative financial instruments

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related. A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred.

The Group applies hedge accounting for some designated interest rate cap contracts. The objective of these hedges is to cover the interest risk on the main sources of debt financing. Subsequent to initial recognition, these derivatives are measured at fair value, and changes therein are accounted for through Other Comprehensive Income until the underlying hedged transaction is recognized through profit and loss. This is the case when a forecast transaction subsequently results in the recognition of a non-financial asset or liability or becomes a firm commitment for which fair value hedge accounting is applied.

(iii) Share capital*Ordinary shares*

Ordinary shares and Preferred shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Preference shares

The Group's A preferred shares, B preferred shares and C preferred shares are classified as equity instruments. See note 18 for further information on economic rights attached to the shares.

Repurchase of share capital

When share capital recognized as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in retained earnings.

d) Property, plant and equipment**(i) Recognition and measurement**

Items of property, plant and equipment are measured at historical cost less accumulated depreciation and accumulated impairment losses.

Historical cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour; any other costs directly attributable to bringing the assets to a working condition for their intended use, and the estimated costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition, construction or production of qualifying assets are capitalised.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the net proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within "other income" or "other expenses" in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives are as follows:

- Buildings	10-40 years
- Plant and equipment	5-10 years
- Furniture and others	3-5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

e) Intangible assets**(i) Goodwill**

Goodwill arises on the acquisition of subsidiaries. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative, it is recognised immediately in profit or loss. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments. See note 4.1.(g) for further explanation on goodwill impairment testing.

(ii) Technology – Development expenses

Research costs are expensed as incurred. Development expenditures on individual project are recognised as an intangible asset when the Group can demonstrate:

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

Otherwise, the development expenditures are expensed as incurred.

(iii) Other intangible assets

Other intangible assets that are acquired separately by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(v) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives are as follows:

- Patents and trademarks	3-14 years
- Software licences	3-7 years
- Customer relationships	8-14 years
- Backlog	Specific
- Technology	7-11 years

f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Write-down for obsolescence is deducted from the cost of inventories. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

g) Impairment**(i) Financial assets**

The Group has two types of financial assets that are subject to the expected credit loss model:

- Trade receivables
- Contract assets

While cash and cash equivalents are also subject to impairment requirements, the identified impairment loss was immaterial.

Trade receivables and contract assets

The Group applies a simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets at each reporting date.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to costs in excess and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 4 years before 31 December 2022 or 31 December 2021 respectively and the corresponding historical credit losses experienced within this period. When necessary, the historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating Expected Credit Losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information when necessary.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. Impairment losses on trade receivables and contract assets are presented as "impairment losses on trade receivables and contract assets" within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the services are discounted to their present value.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return of plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined plan when the settlement occurs.

(iii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

(iv) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

(v) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

i) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(ii) Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

(iii) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

j) Revenues from contracts with customers**(i) Goods sold**

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised at a point in time when control of the goods is transferred to the customer. The following indicators are considered when determining when the transfer of controls occurs:

- The entity has a present right to payment.
- The customer has legal title.
- The customer has physical possession.
- The customer has the significant risks and rewards of ownership.
- The customer has accepted the asset.

Analysis based on Incoterms usually indicate when a customer has obtained control of the goods. Invoices are generated when the goods are shipped and are usually payables within 60 days from invoice date.

(ii) Services

ADB Safegate provides services such as Maintenance or Training Services (other than those connected to projects). Revenue from services rendered is mostly recognised overtime. The stage of completion is determined by using the Output method based on time elapsed, as the costs incurred are usually linear during the contract. Therefore, the revenue is recognised on a straight-line basis. Invoices are issued according to the contractual terms and are usually payable within 30 to 60 days from invoice date. Unbilled amounts are presented as contract assets.

(iii) Projects

ADB Safegate provides integrated solutions to raise efficiency, improve safety, boost environmental sustainability and reduce operational costs. Projects may consist of multiple performance obligations, such as the delivery of goods, their installation and the final commissioning and testing of the resulting operative system, as it is the case of an airfield lighting, a docking and guidance system or a tower project. There are three categories of projects: (1) delivery of multiple not customized goods, i.e. a series of separate distinct performance obligation; (2) delivery of customized goods and installation / integration services, i.e. multiple performance obligation; (3) turn-key projects with significant integration services, i.e. one single distinct obligation. The other distinct obligation is the training of the operators on the customer side, which is not material in terms of value in comparison with the price of a project.

Project revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is highly probable that they will result in revenue and can be measured reliably. Contract revenue and expenses related to project of category (1) are recognized in profit or loss at a point in time for each separate performance obligation. As soon as the outcome of a project of category (2) or (3) can be estimated reliably, contract revenue and expenses are recognized in profit or loss in proportion to the stage of completion of the project.

The stage of completion or percentage of completion ("POC") is determined using the cost-to-cost method. The cost-to-cost method uses the ratio of progress-relevant costs incurred as of the closing date vs. the currently estimated total costs. Progress-relevant project costs are those costs which are directly attributable to a project during the term of its completion. These costs are considered in the determination of the percentage of completion and are recognized as POC costs for the period. The POC method ensures that income from projects is recognized continuously over the term of the project. When the outcome of a project cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognized immediately in profit or loss.

Invoices are issued according to the contractual terms and are usually payable within 30 to 60 days from invoice date. Unbilled amounts are presented as contract assets, and advance payments received are included in contract liabilities.

(iv) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, the Group does not adjust any of the transaction prices for the time value of money.

(v) Costs to obtain a contract

The Group pays sales commission to its employees or to some dealers for contract that they obtain. The Group applies the optional practical expedient to immediately expense costs to obtain a contract if the amortisation period of the asset that would have been recognised is one year or less. As such, sales commissions are immediately recognised as an expense and included as part of employee benefits.

The Group pays commission to agents for project obtained. These costs are incremental costs of obtaining the contract and are therefore recognised as an asset and amortised on a systematic basis over the duration of the project.

(vi) Costs to fulfil a contract

The Group recognizes the following costs as expenses when incurred:

- General and administrative costs (unless those costs are explicitly chargeable to the customer under the contract, in which case an entity shall evaluate those costs in accordance with costs that relate directly to a contract);
- Costs of wasted materials, labour, or other resources to fulfil the contract that were not reflected in the price of the contract (i.e. transaction price);
- Costs that relate to satisfied performance obligations (or partially satisfied performance obligations) in the contract (i.e. costs that relate to past performance); and
- Costs for which an entity cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations).

Set-up costs

Set-up costs are direct costs typically incurred at a contract's inception to enable the Group to fulfil its obligations under the contract. Set-up costs may include labour, overhead, or other specific costs. Set-up costs are regarded as an asset and are amortized over the expected period of the project.

Demobilization costs

The Group decided that significant demobilization cost should be regarded as a separate project at zero margin. The revenue is recognized at the end of the demobilization process.

Amortization and impairment

Costs to fulfil a contract are amortized over the related customer contract period. The amortization period is revised in case of significant changes in the expected timing of transfer to the customer of the goods or services to which the asset relates. Such a change is accounted for as a change in accounting estimates.

An impairment loss is recorded to the extent that the carrying amount of an asset recognized exceeds:

- the remaining amount of consideration that the entity expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

(vii) Contract assets and contract liabilities

- Cost in excess: Contract asset includes unbilled amounts, when cumulative trading (revenue recognized in the income statement) of the contract is exceeding cumulative billing (amount for which the Group has enforceable right over the customer).
- Advance payments received: Advance payments represent cash received from the customer before the related work is performed while progress billings are payment requests issued after the commencement of the work. Advance payments received are reported as liabilities.
- Billings in Excess: Contract liability includes Billings in Excess, when cumulative billing of the contract (amount for which the Group has enforceable right over the customer) is exceeding cumulative trading (revenue recognized in the income statement).

The Group present contract assets and contract liabilities in current assets and current liabilities when they are expected to be realized or settled in the normal operating cycle of the Group, even when they are not expected to be realized or they are not due to be settled within twelve months after the reporting period.

k) Leases

The Group has applied IFRS 16 as of 1 January 2019 using the modified retrospective approach.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for the leases of vehicles, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group leases various offices, vehicles, and IT equipment. Rental contracts are typically made for fixed periods of 6 months to 13 years but may have extension options as described below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable
- variable lease payments that are based on an index or a rate initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees,
- exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability (see below).

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by ADB Safegate Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal (presented as cash flows resulting from financing activities, on a separate line) and finance cost (presented as cash flows resulting from financing activities, in accordance with the Group's accounting policy regarding the presentation of interest payments). The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Right-of-use assets are parts of CGU and are therefore not tested for impairment individually.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in several offices and vehicles leases across the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. Most of the extension and termination options held are exercisable only by the Group and not by the respective lessor.

Renewal options in offices leases have been included in the lease liability when management considers reasonably certain the renewal of these leases.

We have excluded from the lease liability all options regarding vehicles and IT leases.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

ii. As a lessor

In 2022, the Group did not act as a lessor.

l) Finance income and expenses

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss.

Foreign currency gains and losses are reported on a net basis.

m) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised while the liability to pay the related dividend is recognised.

5. Determination of fair values

Several of the Group's accounting policies and disclosures require the determination of fair value.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into diverse levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability might be categorised in various levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Fair values have been determined for measurements and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Land and Buildings

The fair value of land and buildings recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

(ii) Intangible assets

The fair value of customer relationships acquired in a business combination is determined using the Excess Profit Method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

The fair value of capitalised design and development expenses is determined at acquisition date by using the cost method. After acquisition, the cost of development is recognised as intangible assets based on the cost incurred for each development project meeting the criteria for recognition under IAS 38 – Intangible assets.

Backlog and Customer relationships were valued using the Excess Profit Method whereby the value of an intangible asset is equal to the present value of the after-tax cash flows attributable only to that intangible asset. The value of a specific intangible asset is estimated from the residual earnings after deducting fair returns on all other assets employed (including other intangible assets).

Technology and Trade names were valued using a relief from royalty method consisting in discontinuing estimations of the value of future royalty payments over the life of the assets by owning the asset.

(iii) Inventories

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(iv) Derivatives

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

(v) Trade and other receivables

The fair value of trade and other receivables, excluding construction work in progress, is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes or when such assets are acquired in a business combination.

(vi) Other non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of the interest at the reporting date. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For finance leases the market rate of interest is determined by reference to similar lease agreements.

6. Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Trade and other receivables, Contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, also has an influence on credit risk. Approximately 6,7 percent of the Group's revenue is attributable to sales transactions with a single customer (5,7 percent last year). Geographically there is no concentration of credit risk.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

The Group applies the impairment requirements of IFRS 9 to measure expected credit losses. Refer to note 4.1.(g).

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has the following undrawn borrowing facilities as per 31 December 2022:

- Revolving credit facility: 27,3 mEUR available credit line (23,3mEUR as per 31 December 2021). See note 19. In addition, the group had cash at hand of 34,2 mEUR per 31 December 2022.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily the EUR (€), but also USD, QAR, RMB, AED, GBP, TWD, SEK, AUD and ZAR.

The principal amounts of the Group's bank loans are denominated in EUR and USD.

Interest rate risk

The Group adopts a policy of ensuring at least 66,67 percent of its exposure to changes in interest rates on borrowings is on a fixed rate basis. This is achieved by entering into interest rate swaps and interest rate caps.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business through appropriate strategic decisions and cash management.

