20221027104 72

ADB SAFEGATE

ÅRSREDOVISNING

2021-01-01--2021-12-31

för

ADB Safegate Sweden AB
556177-5387

Årsredovisningen omfattar: **Sida**

Förvaltningsberättelse	2
Resultaträkning	11
Balansräkning	12
Rapport över föränding i eget kapital	14
Kassaflödesanalys	15
Noter	16
Underskrifter	27

FASTSTÄLLELSEINTYG

Undertecknad verkställande direktör intygar härmed, dels att denna kopia av årsredovisningen stämmer överrens med originalet, dels att resultaträkningen och balansräkningen har fastställts på årsstämma den 10 oktober 2022. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Malmö den 17 oktober 2022

Alexander Strandberg
Verkställande Direktör

20221027104 73

ADB SAFEGATE

ÅRSREDOVISNING

2021-01-01--2021-12-31

för

ADB Safegate Sweden AB
556177-5387

Årsredovisningen omfattar: **Sida**

Förvaltningsberättelse	2
Resultaträkning	11
Balansräkning	12
Rapport över förändring i eget kapital	14
Kassaflödesanalys	15
Noter	16
Underskrifter	27

20221027104744

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 2021-01-01--2021-12-31.

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 och dess inverkan på reserestriktioner på flygindustrin och flygplatstrafiken fortsatte att påverka koncernen under 2021. Medan pandemin initialt 2020 skapade tryck och osäkerhet för koncernens intäkter och utsikter 2021 konfronterades gruppen också med viktiga utmaningar i leveranskedjan som indirekt härrörde från pandemin.

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 trots pandemin fortsatt investera i produktutveckling. Vi har också fortsatt lagt stort fokus på att förbättra våra interna processer för att bli ännu mer konkurrenskraftiga i framtiden.

Omsättning har minskat jämfört med föregående år. Detta både på grund av rådande situation med Covid-19, men också på grund av omstrukturering inom gruppen vilket har lett till nya regionala indelningar. ADB Safegate Sweden har tidigare haft Skandinavien samt Östeuropa som sin regionala marknad medan man efter omstruktureringen endast har Skandinavien som marknad.

20221027104475

ADB Safegate Sweden AB
556177-5387

Viktiga händelser under 2021

Ur operativ synvinkel var störningarna mer begränsade 2021 jämfört med 2020, vilket gjorde det möjligt för koncernens fabriker i Tianjin (Kina), Zaventem (Belgien), Columbus (USA) och Mannheim (Tyskland) att fungera relativt normalt under hela året, oaktat strikta säkerhetsåtgärder. ADB Safegate Group började uppleva ökande utmaningar i leveranskedjan under andra halvåret 2021, vilket började påverka produktionsvolymerna och intäkterna negativt. Denna situation övervakas för att begränsa störningarna från detta för våra kunder. Centralt genomförda åtgärder inkluderar selektiv uppbyggnad av buffertlager, förbättrad planering och prognoser, ökad leverantörskommunikation och proaktiv leverantörshantering.

Resultat och ställning,

Nedan visas bolagets resultat och ställning i sammandrag.

(Tkr)	2021	2020	2019	2018	2017
Nettoomsättning	124 363	400 859	668 956	633 454	795 741
Driftsresultat (EBITDA)	116	-8 855	87 613	-23 098	119 813
Resultat före skatt (EBT)	-114 154	-187 485	-176 142	-290 158	-18 907
Balansomslutning	1 128 398	1 084 930	1 360 658	1 314 926	1 520 764
Soliditet I	17%	14%	23%	3%	20%
Medelantal anställda	73	78	91	95	85

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.