According to the loan agreement with BNP Paribas Fortis SA/NV, CitiGroup Global Markets Limited, Credit Suisse AG London Branch, Deutsche Bank AG London Branch, HSBC Bank plc, ING Bank N.V. and the Bank of Ireland (as arrangers and agent), the approval of banks is required for a distribution of dividend or a distribution of share premium reserve. In addition, the Group is monitoring a set of covenants as defined in the loan agreement (see note 19).

7. Business combinations

Acquisition in 2021

Acquisition of DBT

On 31 December 2021, ADB Safegate Americas LLC, a subsidiary of the Company, acquired 100% of the membership interest in DBT Transportation LLC, a US-based weather observation systems ("WOS") and service provider. The company manufactures, installs, and maintains a number of FAA and ICAO-certified WOS and related products/services (e.g., navigational aid, weather data dissemination, air traffic control systems, engineering services) for the airport operators, municipalities, and other customers. The company has three major revenue streams: sale of specific equipment (sensors, weather systems, spare parts), ongoing preventive maintenance contracts on these systems, as well as installation / replacement services for system-related items. The company owns 100% of its subsidiary All Weather Inc., also active in the same business as DBT. The consideration transferred amounted to 39,0 m EUR (44,4 m USD) and was fully paid in cash. The fair values of the identifiable assets and liabilities of DBT as at the date of acquisition were:

<i>In millions of euro</i>	Fair value recognized at acquisition	Adjustments	Fair value recognized
Intangible assets	20,8		20,8
Property, plant and equipment	1,9		1,9
Deferred tax assets	0,1		0,1
Inventories	3,7		3,7
Trade and other receivables	3,0		3,0
Other current assets	0,3		0,3
Cash and cash equivalents	4,5		4,5
Deferred tax liabilities	-2,2	-0,3	-2,5
LT Lease liabilities	-0,5		-0,5
Current tax liabilities	0,4		0,4
Contracts liabilities	-1,5		-1,5
Trade and other payables	-0,6		-0,6
Provisions	-0,1		-0,1
Other current liabilities	-0,5		-0,5
ST Lease Liabilities	-0,2		-0,2
Total identifiable net assets acquired	29,1	-0,3	28,7
Consideration transferred			39,0
Total identifiable net assets acquired			28,7
Goodwill recognised			10,3

Goodwill arising on acquisition amounted to 9,98 mEUR (11,34 m USD). A review of the deferred tax balance of AWI during 2022 indicated that the value at acquisition was understated by 0,3 mEUR. As this change in the amount recognized at acquisition is within the measurement period under IFRS 3, the amount of goodwill has been adjusted to 10,3 mEUR (11,0 mUSD).

Acquisition of Protec

On 30 September 2021, ADB Safegate Germany GmbH, a subsidiary of the Company, acquired 100% of the shares in Protec Automation GmbH, an engineering company, specialised in control technology for systems and machines as well as providing services in the field of industrial automation, in particular software development and commissioning. The consideration transferred amounted to 1,1 mEUR. The fair value of assets acquired and liabilities assumed amounted to 1,1 mEUR. No goodwill was recognized. The entity acquired, Protec Automation GmbH, was merged into ADB Safegate Germany GmbH on 12 November 2021.

8. Revenue from contracts with customers

a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the completion of projects, services, and transfer of goods over time and at point in time in the following major product lines and geographical regions:

<i>In millions of euro</i>	31/12/2022	31/12/2021
<u>Product Group</u>		
Delivery of Goods	196,6	161,2
Delivery of goods - At a point in time	196,6	161,2
Delivery of goods- over time	-	-
Projects	177,5	173,4
Projects - At a point in time	-	-
Projects - over time	177,5	173,4
Services	33,3	21,6
Services - At a point in time	5,0	3,2
Services - over time	28,2	18,3
<u>Geographical Area</u>		
Turnover - European countries	84,9	79,8
Turnover - Middle East	70,1	65,3
Turnover - North America	149,6	111,7
Turnover - Far East	66,4	67,0
Turnover - Others	36,5	32,3

b) Assets and liabilities related to contracts with customers

The Group has recognized the following assets and liabilities related to contracts with customers:

<i>In millions of euro</i>	31/12/2022	31/12/2021
<u>Current contract asset for</u>		
Cost in Excess	86,4	72,9
Cost in Excess - Valuation Allowance	-1,8	-1,7
Delivery of goods - Current Contract Asset	8,2	2,1
Projects - Current Contract Asset	72,3	66,3
Services - Current Contract Asset	4,1	2,8
Current Contract Asset - sum of product group	84,6	71,3
<u>Current contract liability for</u>		
Contract Liability	27,7	24,3
Prepayments	13,2	8,9
Delivery of goods - Current Contract Liability	12,4	5,5
Projects - Current Contract Liability	25,4	24,6
Services - Current Contract Liability	3,1	3,2
Contract Liabilities - Sum of product group	40,9	33,3

c) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognized in the current reporting period relates to carried-forward contract liabilities.

<i>In millions of euro</i>	31/12/2022	31/12/2021
Revenue recognised that was included in the contract liability balance at the beginning of the period		
<i>Delivery of good</i>	2,1	4,0
<i>Projects</i>	22,5	17,3
<i>Services</i>	-	0,2
Total	24,6	21,5

The Group did not recognise revenue from performance obligations satisfied in previous periods.

d) Unsatisfied long-term contracts

The aggregate amount of the transaction price allocated to long term contracts that are partially or fully unsatisfied as at 31 December 2022 amount to 417,9 mEUR (367,5 mEUR as at 31 December 2021) and is broken down as follows:

<i>In millions of euro</i>	31/12/2022	31/12/2021
<i>Unsatisfied long-term contracts - Delivery of good</i>	112,8	71,9
<i>Unsatisfied long-term contracts - Projects</i>	208,5	232,1
<i>Unsatisfied long-term contracts - Services</i>	96,7	63,5
Total	417,9	367,5

Management expects that 57% of the transaction price allocated to the unsatisfied contracts as of 31 December 2022 will be recognized as revenue during the next reporting period (237,8 mEUR). The remaining 43% (180,1 mEUR) will be recognized in 2024 and 2025 or later respectively. The amount disclosed above does not include variable consideration, which is constrained.

e) Assets recognized from costs to obtain and costs to fulfil a contract

In addition to the contract balances disclosed above, the Group has also recognized an asset in relation to costs to obtain or costs to fulfil long-term contracts. These are presented on a separated line in the balance sheet.

<i>In millions of euro</i>	31/12/2022	31/12/2021
<i>Asset recognised from costs incurred to fulfil a contract</i>	16,1	15,6
<i>Accumulated amortisation on asset recognised from costs incurred to fulfil a contract ⁽¹⁾</i>	-14,3	-13,5
Net assets recognised from costs incurred to fulfil a contract	1,8	2,1

⁽¹⁾ Including a foreign currency difference of the year of 0,1 mEUR

9. Other operating and other non-operating expenses

Other expenses amounted to 0,3 mEUR (9,0 mEUR in 2021) and are made up of other operating expenses for 0,3 mEUR. In 2022, non-recurring expenses are presented in their appropriate category in the income statement whereas in 2021, non-recurring expenses of 8,2 mEUR were included in Other non-operating expenses.

a) Other non-operating expenses

<i>In millions of euro</i>	31/12/2022	31/12/2021
Acquisition /M&A /Financing related costs	0,0	1,1
Restructuring costs	0,0	0,6
Covid 19 costs	0,0	2,3
Global Supply Chain disruption	0,0	0,0
New business start-up costs	0,0	1,9
IT Remediation Plan	0,0	2,1
Provision for legal cases	0,0	0,1
Other non-operating costs	0,0	0,2
Total	0,0	8,2

In current year, non-recurring expenses were incurred related mainly to abnormal supply chain disruption and freight costs following the Covid 19 lockdown amounting to 8,7 mEUR, IT infrastructure remediation plan amounting to 2,0 mEUR, new business start-up costs amounting to 1,8 mEUR and acquisition related costs amounting to 0,7 mEUR. They are presented in their appropriate category in the income statement based on the nature of the cost or income, primarily in Cost of Sales, General Administration Expenses and Research & Development expenses.

b) Expenses by nature

<i>In millions of euro</i>	31/12/2022	31/12/2021
Raw materials and consumables	145,2	120,9
Personnel expenses	107,9	90,0
Professional services	69,7	64,9
Freight	15,6	13,4
Supplies	12,4	7,6
Travel expenses	9,1	5,4
Maintenance	7,9	6,1
Insurance	2,8	2,4
Audit	1,2	1,0
Leases	2,0	1,7
Recruitment expenses	0,8	1,4
Amortization of cost to fulfil a contract	0,9	1,1
Amortization of intangible assets	40,4	32,3
Depreciation of tangible assets	7,5	6,4
Impairment loss on goodwill and intangible assets	1,5	10,4
Impairment losses on trade receivables and contract assets	0,1	-3,7
Other expenses by nature	-16,3	-14,0
Total	408,6	347,4

In 2022, no impairment loss has been booked on the goodwill, see note 14. An impairment loss on other intangible assets (technology) has been booked for 1,5 mEUR.

Other expenses are mainly made up of development expenditures capitalized during the year.

10. Personnel

a) Personnel expense

<i>In millions of euro</i>	31/12/2022	31/12/2021
Salaries and wages	89,8	74,3
Social security contributions	12,2	11,1
Contributions to defined contribution plans	0,9	1,0
Expenses related to defined benefit plans	0,9	0,8
Other personnel expenses	4,1	2,7
Total	107,9	90,0

b) Employment – average number of employees

	31/12/2022	31/12/2021
Headcount - Average		
White collar, on payroll	1.068	1.001
White collar, interim not on payroll	41	29
Blue collar, on payroll	200	169
Blue collar, interim not on payroll	13	10
Total	1.322	1.208
Fulltime-equivalent - Average		
White collar, on payroll	1.064	975
White collar, interim not on payroll	38	27
Blue collar, on payroll	195	162
Blue collar, interim not on payroll	7	10
Total	1.303	1.175

11. Finance income and expense, recognized in statement of profit or loss

<i>In millions of euro</i>	31/12/2022	31/12/2021
Finance income		
Interest Income	0,0	0,0
Net foreign currency gain	18,0	13,7
	18,1	13,7
Finance expenses		
Net foreign currency loss	-27,1	-22,9
Interest Expense on Lease Liabilities	-0,5	-0,5
Interest Expense at amortised costs	-36,4	-30,6
Bank Charges - Other	-4,9	-4,3
Loss on disposal of Fixed Assets	-0,2	-0,1
	-69,1	-58,4
Net finance expenses recognised in profit and loss	-51,1	-44,6
Recognised in other comprehensive income		
Foreign currency translation differences for foreign operations	2,0	11,9
Effective portion of changes in fair value of cash-flow hedges	11,0	-0,5
Recognised in other comprehensive income	13,0	11,4

12. Tax expense, Deferred Tax Assets and Liabilities

The tables below present the major components of income tax expense and the reconciliation of tax expense and profit multiplied by the Group's domestic tax rate for the years ended 31 December 2022 and 2021:

<i>in millions of euro</i>	For the year ended 31/12/2022	For the year ended 31/12/2021
Current tax expense		
Current period (+ Income / - Expense)	-4,0	-5,7
Adjustments for prior periods (+ Income / - Expense)	0,2	-0,1
Total current tax (+ Income / - Expense)	-3,8	-5,7
Deferred tax expense		
Total deferred tax (+ Income / - Expense)	11,7	5,6
Total tax (+ Income / - Expense)	7,9	-0,2
Reconciliation of effective tax rate		
Result before tax (loss)	-52,3	-35,9
Income tax using the Company's domestic tax rate (Luxembourg)	13,0	9,0
Effect of tax rates in foreign jurisdictions	0,5	-0,4
Effect of tax rates in foreign jurisdictions	-0,3	0,0
Effect of tax rates in foreign jurisdictions	0,3	-0,4
Effect of non-deductible expenses	-6,6	-3,5
Effect of tax-exempted income	0,6	0,3
Utilisation of previously unrecognized tax losses	1,8	-7,7
Effect of current year tax losses for which no deferred tax asset was recognised	-4,3	0,0
Current tax adjustments for prior periods	0,2	-0,1
Deferred tax adjustments for prior periods	2,5	2,3
Other	0,4	0,0
Income tax recognised in the income statement (+ Income / - Expense)	7,9	-0,2

In 2022, the Group's tax rate has not been affected by major tax reforms.