20221027104 76

ADB Safegate Sweden AB
556177-5387

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

Den militära konflikten mellan Ryssland och Ukraina som startade i slutet av februari 2022 resulterade i stränga ekonomiska sanktioner mot Ryssland. ADB Safegate group har historiskt haft en närvaro i Ryssland med ett litet försäljningskontor och genererat intäkter från ryska kunder på 2,3 mEUR 2021, vilket motsvarar 0,7 % av koncernens omsättning. ADB Safegate group betjänar inte nya ryska kunder samtidigt som de uppfyller sina serviceåtaganden jämfört med befintliga kunder där det är juridiskt skyldigt och möjligt att göra det. Mot bakgrund av omständigheterna har koncernen kraftigt minskat sin närvaro i Ryssland och har stängt sitt kontor, samtidigt som den fortsätter att noggrant övervaka händelseutvecklingen. Dessutom räknar ADB Safegate group med att realisera endast en bråkdel av 2022 års budgeterade intäkter från Ryssland på 6,0 m€ (1,6 % av budgeterad omsättning).

Förväntad utveckling 2022

För närvarande minskar osäkerheten om pandemins långsiktiga inverkan på flygtrafiken eftersom det är tydligt att flygtrafiken har börjat återhämta sig, särskilt för kortdistanstrafiken. Osäkerheten hänför sig mest till hastigheten för återhämtning av långdistansflyg och affärsflyg, samtidigt som godstrafiken blomstrar, kopplat till de globala leveranskedjefrågorna. I denna situation måste flygplatser i alla fall fortsätta sin verksamhet ofta dygnet runt och måste därför åtminstone underhålla eller uppgradera sina befintliga system (flygfältsbelysning, dockningssystem eller programvara för flygplatsdrift). Samtidigt - på grund av lägre trafikvolymer - förblir deras affärsmodell och generering av intäkter under press, vilket begränsar de ekonomiska medel som finns tillgängliga för de flesta flygplatser.

För 2022 tror ledningen därför att det kommer att bli ett övergångsår - där vi successivt kommer att se en bredare återhämtning av flygtrafiken och där flygplatsens finanser fortsätter att vara under press. Intäkterna för koncernen bör vara jämförbara med 2021 innan en bredare återhämtning inträder 2023. Givet långa ledtider för projekt kommer förväntad orderingång 2022 delvis att driva intäkterna för 2023, särskilt för större (ofta flerårliga) projekt som t.ex. utbyggnader eller större renoveringsprojekt.

20221027104777

ADB Safegate Sweden AB
556177-5387

Hållbarhetsrapport

I enlighet med Årsredovisningslagen 6 kap 10 § har ADB SAFEGATE Sweden AB upprättat sin lagstadgade hållbarhetsrapport som en del av förvaltningsberättelsen. I vårt hållbarhetsarbete utgår vi från ett antal policyer och standarder. Vi är ett ISO 9001-, 14001- och 45001-certifierat företag. Vårt företags kvalitets-, hälso-, säkerhets- och miljöpolicyer, processer och ramverk är i enlighet med dessa globalt erkända standarder. Vi har väldefinierade mål och system och viktiga resultatindikatorer för att effektivt mäta och förbättra kvaliteten och vår miljöpåverkan. Detta återspeglar starkt vår hållbarhetsfilosofi, vars huvudmål är att minska vårt koldioxidavtryck samt påverkar flygindustrins koldioxidavtryck genom våra produkter och systemlösningar.

Affärsmodell

ADB SAFEGATES företagsvision inkluderar ett tydligt engagemang för att möjliggöra för flygplatser runt om i världen att verka mer säkert, effektivt och hållbart. Vår uppgift är att förse våra kunder med överlägset "Airport Performance" från det att flygplanet närmar sig flygplatsen till att det är dags för nästa avgång. Organisationen arbetar tillsammans med flygplatser för att identifiera flaskhalsar i de olika processerna på flygplatserna och tar sedan fram integrerade lösningar för att förbättra flödet. Vi har också gjort det till en del av vårt uppdrag att förse våra kunder med de mest miljövänliga produkterna och på så sätt göra det möjligt för dem att ständigt förbättra det miljömässiga avtrycket som flygindustrin står för.