	31/12/2022	31/12/2021
Current tax receivables	1,5	1,6
Current tax liabilities	2,0	3,4

Due to the scale and global presence of ADB Safegate, the Group is operating in many jurisdictions. The increased complexity of tax law, the continuous changes in tax law and of its interpretation with respect to matters such as transfer pricing adds uncertainty over certain income tax treatments. The effect of uncertainty in determining tax positions is disclosed when the Group considers it more likely than not that a tax position taken may not be sustained if challenged by the tax authorities. Such effect is accounted for as a liability when the Group considers it is not probable that a tax position taken will be accepted by the tax authorities and after exhausting all legal remedies. No effect of uncertainties has been recognized and no disclosure for uncertainties has been made at 31 December 2022.

Deferred tax relates to the following:

<i>In millions of euros</i>	Assets		Liabilities		Net	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Non-current assets						
Goodwill	0,2	0,4	0,0	0,0	0,2	0,4
Intangible assets	0,5	0,3	65,3	70,7	-64,7	-70,4
Shares	0,0	0,0	0,4	0,4	-0,4	-0,4
Property, plant and equipment	0,0	0,1	2,0	2,7	-2,0	-2,6
Other non-current assets	0,1	0,0	0,0	0,0	0,1	0,0
Non-current liabilities						
Loans and borrowings, interest bearing	0,0	0,0	1,9	0,8	-1,9	-0,8
Liabilities for post-employment and other LT	0,0	0,7	0,2	0,0	-0,1	0,7
Provisions	0,0	0,0	0,2	0,4	-0,2	-0,4
Lease Liabilities - LT	0,5	1,2	0,0	0,0	0,5	1,2
Current assets						
Inventories	1,3	1,0	0,0	0,0	1,3	1,0
Trade and other receivables, interest free	0,6	2,0	1,6	1,0	-1,0	1,0
Other current assets	0,0	0,0	0,3	0,1	-0,3	0,0
Cash and cash equivalents	0,1	0,0	0,0	0,0	0,1	0,0
Current liabilities						
Loans and borrowings, interest bearing	4,2	2,0	0,1	0,0	4,2	2,0
Trade and other payables, interest free	1,3	0,1	0,2	3,1	1,1	-2,9
Provisions	0,6	0,1	0,1	0,1	0,5	0,0
Other current liabilities	0,2	1,0	-0,1	0,0	0,3	1,0
Lease Liabilities - ST	0,4	0,4	0,0	0,0	0,4	0,4
Unused tax loss	7,3	3,4			7,3	3,4
Tax credits	0,1	0,0			0,1	0,0
Total	17,5	12,7	72,1	79,3	-54,5	-66,7
Off Set	-17,3	-12,5	-17,3	-12,5		
Net	0,3	0,2	54,8	66,8		

Unrecognized losses

<i>In millions of euro</i>	31/12/2022		31/12/2021	
	Base	Unrecogn. Deferred Tax	Base	Unrecogn. Deferred Tax
Fiscal Losses	16,9	4,3	22,9	5,1
Impairment Losses	1,5	0,4	10,4	2,6
Total	18,3	4,7	33,3	7,7

In 2022, the effect of current year tax losses for which no deferred tax asset was recognized amounts to 4,7 mEUR (7,7 mEUR in the previous period) and is mainly explained by the following elements: current tax losses mainly generated by the holding companies in Belgium and Luxembourg were not recognized as deferred tax assets. Moreover, the Group has impaired a part of its intangible assets.

On a cumulative basis a total of 28,4 mEUR deferred taxes remained unrecognized (24,1 mEUR as at 31 December 2021).

<i>In millions of Euro</i>	31/12/2022	31/12/2021
Accumulated deferred tax assets not recognised	25,9	24,1

In Luxembourg, the tax losses can be carried forward for maximum 17 years. In Belgium, the tax losses can be carried forward indefinitely. Deferred tax assets have not been recognised in respect of these items because there is not yet a sufficient degree of certainty that future taxable profits will be available in the holding entities against which the Group can utilise the benefits therefrom, before actually recognising these. The Group reassess at each reporting period whether a previously unrecognized deferred tax asset can be recognized because it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

13. Property, plant and equipment

<i>in millions of euro</i>	Land and building	Plant and equipment	Fixtures and installations	Assets under construction	Total
Cost					
1/01/2022	39,2	13,4	25,9	1,9	80,4
Acquisitions through business combinations	0,0	0,0	0,0	0,0	0,0
Other additions	2,0	1,0	3,4	2,2	8,6
Disposals and reclassifications	-9,6	-0,3	-1,7	-1,3	-12,8
Effect of movements in exchange rates	0,0	0,0	0,3	0,0	0,3
31/12/2022	31,7	14,2	27,9	2,7	76,5
Depreciation and impairment losses					
1/01/2022	17,8	10,2	19,5	0,0	47,5
Accumulated depreciation through business combinations	0,0	0,0	0,0	0,0	0,0
Depreciation for the period	3,2	1,2	3,1	0,0	7,5
Disposals and reclassifications	-2,7	-0,3	-1,6	0,0	-4,6
Effect of movements in exchange rates	-0,2	0,0	0,2	0,0	0,0
31/12/2022	18,1	11,2	21,2	0,0	50,5
Carrying amounts					
1/01/2022	21,4	3,2	6,4	1,9	32,9
31/12/2022	13,6	3,0	6,7	2,7	26,0

During the period, the Group sold freehold land and buildings with net carrying amount of 4,2 mEUR for a cash consideration of 5,3 mEUR. The net gains on these disposals were recognised as part of other expenses in the statement of profit or loss. The remaining balance of disposals and reclassification relates mainly to derecognition of leased assets (refer to note 24).

<i>in millions of euro</i>	Land and building	Plant and equipment	Fixtures and installations	Assets under construction	Total
Cost					
1/01/2021	37,0	11,7	20,2	0,7	69,6
Acquisitions through business combinations	1,2	1,3	2,3	0,0	4,8
Other additions	2,5	0,7	3,2	1,6	8,0
Disposals and reclassifications	-1,8	-0,6	-0,4	-0,5	-3,3
Effect of movements in exchange rates	0,4	0,3	0,6	0,0	1,3
31/12/2021	39,2	13,4	25,9	1,9	80,4
Depreciation and impairment losses					
1/01/2021	15,2	8,4	15,6	0,0	39,2
Accumulated depreciation through business combinations	0,2	1,0	1,6	0,0	2,9
Depreciation for the period	2,7	1,2	2,5	0,0	6,4
Disposals and reclassifications	-0,4	-0,6	-0,7	0,0	-1,7
Effect of movements in exchange rates	0,1	0,2	0,5	0,0	0,7
31/12/2021	17,8	10,2	19,5	0,0	47,5
Carrying amounts					
1/01/2021	21,8	3,3	4,6	0,7	30,4
31/12/2021	21,4	3,2	6,4	1,9	32,9

14. Intangible assets and Goodwill

<i>In millions of euro</i>	Goodwill	Client relations	Software Licences	Patents	Trademarks	Technology	Other Intangible Assets	Total
Cost								
01/01/2022	521,2	334,1	15,8	1,1	34,4	102,0	44,1	1.052,6
Acquisitions through business combinations	-0,3	0,0	0,0	0,0	0,0	0,0	0,0	-0,3
Other acquisitions	0,0	0,0	0,4	0,0	0,0	15,2	0,2	15,8
Disposals & reclassifications	-0,1	0,0	1,2	0,0	0,0	-2,3	0,0	-1,2
Effect of movements in exchange rates	-1,5	-0,3	0,1	-0,1	-0,1	-1,1	0,7	-2,3
31/12/2022	519,3	333,8	17,5	1,0	34,3	113,8	45,0	1.064,7
Amortization and impairment losses								
01/01/2022	333,4	91,8	9,1	1,1	10,4	47,8	38,5	532,2
Acquisitions through business combinations	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Amortisation during the period	0,0	24,2	1,8	0,0	2,5	9,0	3,0	40,4
Impairment loss	0,0	0,0	0,0	0,0	0,0	1,5	0,0	1,5
Disposals and reclassifications	0,0	0,0	0,0	0,0	0,0	-0,8	0,0	-0,8
Effect of movements in exchange rates	-7,6	-0,8	0,1	-0,1	-0,1	-0,4	0,3	-8,5
31/12/2022	325,8	115,2	11,0	1,0	12,9	56,9	41,8	564,7
Carrying amounts								
01/01/2022	187,8	242,3	6,6	0,0	24,0	54,2	5,5	520,4
31/12/2022	193,5	218,6	6,5	0,0	21,4	56,9	3,1	499,9

<i>In millions of euro</i>	Goodwill	Client relations	Software Licences	Patents	Trademarks	Technology	Other Intangible Assets	Total
Cost								
1/01/21	500,8	314,0	16,4	1,1	33,7	79,4	38,3	983,8
Acquisitions through business combinations	10,0	14,2	0,0	0,0	0,0	5,8	4,6	34,6
Other acquisitions	0,0	0,0	0,3	0,0	0,0	13,8	0,0	14,1
Disposals & reclassifications	0,0	0,0	-1,1	0,0	0,0	2,7	-0,1	1,5
Effect of movements in exchange rates	10,4	5,8	0,1	0,0	0,7	0,3	1,3	18,6
31/12/21	521,2	334,1	15,8	1,1	34,4	102,0	44,1	1.052,6
Amortization and impairment losses								
1/01/21	332,9	67,6	8,3	1,1	7,8	27,6	36,4	481,7
Acquisitions through business combinations	0,0	0,0	0,0	0,0	0,0	2,6	0,0	2,6
Amortisation during the period	0,0	22,7	1,7	0,0	2,4	4,4	1,1	32,3
Impairment loss	0,0	0,0	0,0	0,0	0,0	10,4	0,0	10,4
Disposals and reclassifications	0,0	0,0	-0,9	0,0	0,0	2,5	-0,1	1,5
Effect of movements in exchange rates	0,5	1,5	0,1	0,0	0,2	0,2	1,2	3,6
31/12/21	333,4	91,8	9,1	1,1	10,4	47,8	38,5	532,2
Carrying amounts								
1/01/21	167,9	246,5	8,1	0,0	25,9	51,8	1,9	502,1
31/12/21	187,8	242,3	6,6	0,0	24,0	54,2	5,5	520,4

The remaining amortisation period of the client relations intangible asset is 8 years.

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

For the exercise ending 31 December 2022, the Group defined four cash generating units:

- Americas
- Weather
- Rest of the World
- Airport Systems.