- Flygindustrins klimatpåverkan
- Innovation och utveckling
- Attrahera, utveckla och behålla medarbetare
- Affärsetik och motverkande av korruption
- Kvalitet och säkerhet

Miljö

Flygindustrin förändras i snabb takt. Den ökning i flygtrafik som vi sett de senaste sju decennierna stoppades upp under 2020 på grund av COVID-19 pandemin. Flygtrafiken förväntas komma igång igen och flygindustrin kommer fortfarande stå inför stora utmatningar sett ur ett hållbarhetsperspektiv. Flygindustrin förstår att miljöansvar är avgörande för möjligheten att växa. För att kunna uppnå de miljömål om reducerade koldioxidutsläpp som flygsektorn enats om att sätta upp krävs förbättrad teknik, effektivare infrastruktur och bättre operativ verksamhet. ADB SAFEGATE Sweden AB är ett bolag i en ledande global organisation. ADB Safegate Group är ledande inom sektorn för att skapa en integrerad flygplats. Våra lösningar fokuserar på produkter och tjänster för gate, flygfältet, kontrolltornet och avancerade analysverktyg som knyter ihop data från olika system. Med hjälp av våra produkter kan flygplatserna arbeta säkrare, mer effektivt och hållbart. ADB SAFEGATE Group har kunder runt om i världen med Amerika, Europa, Asien och Stilla havet som de största regionerna. Organisationen är världsledande inom flygfältsbelysning, cirka 2 av 3 LED-lampor på världens flygplatser är från ADB SAFEGATE. Safedock är det mest installerade visuella dockningsstyrningssystemet med mer än 10.000 installationer och varannan sekund parkerar ett flygplan säkert med hjälp av vårt Safedock-system.

20221027710478

ADB Safegate Sweden AB
556177-5387

ADB SAFEGATE strävar efter att:

1. Designa innovativa produkter och lösningar för att leverera miljö-, drifts- och säkerhetsfördelar till kunderna.
2. Att bidra till kvantifierbara energi- och utsläppsbesparingar till kunderna för att tillgodose behoven hos flygplatser och flygbolag som åtagit sig att minska deras miljöpåverkan samtidigt som tillväxt och effektivitet upprätthålls.

Resultat:

- Flygfältsbelysning representerar upp till 2% av en flygplats energiförbrukning. Alla ADB SAFEGATES flygplatslösningar inkluderar LED-teknik vilket minskar energikonsumtionen med 70% jämfört med traditionella halogeninstallationer.
- Intelligent belysning som möjliggör Follow the green-tekniken. Detta gör att flygplan styrs från landning till gate genom den mest effektiva rutten som möjligt vid en viss tidpunkt. Detta minskar tiden på landningsbanan och minskar därmed också bränsleförbrukningen.
- Våra Safedock-system och SafeControl Apron Management förbättrar ramp och gate effektiviteten vilket minimerar bränsleutsläppen. Gater utrustade med Safedock A-VDGS visar en genomsnittlig besparing av (tiden på landningsbanan) "taxi-in times" med 3 minuter och 45 sekunder. En separat analys utförd på en flygplats med 438.000 årliga flygningar och baserat på en minuts minskning av (tid på landningsbanan)"taxi time" visade på en besparing på 4.2 miljoner liter bränsle och 10.5 miljoner kg koldioxidutsläpp varje år.

Alla aktörer i flygbranschen kommer att vara involverade i de mål om minskade koldioxidutsläpp som flygindustrin enats om. Intressenter i branschen har gått med på en strategi med fyra pelare som bland annat inkluderar förbättrad teknik, effektivare infrastruktur och bättre verksamhet. ADB SAFEGATE har identifierat detta som marknadsmöjligheter och infört produktförvaltningsintitiativ för att kunna möta dessa hållbarhetsmål som flygindustrin satt upp.

Vi strävar efter att vara det föredragna valet för hållbara lösningar som bidrar till säkrare, mer effektiva och miljövänliga flygplansrörelser på flygplatser.

ADB Safegate designar alla produkter med energibesparingar i åtanke; att ytterligare minska energiförbrukningen är ett nyckelattribut för varje produkt som ADB SAFEGATE utvecklar och detta marknadsförs som ett unikt försäljningsargument. En av bolagets nya produkter, SDK X, bidrar med sin radarteknik till en längre livslängd och lägre livscykelkostnad för dockningssystemet som sådant, främst eftersom radartekniken avlastar nuvarande laserteknik i olika sammanhang. Radarn är mindre konsumtionskänslig i sitt användande och därmed blir hela produkten mer hållbar.

Vårt fokus sträcker sig även till avfallet som produceras av våra produktförpackningar. Som en del av våra ISO 14001-mål ersätter ADB SAFEGATE sina nuvarande förpackningar med förpackningar som helt eller delvis är gjorda av återvunnet material. För att realisera detta arbetar vi nära våra leverantörer för att hitta sätt att minska vårt koldioxidavtryck när det gäller förpackningar. Mer än hälften av förpackningarna som ADB SAFEGATE använder för sina belysning- och strömlösningar är för närvarande tillverkade av återvunnet papper. Målet är att ytterligare höja denna nivå och begränsa all användning av annat förpackningsmaterial än papper eller kartong.

De flesta av våra leverantörer garanterar att inget farligt material används i de produkter de levererar och att deras processer minimerar materialåtgång och miljöpåverkan. Avsnittet Miljöskydd i vår Uppförandekod visar tydliga riktlinjer i både hur vi som företag ska agera, men också hur våra affärspartners ska agera;

- Att agera i enlighet med gällande lagstadgade och internationella standarder när det gäller miljöskydd
- Att minimera miljöföroreningar och göra kontinuerliga förbättringar i miljöskyddet
- Att använda bästa ansträngningar för att implementera ett miljöledningssystem enligt ISO 14001 eller motsvarande.

20221027104 79

ADB Safegate Sweden AB
556177-5387

Grönt tänkande och biologisk mångfald

Inspirera medarbetare att bli miljömedvetna: Årliga medvetenhetskampanjer på ADB SAFEGATE-kontor runt om i världen hjälper våra anställda att minska sina individuella koldioxidavtryck, minska energiförbrukningen och bidra till våra övergripande miljömål. Vi gör det också möjligt för våra anställda att göra mer miljövänliga val. Installation av laddare för elbilar har gjorts på Malmö-kontoret. Vi har också under 2020 sett över vår tjänstebilspolicy och den är numera utformad så att det är möjligt att välja miljöbilar. Vi har också möjliggjort sortering av avfall så att så mycket som möjligt går att återvinna. På Malmö-kontoret styrs belysning automatiskt för att spara el när ingen vistas i lokalerna.

Avfalls- och vattenhantering: Vi utför inget arbete som innebär användning av farliga ämnen som syror, lösningsmedel eller tungmetaller. Vi fokuserar på ansvarsfull användning och minimering av avfall och ser till att materialavfall eller produktionsavfall återvinns. Vårt åtagande återspeglas i ambitiösa mål som att kräva att 90% av avfallet på våra nyckelplatser återvinns. Framstegen på dessa indikatorer spåras och rapporteras årligen. Årets siffror visar på en förbättring mot 2019. ADB SAFEGATES aktiva återvinningspolicy uppmuntrar återvinning av material – trä, metall, förpackning och kemiskt avfall – som används under produktionen av våra produkter. Material hanteras av specialiserade och ackrediterade företag som återvinner alla komponenter i enlighet med lokala myndighetsregler och är anpassade till ISO 14001-processen.

Resor i tjänsten: Då vi utför arbete i många delar i världen är flygresor vanligt förekommande. ADB Safegate Sweden AB har satt upp mål om att årligen minska antalet flygresor per person, att bara resa när fysisk närvaro är nödvändigt och att använda internet i så stor utsträckning som möjligt för att minska resandet. Covid-19 pandemin har ställt stora krav på oss som bolag att anpassa våra metoder för att kunna utföra en stor del av arbetet på distans.

Under 2020 minskade antalet flugna kilometer, från 3.171 mil/person till 618 mil/person. Den stora minskningen beror till stor del på Covid-19. Året som gått har dock visat på att vi kan minska flygresandet och fortfarande utföra en stor del av vårt jobb, vilket är något som framåt kommer hjälpa oss att fortsätta minska resandet.