The aggregate carrying amounts of goodwill allocated to each unit, on 31 December 2022, are as follows:

<i>in millions €</i>	Carrying amount of goodwill	Carrying amount of goodwill
	31/12/2022	31/12/2021
Americas	131,8	125,4
Weather	10,3	10,0
Rest of world	36,8	37,5
Airport Systems	14,6	14,9
Total	193,5	187,8

The recoverable amount is based on its value in use. Value in use is determined by discounting the future cash flows generated from the continuing use of the unit and is based on the following key assumptions for discount rates (based on detailed WACC analysis) and perpetual growth rates:

<i>in millions €</i>	Parameters of the model applied to cash flow forecasts			
	Discount rates		Perpetual Growth rates	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Americas	11,2%	2,1%	9,6%	2,1%
Weather	11,2%	2,1%	-	-
Rest of world	11,1%	2,0%	9,7%	2,0%
Airport Systems	13,1%	2,1%	11,6%	2,1%

The Fair Value less Cost to sell was not considered to determine the recoverable amount as management estimate that it would not result in a higher value than the value in use.

Impairment tests have been performed on 31 December 2022 using cash flow projections from budget for 2023 approved by the Board of Directors and business plan for 2024-2025.

The value in use for the four cash-generating units exceeds their carrying amount hence no impairment loss is recognised in 2022, neither in 2021.

The Group has leveraged following materials to value the four CGUs as follows:

- 2022 actual figures
- 2023 budget figures approved by the Board
- 2024-2025 long range business plan
- The impact of continuous improvement measures on profitability during the 5 years
- An assumption of long-term growth from year 5 for the terminal value.

The calculation of value in use for the four CGUs is most sensitive to the following assumptions:

- Revenues: annual growth rate over the five-year forecast period, based on past performance and management's expectations of market development; 6,7% average growth rate for CGU Americas, 8,7% average growth rate for CGU Weather, 10,3% average growth rate for CGU Rest of World and 4,1% average growth rate for CGU Airport Systems.
- Sales margin: based on past performance, management's expectations for the future, on current industry trends and long-term inflation forecasts; 35,1% for CGU Americas, 42,7% for CGU Weather, 35,5% for CGU Rest of World, and 45,1% for CGU Airport Systems.
- Discount rates: the discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the revenue-weighted aggregated risk profile of CGU activities based on the Beta of the individual CGU portfolio activities. The cost of debt is based on the relevant prevailing interest levels of the CGU weighted by the relative share of each activity in the CGU. The beta factors are evaluated annually based on publicly available market data.

- Growth rates used to extrapolate cash flows beyond the forecast period: the computed perpetual growth rate for each CGU is based on the long-term inflation expectation for the currency in which the business plan of each CGU was prepared.

Budget 2023 figures remain affected by the consequences of the sanitary crisis, mainly the global supply chain disruptions, with however a strong recovery in existing pipeline of projects. For the 2024/2027 plan, figures are based on expectations, reflecting reasonable vision of the markets addressed by the Group. It is expected that ADB Safegate markets will recover as from 2023.

The long-range business plan also incorporates the impact of climate-related matters and their potential impact on the development of the business. Whereas longer term growth trends may be affected by climate concerns, the aviation sector as a whole and air travel are still expected to continue to grow longer term given the crucial role aviation plays in modern society. In the short and medium term, the Group also sees additional interest in replacing halogen airfields by LED or other latest technology lighting, having a positive impact on business.

In order to assess the figures of the terminal value, comparisons were made in each CGU between the average annual growth from 2023 to Term year reference and the perpetual growth rates retained. The perpetual growth rates retained are lower than the calculated average for all CGUs.

Consequently, management considers that the key parameters used in the calculation of the recoverable amounts of the assets, amongst others the 5-years business assumptions, the perpetual growth rates and the weighted average cost of capital, were appropriate.

Sensitivity analysis of the value in use of cash-generating units to the assumptions made

The following table shows the sensitivity of enterprise value to specific premium used in discount rate calculation and perpetual growth rate:

<i>In millions of euro</i>	Outcome of the impairment	Specific Premium - Discount rates	Perpetual Growth rates
Americas	35,5		
<i>50 bps increase</i>		-12,3	9,0
<i>50 bps decrease</i>		13,8	-8,0
Weather	23,4		
<i>50 bps increase</i>		-3,2	2,4
<i>50 bps decrease</i>		3,6	-2,1
Rest of world	95,4		
<i>50 bps increase</i>		-24,0	18,6
<i>50 bps decrease</i>		27,7	-15,9
Airport Systems	3,4		
<i>50 bps increase</i>		-0,7	0,5
<i>50 bps decrease</i>		0,8	-0,5

The sensitivity towards the specific premium in discount rate or the perpetual growth rate is calculated versus the headroom.

The outcome of the impairment test shows a headroom of 35,5 mEUR for the CGU Americas (2021: headroom of 11,4 mEUR), a headroom of 23,4 mEUR for the CGU Weather, a headroom of 95,8 mEUR for the CGU Rest of world (2021: headroom of 37,8 mEUR), and a headroom of 3,4 mEUR for the CGU Airport Systems (2021: headroom of 4,5 mEUR). Hence there is no need for an impairment in 2022.

An impairment loss would need to be recognized in case the discount rate would increase to the following rate (all other assumptions being constant)

- from 11,2% to 12,8% in the CGU Americas would result in an impairment of its goodwill;
- from 11,2% to 16,8% in the CGU Weather would result in an impairment of its goodwill;
- from 11,1% to 13,4% in the CGU Rest of World would result in an impairment of its goodwill;
- from 13,1% to 16,1% in the CGU Airport Systems would result in an impairment of its goodwill.

A decrease in the perpetual growth rate (all other assumptions being constant) to 0,0% in the four CGUs would not cause the carrying amount to exceed its recoverable amount (all other assumptions being constant).

An impairment loss would need to be recognized in case the revenue growth rate would fall to the following rate (all other assumptions being constant)

- from 6,7% on average to 4,5% in the CGU Americas would result in an impairment of its goodwill;
- from 8,7% on average to 3,3% in the CGU Weather would result in an impairment of its goodwill;
- from 10,3% on average to 7,2% in the CGU Rest of World would result in an impairment of its goodwill;
- from 4,1% on average to 2,2% in the CGU Airport Systems would result in an impairment of its goodwill.

An impairment loss would need to be recognized in case the sales margin would fall to the following rate (all other assumptions being constant)

- from 35,1% to 32,19% in the CGU Americas would result in an impairment of its goodwill;
- from 42,7% to 32,70% in the CGU Weather would result in an impairment of its goodwill;
- from 35,5% to 32,28% in the CGU Rest of World would result in an impairment of its goodwill;
- from 45,1% to 41,44% in the CGU Airport Systems would result in an impairment of its goodwill.

15. Inventories

<i>In millions of euro</i>	31/12/2022	31/12/2021
Raw materials and consumables	25,7	17,7
Semi-finished goods	1,5	0,8
Finished goods	22,5	17,3
Advances for Inventories	0,1	0,5
Goods in Transit	7,1	0,0
Total	57,0	36,2

In 2022, inventories of 145,2mEUR were recognized as expense during the period and included in cost of sales against 120,9 mEUR in 2021 (see note 9).

Inventories are shown net of write downs for obsolescence, amounting to 10,3 mEUR as of 31 December 2022 (11,9 mEUR as of 31 December 2021).

16. Trade and other receivables, Contract Assets

<i>In millions of euro</i>	31/12/2022	31/12/2021
Trade and other receivables		
Trade Receivables	84,9	84,1
Invoices to be Issued to Customers	0,4	0,2
Cost Unbilled Contracts	0,0	0,1
Cost in Excess	84,6	71,3
Total	169,9	155,7
Non-current	0,0	0,0
Current	169,9	155,7

Advances for which the related work has not started and billings in excess of costs are presented as Contract liabilities (see note 8).

Cost in excess is classified as current but includes amounts that do not expect to realize or settle within the 12 months after the reporting period. Approximately 8,7 mEUR is expected to be realized or settled after more than 12 months.

The loss allowance as at 31 December 2022 and 31 December 2021 was determined as follows for both trade receivables and contract assets:

31/12/2022 - in millions of euro	Current	From 0 to 30 days past due	From 31 to 60 days past due	From 61 to 90 days past due	From 91 to 120 days past due	Over 121 days	Total
Expected loss rate	0,1%	0,5%	0,4%	0,1%	1,3%	10,9%	
Gross carrying amount – trade receivables net of prepayments	43,0	12,0	3,8	0,3	2,1	16,2	77,4
Gross carrying amount – contract assets	4,1	9,3	5,9	8,2	9,2	49,8	86,4
Loss allowance - trade receivables	-0,1	-0,1	0,0	0,0	0,0	-5,5	-5,7
Loss allowance - contract assets	0,0	0,0	0,0	0,0	-0,1	-1,7	-1,8

31/12/2021 - in millions of euro	Current	From 0 to 30 days past due	From 31 to 60 days past due	From 61 to 90 days past due	From 91 to 120 days past due	Over 121 days	Total
Expected loss rate	0,5%	0,9%	0,4%	0,9%	12,3%	11,4%	
Gross carrying amount – trade receivables net of prepayments	48,9	8,2	7,6	4,1	1,6	10,6	81,0
Gross carrying amount – contract assets	10,7	5,1	4,4	4,4	1,1	47,2	72,9
Loss allowance - trade receivables	-0,3	-0,1	-0,1	-0,1	-0,1	-5,2	-5,8
Loss allowance - contract assets	0,0	0,0	0,0	0,0	-0,2	-1,4	-1,7

Trade receivables are presented net of advance payments received.

Trade Receivables and Contract Assets are shown net of impairment amounting to 7,5 mEUR as of 31 December 2022 (7,6 mEUR as of 31 December 2021) split into 5,7 mEUR Loss allowance on Trade Receivables and 1,8 mEUR Loss allowance on Contract Assets (respectively 5,9 mEUR and 1,7 mEUR as of 31 December 2021). Refer also to note 23.

The closing loss allowances for trade receivables and contract assets as at 31 December 2022 reconcile to the opening loss allowances as follows:

<i>In millions of euro</i>	Contract Assets	Trade receivables
Opening loss allowance as at 1 January 2022	-1,7	-5,9
Acquisition through business combinations	0,0	0,0
Provisions increased during the period	-0,2	-0,7
Provisions used during the period	0,0	0,4
Provisions reversed during the period	0,1	0,7
Foreign Currency Translation	-0,1	-0,2
Closing loss allowance as at 31 December 2022	-1,8	-5,7

The closing loss allowances for trade receivables and contract assets as at 31 December 2021 reconcile to the opening loss allowances as follows:

<i>In millions of euro</i>	Contract Assets	Trade receivables
Opening loss allowance as at 1 January 2021	-2,7	-9,1
Acquisition through business combinations	0,0	-0,1
Provisions increased during the period	0,0	-0,3
Provisions used during the period	0,2	0,8
Provisions reversed during the period	1,0	3,2
Foreign Currency Translation	-0,1	-0,4
Closing loss allowance as at 31 December 2021	-1,7	-5,9

17. Cash and cash equivalents

<i>In millions of euro</i>	31/12/2022	31/12/2021
Bank balances	34,2	42,3
Cash and cash equivalents in the statement of financial position	34,2	42,3
Cash and cash equivalents in the statement of cash flows	34,2	42,3

The Group has only cash balances outstanding at financial institutions with at least an "A" credit rating attributed by Standard & Poor's, except for Standard Bank in South Africa for an amount of 0,4 mEUR as of 31 December 2022 (0,5 mEUR as of 31 December 2021), which has a "B" rating.

The Group has restricted cash balances of 5,0 mEUR that are not available for use by the Group because they are held by subsidiaries operating under exchange controls.

18. Capital and reserves

Share capital

ADB Luxembourg 1 S.à r.l., with registered office at 12, rue Jean Engling, L-1466 Luxembourg, and registered with the Luxembourg Register of Commerce and Companies under number B 217137, was constituted on 11 August 2017 with a capital of 12,000 EUR divided in 12,000 ordinary shares, with a nominal value of 1.00 EUR.

On 3 October 2017, the share capital was further increased by 426,488,000 EUR (out of which 404,0 mEUR in cash) so as to bring total share capital to an amount of 426,5 mEUR through (i) the issuance of 18,071,600 new ordinary shares with a nominal value of 1,00 EUR, (ii) the issuance of 395,616,400 new A preferred shares with a nominal value of 1,00 EUR and (iii) the issuance of 12,800,000 new B preferred shares with a nominal value of 1.00 EUR per share.

On 20 July 2022, the share capital was further increased by 40,0 mEUR in cash to bring total share capital to an amount of 466,5 mEUR through the issuance of 40,000,000 new class C preferred shares with a nominal value of 1,00 EUR.

All shares issued are fully paid. All shares have equal voting rights. The economic rights attached to the Shares are specific to each class of Shares:

- the A Preferred Dividend or the C Preferred Dividend may only be paid provided that the allocation to the legal reserve and/ or any other allocations have been made and is subject, in any case, to the prior approval of such distribution by the Shareholders.
- the payment of the A Preferred Dividend attached to the A Preferred Shares is subordinated to the full payment of any C Preferred Dividend attached to the C Preferred Shares.
- the financial rights attached to B Preferred Shares are subordinated to the reimbursement of the subscription price of all the A Preferred Shares and to the full payment of any A Preferred Dividend attached to the A Preferred Shares and the C Preferred Dividend attached to the C Preferred Shares. The Preferred B Dividend shall be determined on the exit date (unknown).
- Each Ordinary Shares entitles its holder to a right to any kind of dividend distribution decided by the company after payment of the C Preferred Dividend, of the A Preferred Dividend and of the B Preferred Dividend.

The Shares held by each Shareholder may only be transferred in accordance with the Articles, Shareholder Agreement and any future agreement to be entered between the Shareholders. Except in case of Unrestricted Transfer (as defined in the Shareholders Agreement) the prior written consent of the Majority Investor is also required for any Transfer by the Shareholders, of part or all of their Shares during a lock-up period of eight (8) years as from 11 August 2017.

After the expiry of the lock-up period, and except in case of an Unrestricted Transfer, the shares held by the Shareholders may only be transferred to any non-Shareholder transferee with the prior approval of one or more Shareholders representing at least three quarters of the Company's share capital.

Additionally, in accordance with art 710-23 of the Luxembourg law of 10 August 1915, as amended, the Company is required to allocate to a legal reserve a minimum of 5% of its annual net profit until this reserve equals 10% of the issued share capital. This reserve may not be distributed.

Reserves

The reserves include (1) a translation reserve comprising all foreign currency differences arising from the translation of the financial statements of foreign operations, (2) a hedging reserve on foreign currency forward contracts, designated as cash flow hedges and (3) a reserve for own shares resulting from the purchase of treasury shares.

Dividends

No dividend distribution was proposed by the Directors.

19. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost.

<i>In millions of euro</i>	31/12/2022	31/12/2021
Secured bank loans	588,8	576,4
Lease Liabilities	4,0	7,3
Non-current liabilities	592,9	583,7
Short term portion of secured debt	0,0	0,0
Revolving facility	53,0	56,7
Accrued Interests on senior loans	3,4	2,5
Lease Liabilities	2,9	2,5
Current liabilities	59,3	61,7
Total loans and borrowings	652,2	645,4

To finance the acquisition of the ADB Safegate Group, ADB Safegate Luxembourg 1 S.à r.l. and its subsidiaries entered into a Senior Facilities Agreement and a Second Lien Facility Agreement for a total amount of 585,5 mEUR with BNP Paribas Fortis SA/NV, Citigroup Global Markets Limited, Credit Suisse AG London Branch, Deutsche Bank AG London Branch, HSBC Bank plc, ING Bank N.V. and the Bank of Ireland on 3 October 2017.

The Group has access to a Revolving Credit Facility (RCF), which amounts to 80,0 mEUR. As of 31 December 2022, the undrawn amount equals to 27,0 mEUR (23,3 mEUR as of 31 December 2021).

In July 2022, the Senior Facilities Agreement and the Second Lien Facility Agreement were amended, with extended maturity date and increased margin on interest rate, as indicated below:

<i>In millions of euro</i>	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount 31/12/2022
Secured bank loan - 1st Lien	EUR	Euribor ⁽¹⁾ + Margin ⁽²⁾	2026	344,0	338,5
Secured bank loan - 1st Lien	USD	Libor ⁽¹⁾ + Margin ⁽³⁾	2026	134,5	133,8
Secured bank loan - 2nd Lien	USD	Libor ⁽¹⁾ + Margin ⁽⁴⁾	2027	120,6	120,1
Secured Bank Loan ADB SG Germany - EUR	EUR	Fixed 1.70%	2026	0,4	0,4
Revolving facility	EUR	Euribor ⁽¹⁾ + Margin ⁽⁵⁾	2025	37,0	37,0
Revolving facility	USD	Libor ⁽¹⁾ + Margin ⁽⁵⁾	2025	15,9	15,9
Total interest-bearing liabilities				652,4	645,7

(1) There is a 0% interest rate floor on Euribor and 1% on Libor. Interest rates cannot drop below this interest rate floor

(2) Margin is at 4,75% as per 31 December 2022 and shall depend on Senior debt cover

(3) Margin is at 4,75% as per 31 December 2022 and shall depend on Senior debt cover

(4) Margin is at 8,25% as per 31 December 2022 and shall depend on Senior debt cover

(5) Margin is at 4,50% as per 31 December 2022 and shall depend on Senior debt cover

<i>In millions of euro</i>	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount 31/12/2021
Secured bank loan - 1st Lien	EUR	Euribor ⁽¹⁾ + Margin ⁽²⁾	2024	344,0	339,1
Secured bank loan - 1st Lien	USD	Libor ⁽³⁾ + Margin ⁽³⁾	2024	126,7	125,9
Secured bank loan - 2nd Lien	USD	Libor ⁽²⁾ + Margin ⁽⁴⁾	2025	113,5	113,2
Secured Bank Loan ADB SG Germany - EUR	EUR	Fixed 1.70%	2026	0,5	0,5
Revolving facility	EUR	Euribor ⁽¹⁾ + Margin ⁽⁵⁾	2023	17,0	17,2
Revolving facility	USD	Libor ⁽¹⁾ + Margin ⁽⁵⁾	2023	39,6	39,6
Total interest-bearing liabilities				641,3	635,5

(1) There is a 0% interest rate floor on Euribor and 1% on Libor. Interest rates cannot drop below this interest rate floor

(2) Margin is at 3,50% as per 31 December 2021 and shall depend on Senior debt cover

(3) Margin is at 3,75% as per 31 December 2021 and shall depend on Senior debt cover

(4) Margin is at 7,75% as per 31 December 2021 and shall depend on Senior debt cover

(5) Margin is at 3,25% as per 31 December 2021 and shall depend on Senior debt cover

<i>in millions of euro</i>	31/12/2022	31/12/2021
Senior Loans		
Proceeds from issue of senior loans	599,4	584,6
Transaction Costs	-10,6	-8,2
Accrued Interests	3,2	2,3
Carrying amount of liability	592,1	578,7
Revolving Facility		
Proceeds from issue of revolving facilit	53,0	56,7
Accrued Interests	0,1	0,2
Carrying amount of liability	53,1	56,9

In 2017, the Group incurred 18,5 mEUR of transaction costs in respect of the senior loan facilities which are amortised in accordance with the effective interest method over the expected repayment schedule of the different tranches of the loan facilities.

The Group incurred transaction costs in respect of the acquisition of the Ultra Electronics Airport Systems group for 1,3 mEUR.

In July 2022, the Group incurred 5,9 mEUR of transaction costs in respect of the amendment and extension of the senior loan facilities. This renegotiation was treated as a non-substantial modification of the debt in accordance with IFRS 9. Therefore, the costs incurred are amortised in accordance with the effective interest method over the remaining amended repayment schedule of the different tranches of the loan facilities.

In 2022, the amortisation expense amounted to 3,5 mEUR (2,8 mEUR in 2021).

Changes in liabilities arising from financing activities

<i>in millions of euro</i>	Senior Loans	Revolving Facility	Transaction Costs	Leases	Accrued Interests	Total
Balance at 01/01/2022	584,6	56,7	-8,2	9,9	2,5	645,5
Cash flow changes from financing activities						
Proceeds from loans and borrowings	0,0	20,0	0,0	0,0	0,0	20,0
Repayment of loans and borrowings	-0,1	-27,5	0,0	-3,0	0,0	-30,6
Activated interest	0,0	0,0	0,0	0,0	0,0	0,0
Interests and bank charges paid/received	0,0	-2,4	-5,9	-0,5	-32,6	-41,4
Total cash flow changes from financing activities	-0,1	-9,9	-5,9	-3,5	-32,6	-52,0
Other changes non cash flows related						
Currency differences	14,8	3,7	0,0	-0,1	-0,4	18,0
Amortisation	0,0	0,0	3,5	0,0	0,0	3,5
Acquisitions through business combinations	0,0	0,0	0,0	0,0	0,0	0,0
New contracts	0,0	0,0	0,0	2,8	0,0	2,8
Terminated contracts	0,0	0,0	0,0	-2,6	0,0	-2,6
Interest expense	0,0	2,5	0,0	0,5	33,9	36,9
Interest income	0,0	0,0	0,0	0,0	0,0	0,0
Total other changes non cash flows related	14,8	6,2	3,5	0,6	33,5	58,6
Balance at 31/12/2022	599,3	53,0	-10,6	7,0	3,4	652,1

<i>in millions of euro</i>	Senior Loans	Revolving Facility	Transaction Costs	Leases	Accrued Interests	Total
Balance at 01/01/2021	565,4	17,0	-11,0	10,0	2,3	583,7
Cash flow changes from financing activities						
Proceeds from loans and borrowings	0,0	44,6	0,0	0,0	0,0	44,6
Repayment of loans and borrowings	-0,1	-5,0	0,0	-2,4	0,0	-7,5
Activated interest	2,6	0,0	0,0	0,0	-2,6	0,0
Interests and bank charges paid/received	0,0	0,0	0,0	-0,5	-28,1	-28,5
Total cash flow changes from financing activities	2,5	39,6	0,0	-2,9	-30,6	8,5
Other changes non cash flows related						
Currency differences	16,8	0,0	0,0	0,1	0,2	17,1
Amortisation	0,0	0,0	2,9	0,0	0,0	2,9
Acquisitions through business combinations	0,0	0,0	0,0	0,8	0,0	0,8
New contracts	0,0	0,0	0,0	2,6	0,0	2,6
Terminated contracts	0,0	0,0	0,0	-1,1	0,0	-1,1
Interest expense	0,0	0,0	0,0	0,5	30,5	31,0
Interest income	0,0	0,0	0,0	0,0	0,0	0,0
Total other changes non cash flows related	16,8	0,0	2,9	2,9	30,8	52,5
Balance at 31/12/2021	584,7	56,6	-8,2	9,9	2,5	645,5

Bank loan covenants

Due to important cash flow needs to finance operating activities in 2022, the threshold of more than 35% of drawings on the Original Revolving Facility Commitment is met as at 31 December 2022. The Group complies with the related covenant on Senior Net Debt ratio to EBITDA.

Security for Liabilities

Some assets, such as shares of the subsidiaries, receivables and bank accounts, are being used as security for loan facilities with BNP Paribas Fortis SA/NV, CitiGroup Global Markets Limited, Credit Suisse AG, London Branch, Deutsche Bank AG, London Branch, HSBC Bank plc, ING Bank N.V. and the Bank of Ireland, depending on the local regulations in respect of pledging assets. The carrying amount of those assets is 65,6 mEUR.

In particular, the bank loans are secured over the following assets by legal entity:

ADB Safegate Luxembourg 2 S.à r.l.

- Luxembourg Law Receivables Pledge
- Luxembourg Law Account Pledge (BGL)
- Luxembourg Law Account Pledge (SG)
- Belgium Law Share Pledge over the shares in ADB Safegate Belgium BV

ADB Safegate Luxembourg 1 S.à r.l.

- Luxembourg Law Receivables Pledge
- Luxembourg Law Account Pledge
- Luxembourg Law Share Pledge over the shares in ADB Safegate Luxembourg 2 S.à r.l.

ADB Safegate Belgium BV

- Luxembourg Law Claim Pledge
- Belgium Law Receivables and Bank Accounts Pledge
- US Pledge Agreement
- Belgian Law Share pledge over the shares in ADB Safegate BV

ADB Safegate BV

- Belgium Law Receivables and Bank Accounts Pledge
- Swedish Law Share Pledge over the shares in ADB Safegate Sweden AB
- Australian Law Share pledge over the shares in ADB Safegate Australia Pty Ltd
- Hong Kong Law share pledge over the shares in ADB Safegate Hong Kong Limited
- German Law share pledge over the shares in ADB Safegate Germany Verwaltungs GmbH
- Finnish Law Pledge of Intragroup Loan Receivables of ADB Safegate BV- Branch Finland
- Finnish Law Pledge of Floating Charge Promissory Note of ADB Safegate BV- Branch Finland
- Hong Kong Law Supplemental Share Pledge over shares in ADB Safegate Hong Kong Limited

ADB Safegate Hong Kong Limited

- Debenture creating fixed and floating charges over ADB Safegate Hong Kong's assets
- Hong Kong law supplemental debenture of ADB Safegate Hong Kong Limited

ADB Safegate Sweden AB

- Account Pledge Agreement
- Swedish Law governed Intercompany Loan Pledge Agreement

ADB Safegate Americas LLC

- US Joinder Agreement of ADB Safegate Americas LLC to the US Pledge and Security Agreement of ADB Safegate Americas 1, Inc.
- US Security Joinder Agreement of ADB Safegate Americas Holding, Inc. and ADB Safegate Americas LLC to the US Pledge and Security Agreement of ADB Safegate Americas 1 Inc.

ADB Safegate Americas Holding, Inc.

- US Joinder Agreement of ADB Safegate Americas Holding, Inc. to the US Pledge and Security Agreement of ADB Safegate Americas 1, Inc.

ADB Safegate Americas 1, Inc.

- US Pledge and Security Agreement of ADB Safegate Americas 1, Inc.
- US Security Supplement of ADB Safegate Americas 1 Inc for shares in ADB Safegate Americas Holding, Inc

ADB Safegate Australia Pty Ltd

- Australian Law General Security Deed granted by ADB Safegate Australia Pty Ltd

ADB Safegate Germany GmbH and ADB Safegate Germany Verwaltungs GmbH

- German Law Share Pledge Agreement granted by ADB Safegate Germany Verwaltungs GmbH over the shares in ADB Safegate Germany
- German Law Account Pledge Agreement
- German Law Assignment Agreement
- German Law Supplemental Share Pledge Agreement granted by ADB Safegate Germany Verwaltungs GmbH over the shares in ADB Safegate Germany GmbH
- German Law Supplemental Account Pledge Agreement
- German Law Supplemental Assignment Agreement

20. Liabilities for post-employment and other long-term employee benefits

The Group contributes to employee retirement benefit plans in accordance with the laws and usual practices of countries in which its subsidiaries operate.

As of 31 December 2022, the present value of the defined benefit obligation (DBO) and the service costs are calculated by a qualified actuary using the Projected Unit Credit (PUC) method.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

<i>In millions of euro</i>	31/12/2022	31/12/2021
Amounts recognized in the statement of financial position		
Defined benefit obligation	9,7	11,0
Fair value of plan assets	8,6	7,8
Funded status	1,1	3,2
Effect of asset ceiling/onerous liability	0,0	0,0
Net defined benefit liability (asset)	1,1	3,2
Liability for other post-employment benefits	0,0	0,0
Liability for early retirement obligations	0,0	0,0
Total employee benefits	1,1	3,2

The Group makes contributions to a defined benefit plan that provides pension and medical benefits for a few employees upon retirement. Plan assets comprise equity securities and bonds.

<i>In millions of euro</i>	31/12/2022	31/12/2021
Change in defined benefit obligation		
1. Defined benefit obligation at end of prior year	11,0	11,1
2. Service cost		
a. Current service cost	0,9	0,8
3. Interest expense	0,1	0,1
4. Cash flows		
a. Benefit payments from plan assets	(0,3)	(1,1)
b. Benefit payments from employer	(0,1)	(0,1)
e. Participant contributions	0,2	0,2
f. Administrative expenses included in the DBO	(0,0)	(0,0)
g. Taxes included in the DBO	(0,1)	(0,1)
h. Insurance premiums for risk benefits	(0,1)	(0,1)
6. Remeasurements		
a. Effect of changes in demographic assumptions	-	-
b. Effect of changes in financial assumptions	(1,9)	(0,3)
c. Effect of experience adjustments	(0,1)	0,5
7. Effect of changes in foreign exchange rates	-	-
8. Defined benefit obligation at end of year	9,7	11,0

<i>In millions of euro</i>	31/12/2022	31/12/2021
Change in fair value of plan assets		
1. Fair value of plan assets at end of prior year	7,8	7,9
2. Interest income	0,1	0,1
3. Cash flows		
a. Total employer contributions		
(i) Employer contributions	0,7	0,5
(ii) Employer direct benefit payments	0,1	0,1
b. Participant contributions	0,2	0,2
c. Benefit payments from plan assets	(0,3)	(1,1)
d. Benefit payments from employer	(0,1)	(0,1)
g. Administrative expenses paid from plan assets	(0,0)	(0,0)
h. Taxes paid from plan assets	(0,1)	(0,1)
i. Insurance premiums for risk benefits	(0,1)	(0,1)
5. Remeasurements		
a. Return on plan assets (excluding interest income)	0,2	0,5
7. Fair value of plan assets at end of year	8,6	7,8

<i>In millions of euro</i>	31/12/2022	31/12/2021
Components of defined benefit cost		
1. Service cost		
a. Current service cost	0,9	0,8
e. Total service cost	0,9	0,8
2. Net interest cost		
a. Interest expense on DBO	0,1	0,1
b. Interest (income) on plan assets	(0,1)	(0,1)
e. Total net interest cost	0,0	0,0
5. Defined benefit cost included in P&L	0,9	0,8
6. Remeasurements (recognized in other comprehensive income)		
a. Effect of changes in demographic assumptions	-	-
b. Effect of changes in financial assumptions	(1,9)	(0,3)
c. Effect of experience adjustments	(0,1)	0,5
d. (Return) on plan assets (excluding interest income)	(0,2)	(0,4)
g. Total remeasurements included in OCI	(2,2)	(0,1)
7. Total defined benefit cost recognized in P&L and OCI	(1,3)	0,7

<i>In millions of euro</i>	31/12/2022	31/12/2021
Net defined benefit liability (asset) reconciliation		
1. Net defined benefit liability (asset)	3,2	3,1
2. Defined benefit cost included in P&L	0,9	0,8
3. Total remeasurements included in OCI	(2,2)	(0,1)
4. Cash flows		
a. Employer contributions	(0,7)	(0,6)
b. Employer direct benefit payments	(0,1)	(0,1)
5. Net defined benefit liability (asset) as of end of year	1,1	3,2

<i>In millions of euro</i>	31/12/2022	31/12/2021
Plan assets		
Fair value of plan assets		
a. Assets held by insurance company	8,6	7,8
d. Total	8,6	7,8

Assets held by insurance company (8,6 mEUR as of 31 December 2022) are primarily invested in Government and corporate bonds, but also in other asset classes such as equities and real estate.

<i>In millions of euro</i>	31/12/2022
Expected cash flows for following year	
1. Expected employer contributions	0,8
2. Expected contributions to reimbursement rights	-
3. Expected total benefit payments	
Year 1	0,3
Year 2	0,5
Year 3	0,2
Year 4	0,3
Year 5	0,5
Next 5 years	2,8

<i>In millions of euro</i>	31/12/2022	31/12/2021
Sensitivity Analysis		
Present value of defined benefit obligation		
Discount rate - 25 basis points	9,8	11,4
Discount rate + 25 basis points	9,6	10,7
Pensions-in-payment increase rate - 25 basis points	1,8	2,5
Pensions-in-payment increase rate + 25 basis points	1,9	2,7
Weighted average duration of defined benefit obligation (in years)		
Discount rate - 25 basis points	4,8	12,0
Discount rate + 25 basis points	3,8	11,7

Group's principal obligation: Belgian defined contribution plans with return guaranteed by law

Belgian "Defined Contribution" Group insurance plans are subject to the Occupational Pensions Act of April 2003. According to article 24 of this Act, affiliated persons are entitled to a guaranteed minimum return on contributions made by either the organizer of the plan or the employee. Some conditions in this law, such as the required level of minimum return, have been amended by the Act of 18 December 2015. Similar to the measurement of all other defined benefit plans, the net pension liability related to defined contribution plans with return guaranteed by law is calculated as the difference between the present value of the defined benefit obligation (DBO) and the fair value of the plan assets.

The following table shows a breakdown of the net defined benefit obligation (plan assets) by country:

	31/12/2022	31/12/2021
Belgium	60%	66%
Germany	37%	33%
France	3%	1%
Turkey	0%	0%

Actuarial assumptions

The actuarial assumptions used for the main countries are presented below:

	Belgium		Germany	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Discount Rate	3,50%	1,10%	3,50%	1,10%
Long-term rate of return on assets	3,50%	1,10%	3,50%	1,10%
Salary Increases	Inflation + 0.75%		Inflation + 0.25%	
Inflation	2,75%		2,00%	
Mortality	MR/FR including age correction minus 4 or 5 years		Heubeck Richttafeln 2018G	
Retirement Age	65		between 60 and 65	

21. Provisions

<i>In millions of euro</i>	Warranties	Claims	Restructuring	Other	Total
01/01/2022	6,0	1,8	0,4	0,7	8,9
Provisions made during the period	0,1	0,4	0,0	0,1	0,6
Provisions used during the period	0,3	-0,2	-0,1	0,1	0,1
Provisions reversed during the period	-1,9	-0,1	-0,1	0,0	-2,1
Other movement	0,0	0,0	0,0	0,0	0,0
Foreign Currency Translation	0,1	0,0	0,0	0,0	0,2
31/12/2022	4,7	1,9	0,1	1,0	7,7
Non-Current	0,5	1,2	0,0	0,7	2,4
Current	4,2	0,7	0,1	0,3	5,3

<i>In millions of euro</i>	Warranties	Claims	Restructuring	Other	Total
01/01/2021	8,7	1,4	0,3	3,1	13,6
Assumed in a business combination	0,1	0,0	0,0	0,0	0,1
Provisions made during the period	1,9	1,0	0,4	0,1	3,4
Provisions used during the period	-3,1	0,1	-0,3	-0,6	-3,9
Provisions reversed during the period	-1,7	-0,3	0,0	-0,1	-2,2
Other movement	-0,1	-0,5	0,0	-1,8	-2,4
Foreign Currency Translation	0,2	0,0	0,0	0,0	0,2
31/12/2021	6,0	1,8	0,4	0,7	8,9
Non-Current	0,8	1,2	0,1	0,6	2,7
Current	5,3	0,6	0,3	0,1	6,2

Warranties

The provision for warranties relates mainly to contractual warranty obligations. The provision is based on estimates made from historical warranty data associated with similar products and services. The Group expects to incur part of the liability within one year and part of the liability over one year.

Claims

The provision for claims relates mainly to ongoing litigations. The expected timing of outflows for the main open litigation is expected to be within 24 months after the reporting period.

Other

Other provisions relate mainly to employee's related legal provision.

22. Trade and other payables, Contract liabilities

<i>In millions of euro</i>	31/12/2022	31/12/2021
Trade and other payables		
Trade payables	45,0	31,8
Accruals	26,2	30,8
Deferred income	1,3	1,2
Contract Liabilities - Advance payments received	13,2	8,9
Contract Liabilities - Billings in excess of cost and estimated profits	27,7	24,3
Total	113,4	97,0

23. Financial instruments

Trade receivables

<i>In millions of euro</i>	31/12/2022	31/12/2021
Exposure to credit risk		
Trade and other receivables	90,6	89,9
Prepayments	-13,2	-8,9
Trade and other receivables (including prepayments)	77,4	81,0

<i>In millions of euro</i>	31/12/2022	31/12/2021
The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was:		
European Countries	12,6	12,2
Middle East	21,8	27,1
North-America	22,0	18,3
Far East	14,1	16,4
Other Regions	7,0	7,0
TOTAL	77,4	81,0

<i>In millions of euro</i>	31/12/2022	31/12/2021
The ageing of trade and other receivables at the reporting date was:		
Ageing of trade receivables: neither past due nor impaired	43,2	48,9
Ageing of trade receivables: < 30 days	12,0	8,2
Ageing of trade receivables: 30 - 60 days	4,0	7,6
Ageing of trade receivables: 60 - 90 days	0,4	4,1
Ageing of trade receivable: 90 - 120 days	2,2	1,6
Ageing of trade receivable: > 120 days	15,5	10,6
TOTAL	77,4	81,0

<i>In millions of euro</i>	31/12/2022	31/12/2021
The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:		
Beginning Balance	-5,9	-9,1
Acquisitions through Business Combinations	0,0	-0,1
Impairment loss recognized (net of increase/used/reversals)	0,4	3,7
Foreign currency Translation	-0,2	-0,4
Ending Balance	-5,7	-5,9

Contract assets

<i>In millions of euro</i>	31/12/2022	31/12/2021
Exposure to credit risk		
Contract assets	86,4	72,9

<i>In millions of euro</i>	31/12/2022	31/12/2021
The maximum exposure to credit risk for contract assets at the reporting date by geographic region was:		
European Countries	13,8	9,0
Middle East	42,3	30,1
North-America	0,0	0,0
Far East	17,3	28,9
Other Regions	13,1	4,9
TOTAL	86,4	72,9

<i>In millions of euro</i>	31/12/2022	31/12/2021
The ageing of contract assets at the reporting date was:		
Ageing of contract assets: neither past due nor impaired	4,1	10,7
Ageing of contract assets: < 30 days	9,3	5,1
Ageing of contract assets: 30 - 60 days	4,1	4,4
Ageing of contract assets: 60 - 90 days	9,4	4,4
Ageing of contract assets: 90 - 120 days	-0,7	1,1
Ageing of contract assets: > 120 days	60,3	47,2
TOTAL	86,4	72,9

<i>In millions of euro</i>	31/12/2022	31/12/2021
The movement in the allowance for impairment in respect of contract assets during the year was as follows:		
Beginning Balance	-1,7	-2,7
Impairment loss recognized (net of increase/used/reversals) [▼]	-0,1 [▼]	1,2
Foreign currency Translation	-0,1	-0,1
Ending Balance	-1,8	-1,7

Management believes that the unimpaired amounts that are past due are still collectible based on historical payment behaviour.

Credit quality of receivables that are not past due or impaired: the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, also has an influence on credit risk. However, the company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

Cash and cash equivalents

As described in note 17, the Group held cash and cash equivalents of 34,2 mEUR as at 31 December 2022 (42,3 mEUR as at 31 December 2021). The cash and cash equivalents are held with financial institutions with at least an "A" credit rating attributed by Standard & Poor's, except for Standard Bank in South Africa for an amount of 0,4mEUR as of 31 December 2022 (0,5 mEUR as of 31 December 2021), which has a B rating.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and the impact of derivatives:

31/12/2022

<i>In millions of euro</i>	Carrying amount	Contractual cash flows	≤ 6 Months	6 - 12 Months	1 - 2 Years	2 - 5 Years	> 5 Years
Bank loans and other facilities	645,2	876,6	16,4	26,8	57,1	776,2	0,0
Lease liabilities	7,0	7,0	1,5	1,5	1,7	2,2	0,1
Trade and other payables	71,2	71,2	71,2				
Contract liabilities	40,9	40,9	40,9				

31/12/2021

<i>In millions of euro</i>	Carrying amount	Contractual cash flows	≤ 6 Months	6 - 12 Months	1 - 2 Years	2 - 5 Years	> 5 Years
Bank loans and other facilities	635,6	732,0	71,0	14,3	28,5	618,3	0,0
Lease liabilities	9,9	9,9	1,3	1,3	2,2	3,6	1,5
Trade and other payables	62,5	62,5	62,5				
Contract liabilities	33,3	33,3	33,3				

As disclosed in note 19, the Group's secured bank loans contain loan covenants. A future breach of covenants may require the Group to repay the loan earlier than indicated in the above table.

Currency risk

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows on 31 December 2022 (based on notional amounts):

<i>In millions of euro</i>	Emirati Dirham	Australian Dollar	Euro	British Pound	Qatari Riyal	Chinese Renminbi	Swedish Krona	Taiwan New Dollar	United States Dollar	South African Rand	Other	Total
Cash & cash equivalents	2,8	1,1	0,9	6,2	13,0	3,2	-2,5	2,0	-2,3	0,4	9,5	34,2
Trade receivables (+)	1,2	1,3	25,2	2,5	7,7	6,3	0,2	0,4	28,5	0,1	11,5	84,9
Bank Loans and revolving facility	0,0	0,0	375,3	0,0	0,0	0,0	0,0	0,0	269,9	0,0	0,0	645,2
Trade payables (-)	-1,0	-0,5	-25,1	-0,6	-0,1	-1,5	-1,1	-0,2	-14,1	0,0	-0,9	-45,0
Leases	-0,9	-0,4	-2,4	-0,5	-0,1	-0,6	-0,6	0,0	-1,1	0,0	-0,3	-7,0
Total	2,1	1,6	373,9	7,6	20,5	7,4	-4,0	2,2	281,0	0,5	19,8	712,4

The Group's exposure to foreign currency risk was as follows on 31 December 2021 (based on notional amounts):

<i>In millions of euro</i>	Emirati Dirham	Australian Dollar	Euro	British Pound	Qatari Riyal	Chinese Renminbi	Swedish Krona	Taiwan New Dollar	United States Dollar	South African Rand	Other	Total
Cash & cash equivalents	4,6	6,7	-20,1	8,1	1,3	5,4	-0,4	0,6	32,5	0,5	3,2	42,3
Trade/other receivables (+)	10,8	1,3	15,7	1,8	10,3	9,9	0,3	0,6	23,1	0,4	9,9	84,1
Bank Loans and revolving facility	0,0	0,0	357,2	0,0	0,0	0,0	-1,0	0,0	279,3	0,0	0,0	635,5
Trade payables (-)	-1,5	-0,1	-14,3	-0,3	-1,9	-1,4	-0,5	-0,1	-10,3	-0,1	-1,3	-31,8
Leases	0,0	-0,5	-2,3	-0,6	-0,1	-0,7	-3,7	0,0	-1,5	-0,2	-0,2	-9,9
Total	13,8	7,4	336,1	9,0	9,5	13,2	-5,3	1,1	323,1	0,7	11,5	720,2

The "Other" column includes currency risks on a variety of currencies that are individually not significant to the Group.

The following exchange rates were applied during the current period (2022) for currencies relevant for the Group, dominated in a 'EURO pricing' format (for ex, 1 AED = 0.2544 EUR closing rate):

ISO	Closing Rate	Average
AED	0,2544	0,2589
AUD	0,6366	0,6595
BRL	0,1768	0,1844
CAD	0,6894	0,7304
CHF	1,0104	0,9955
CLP	0,0011	0,0011
CNY	0,1354	0,1413
DKK	0,1345	0,1344
EUR	1,0000	1,0000
GBP	1,1307	1,1734
HKD	0,1196	0,1214
INR	0,0113	0,0121
MYR	0,2121	0,2161
QAR	0,2548	0,2601
RMB	0,1354	0,1413
RUB	0,0127	0,0142
SEK	0,0896	0,0941
SGD	0,6972	0,6894
TRY	0,0500	0,0580
TWD	0,0305	0,0319
USD	0,9343	0,9509
ZAR	0,0550	0,0582

Sensitivity analysis

A 10 percent strengthening (weakening) of the Euro against the following currencies on 31 December 2022 would have increased (decreased) equity and net profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i>In millions of euro</i>	Weakening of EUR		Strengthening of EUR	
	Equity	P&L	Equity	P&L
AED	1,4	-0,1	-1,4	0,1
AUD	1,2	0,0	-1,2	0,0
GBP	0,0	0,0	0,0	0,0
RMB	2,5	0,2	-2,5	-0,2
SEK	4,5	1,3	-4,5	-1,3
USD	9,6	0,6	-9,6	-0,6

This analysis does not take into account the effect of revaluation of loans and borrowings in foreign currencies at closing rates. For intra-group loans, any effect in profit and loss shall be compensated in equity by a movement in translation reserve.

Interest rate risk

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

<i>In millions of euro</i>	Carrying Amount 31/12/2022	Carrying Amount 31/12/2021
Fixed Rate Instruments		
Financial Liabilities (ADB Safegate Germany GmbH)	0,4	0,5
Variable Rate Instruments		
Financial Liabilities (Senior Loans)	592,4	578,2
Revolving Facility	52,9	56,8

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Fair value sensitivity analysis for variable rate instruments

The Group has designated derivatives (interest rate cap contracts) as hedge instruments under cash flow hedge accounting model.

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position, are as follows:

31 December 2022

<i>In millions of euro</i>	Carrying Amount	Fair Value
Interest Rate Cap Contract Assets	10,5	10,5
Financial assets measured at fair value	10,5	10,5
Receivables and Contract Assets	169,9	169,9
Cash and cash equivalents	34,2	34,2
Financial assets not measured at fair value	204,1	204,1
Interest rate swap Liabilities	0,0	0,0
Financial liabilities measured at fair value	0,0	0,0
Bank loans	592,8	599,5
Revolving facilities	52,9	52,9
Lease liabilities	7,0	7,0
Trade and other payables	71,2	71,2
Contract Liabilities	40,9	40,9
Financial liabilities not measured at fair value	764,8	771,5

31 December 2021*In millions of euro*

	Carrying Amount	Fair Value
Financial assets measured at fair value	0,0	0,0
Receivables and Contract Assets	155,7	155,7
Cash and cash equivalents	42,3	42,3
Financial assets not measured at fair value	198,0	198,0
Interest rate swap Liabilities	0,5	0,5
Financial liabilities measured at fair value	0,5	0,5
Bank loans	578,7	584,7
Revolving facilities	56,8	56,6
Lease liabilities	9,9	9,9
Trade and other payables	62,5	62,5
Contract Liabilities	33,3	33,3
Financial liabilities not measured at fair value	741,2	747,0

All these fair values are level 2 fair values (see note 5).

24. Leases

Group as a lessee

Information about leases for which the Group is a lessee is presented below.

1. Amounts recognised in the balance sheet

Right of use asset

<i>In millions of euro</i>	Land and building	Vehicles	IT	Total
Cost				
01/01/2022	11,5	3,4	0,3	15,2
Additions	1,6	1,1	0,0	2,7
Derecognition	-2,8	-0,6	0,0	-3,5
Effect of movements in exchange rates	-0,3	0,0	0,0	-0,2
31/12/2022	10,0	3,9	0,3	14,2
Depreciation and impairment losses				
01/01/2022	3,8	1,8	0,2	5,8
Depreciation for the period	2,0	1,0	0,1	3,1
Derecognition	-0,2	-0,7	0,0	-0,9
Effect of movements in exchange rates	-0,2	0,0	0,0	-0,2
31/12/2022	5,4	2,2	0,2	7,8
Carrying amounts				
01/01/2022	7,7	1,6	0,2	9,4
31/12/2022	4,6	1,7	0,1	6,4
Cost				
1/01/2021	10,7	2,6	0,2	13,6
Acquisitions through business combinations	0,8	0,0	0,0	0,8
Other Additions	1,7	1,1	0,1	3,0
Derecognition	-1,8	-0,4	0,0	-2,2
Effect of movements in exchange rates	0,1	0,0	0,0	0,1
31/12/2021	11,5	3,4	0,3	15,2
Depreciation and impairment losses				
1/01/2021	2,6	1,4	0,1	4,1
Depreciation for the period	1,5	0,9	0,1	2,5
Derecognition	-0,4	-0,5	0,0	-0,9
Effect of movements in exchange rates	0,0	0,0	0,0	0,0
31/12/2021	3,8	1,8	0,2	5,8
Carrying amounts				
1/01/2021	8,1	1,3	0,1	9,5
31/12/2021	7,7	1,6	0,2	9,4

Right of use assets are presented as part of Property, plant and equipment on the statement of financial position. The amount of leases expenses related to variable leases, short-term leases and low-value leases are included mainly within General Administration expenses in the income statement (refer to Note 9).

Lease liability		
<i>In millions of euro</i>	31/12/2022	31/12/2021
Beginning Balance	9,9	10,0
Acquisitions through business combinations	0,0	0,8
New contracts	2,8	2,6
Repayments	-3,0	-2,4
Terminated contracts	-2,6	-1,1
Effect of movements in exchange rates	-0,1	0,1
Ending Balance	7,0	9,9
Of which		
Current lease liability	2,9	2,5
Non-current lease liability	4,0	7,3

2. Amounts recognized in the statement of profit or loss

<i>In millions of euro</i>	31/12/2022	31/12/2021
Depreciation charge of right-of-use assets		
Land and building	2,0	1,5
Vehicles	1,0	0,9
IT	0,1	0,1
Total depreciation charge RoU	3,1	2,5
Interest expense (included in finance costs)	0,5	0,5
Expense relating to short-term leases and low value assets	2,0	1,7

3. Amounts recognized in the statement of cash flows

<i>In millions of euro</i>	31/12/2022	31/12/2021
Cash outflows		
Reimbursement of the principal of the lease liabilities	3,0	2,4
Interests on lease liabilities	0,5	0,5

4. Maturity analysis of the lease liability

<i>In millions of euro</i>	31/12/2022
Due in 2023	2,9
Due in 2024	1,7
Due in 2025	1,2
Due in 2026 or later	1,1

25. Capital commitments

The Group has capital commitments as at 31 December 2022 related to blanket purchase orders and discrete purchase orders to some suppliers in order to receive better conditions. The total amount of such commitments to suppliers for the coming years resulting from such blanket and discrete orders is 163,9 mEUR (107,1 mEUR as at 31 December 2021).

Additionally, the Group has signed a Lease Agreement for the construction of a new plant in the US for a 183 months lease with the payments starting three months after the Commencement Date of March 6th, 2023. Lease commitment amounts to 28,8 mEUR.

Moreover, the Group has open bonds for a total amount of 62,7 mEUR as at 31 December 2022 (64,4 mEUR as at 31 December 2021) mainly for performance bonds and advance payment bonds.

26. Contingencies

The Belgian tax authorities are performing with respect to income year 2016, 2017 and 2018 a transfer pricing audit of both ADB Safegate Belgium BV and of ADB Safegate BV. These tax audits are still in the request for information phase.

On 31 December 2022, the Group has commitments of 1,0 mEUR relating to termination benefits and exit packages of key management personnel in case of breach of contract.

27. Related parties

Parent and ultimate controlling party

The ultimate controlling parties of the company is the Carlyle Group, established under the laws of United States of America acting through its management company CEP IV Participations S.à r.l., SICAR (*Luxembourg*) and CEP IV Investment 2017 S.à r.l. (*Luxembourg*).

CEP IV Participations S.à r.l., SICAR (*Luxembourg*) and CEP IV Investment 2017 S.à r.l. (*Luxembourg*) are the majority shareholders of ADB Safegate Luxembourg 1 S.à r.l. (*Luxembourg*).

Other shareholders of ADB Safegate Luxembourg 1 S.à r.l. are mainly key managers of the Group.

Key management personnel compensation

Key management personnel compensation comprised:

<i>in millions of euro</i>	For the year ended 31/12/2022	For the year ended 31/12/2021
Short-term employee benefits	2,3	2,6
Post-employment benefits	0,0	0,0
Termination benefits	0,2	0,9
Total	2,5	3,6

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

As a result of the termination of contracts with one Group's executive, this executive received termination benefits of 0,2 mEUR, which was recognised as an expense during the year.

Key management personnel is made up of three Group's executives as at 31 December 2022 (2021: 4). Should these executives leave the Group, the commitment to pay termination benefits will amount to up to 1,0 mEUR.

Transactions with non-controlling shareholders

There are no significant transactions with non-controlling shareholders.

There are no advances or loans granted to the members of the administrative or managerial body of the parent company by the parent company or by its subsidiary undertakings.

Additionally, there are no commitments or guarantees of any kind, entered into on their behalf.

28. Group entities

The following entities are fully consolidated:

Name	Country of incorporation	% Equity interest	
		31/12/2022	31/12/2021
ADB Safegate Australia Pty Ltd	Australia	100	100
ADB Safegate Austria GmbH	Austria	100	100
ADB Safegate BV	Belgium	100	100
ADB Safegate Belgium BV	Belgium	100	100
ADB Airfield Solutions Equipamentos para Aeroporto Ltda	Brazil	-	100
Safegate do Brazil Ltda	Brazil	100	100
ADB Airf. Sol. Canada Ltd	Canada	100	100
ADB Safegate Canada Inc	Canada	100	100
ADB Airfield Technologies Ltd - Beijing	China	100	100
ADB Safegate Tianjin Ltd	China	100	100
ADB Safegate (Beijing) Airport Software Systems Technologies Ltd	China	100	100
ADB Safegate (Beijing) Airfield Technology Ltd	China	100	100
ADB Safegate (Cyprus) LTD	Cyprus	100	-
ADB Safegate Denmark Asp	Denmark	100	100
ADB Safegate Airport Systems France SAS	France	100	100
ADB Safegate Germany Verwaltungs GmbH	Germany	100	100
ADB Safegate Germany GmbH	Germany	100	100
ADB Safegate Hellas EPE	Greece	100	100
ADB Safegate Hong Kong Ltd	Hong Kong	100	100
ADBSafegate India Private Ltd	India	100	100
ADB Safegate Luxembourg 1 S.à.r.l.	Luxembourg	100	100
ADB Safegate Luxembourg 2 S.à.r.l.	Luxembourg	100	100
Combinatie Swarco ADB SG *	The Netherlands	50	50
ADB Safegate New Zealand Limited	New Zealand	100	-
ADB Safegate Doha WLL	Qatar	48	48
ADB Safegate Russia LLC	Russian Federation	100	100
ADB Safegate Saudi Limited Company	Saudi Arabia	100	100
ADB Safegate Singapore Pte Ltd	Singapore	100	100
ADB Safegate South Africa Pty Ltd	South Africa	100	100
ADB Safegate Airport Systems South Africa Ltd	South Africa	100	100
ADB Safegate Sweden AB	Sweden	100	100
ADB Safegate Gulf LLC	United Arab Emirates	100	49
ADB Safegate Airport Systems Ltd	United Kingdom	100	100
ADB Safegate Americas LLC	United States of America	100	100
ADB Safegate Americas 1 Inc	United States of America	100	100
ADB Safegate Airport Systems Americas Inc	United States of America	100	100
DBT Transportation Services LLC	United States of America	100	100
All Weather , Inc. (a Delaware company)	United States of America	100	100

*Previously known as Dynniq Nederland B.V.

During the year, the Group has established two new entities in New Zealand and in Cyprus and has liquidated an entity in Brazil.

The Group has equity interests in ADB Safegate Doha WLL (48%). The other shareholders are local sponsors with whom the Group has agreed that the other shareholders have no rights to variable returns from the entities, and no ability to use their powers to affect the amount of these returns. The entity is therefore fully consolidated in the consolidated financial statements of the Group. The remaining equity interests in ADB Safegate Gulf LLC (51%) have been purchased from the local sponsors during the year. This transaction had no impact on the consolidated financial statements.

The Group also has a 50% equity interest in Combinatie Swarco, a Dutch joint venture. The joint venture is consolidated under the equity method in the consolidated financial statements of the Group.

29. Auditor fees

During 2022, Deloitte Audit s.a.r.l. (Luxembourg) has been appointed as the group auditor of the Company replacing KPMG Luxembourg s.c. Fees billed to the Company (and its subsidiaries) by Deloitte Audit s.a.r.l. and other member firms of the Deloitte network during the period are as follows:

Excluding VAT

Audit 2022:	0,7 mEUR	
Audit 2021:	0,7 mEUR	(billed by KPMG, former group auditor)

Such fees are presented under "General administration expenses" in the Consolidated statement of profit or loss and other comprehensive income.

30. Subsequent events

On 12 January 2023, the Company entered into an interest rate cap hedging transaction for a notional amount of 180 mUSD with termination date of 3 December 2024 with Deutsche Bank AG as counterpart. This derivative is accounted for as a cash flow hedge. Transaction costs of 0,3 mUSD are recognised in profit or loss in January 2023. This event is a non-adjusting event for 2022.