Riskbedömningar, konsekvensanalyser och handlingsplaner görs regelbundet, samt vid större förändringar, under ISO 45001. Genom handlingsplaner hanterar bolaget faror, incidenter och olyckor effektivt, t.ex. fick vår hantering av COVID19 beröm av den externa revisorn i deras senaste certifieringsrapport som gjordes under 2020. ADB Safegate Sweden AB gör svensk lagbevakning, lagefterlevnad samt insamling av vår globala hållbarhetsstatistik kopplad till "Global Reporting Initiative" (GRI) i molnbaserade system. Arbete pågår med att förbättra vår hållbarhetsrapportering på global nivå och vi är fortfarande i ett tidigt skede av att anpassa vår rapportering till GRI-standarderna.

Medan kostnads- och kvalitetsservice till kunden är en del av våra kärnvärden kommer vi inte att kompromissa med säkerheten för deras skull. Våra grundläggande säkerhetsvärden är; Förebyggande av kroppsskador, skydd av andra genom självmedvetenhet och miljömässig renhet. Dessa värden stödjs med en rad principer;

- *Att alla olyckor kan förebyggas och alla faror är kontrollerbara.*
- *Att arbeta säkert är ett villkor för sysselsättning.*
- *Anställda utbildas för att utföra sina jobb säkert innan man tilldelas en uppgift.*
- *Bolaget har en aktiv säkerhetsförvaltningsplan som motsvarar de för produktion och kvalitet.*
- *Revisioner är viktiga för att upprätthålla vårt säkerhetstänk.*

20221027104480

ADB Safegate Sweden AB
556177-5387

Vi upprätthåller en strikt icke-diskrimineringspolicy och garanterar rättvisa och lika behandling av alla anställda oavsett nationalitet, kön, religion eller sexuell läggning. Som en global organisation är vi engagerade i att säkerställa lika möjligheter, mångfald, förbättra vår arbetsplats för att främja anställdas engagemang och säkerställa deras välbefinnande. Bortsett från pågående initiativ till att främja kulturell medvetenhet har vi utbytesprogram som tillåter våra anställda från runt om i världen att lära sig mer om varandra och samarbeta bättre.

Diskriminering är oacceptabelt och våra åtgärder för att förhindra detta inkluderar:

- *Implementering av en arbetsintroduktions-process.*
- *Se till att varje anställd för bra kunskap om verksamheten genom kontinuerlig, öppen och korrekt information.*
- *Att alla anställda har en uppgift som har mening och innehåll.*
- *Skapa möjlighet för medarbetare att fortsätta utvecklas genom sitt arbete.*
- *Regelbundna utvärderingar av anställda genomförs av den direkta chefen.*
- *Chefer inom ADB SAFEGATE, oavsett nivå, missbrukar inte deras chefsroll på ett stötande sätt.*
- *Återkommande möten med företaget och de fackliga representanterna.*

Om en anställd känner eller en kollega uppfattar att diskriminering äger rum ska nödvändiga åtgärder omedelbart vidtas av ansvarig chef. Om diskriminering är relaterad till chefen och den anställdes förhållande ska någon opartisk istället initiera åtgärderna. Om någon känner sig utsatt för diskriminering och inte kan ta upp frågan med sin omedelbara chef kan de ta upp det med enhetens VD eller arbetsmiljöombudet/skyddsombudet som då ska vidta åtgärder. Det har inte funnits några sådana ärenden under 2020.

ADBSG har ett hängavtal med UNIONEN. Detta finns ett väl fungerande arbete mellan de fackliga organisationerna och företaget. De två största fackliga organisationerna, Sveriges Ingenjörer och UNIONEN är ungefär lika stora. Ca 2/3 delar av medarbetarna är fackligt anslutna.

Respekt för mänskliga rättigheter

Omsorg är ett av våra kärnvärden och innefattar också att vi respekterar människor, oavsett om de är inom organisationen, våra kunder, leverantörer eller i samhället i övrigt. Som ett globalt företag är vi medvetna om att stödja mångfalden i hela vår verksamhet vilket inkluderar könsfördelning, religiös tolerans och förbud av diskriminering på grund av ålder, ras, kön, religion eller sexuell läggning. Vi har ett strikt åtagande att aldrig använda barnarbete eller tvångsarbete i vår verksamhet eller i vår leveranskedja.

20221027104811

ADB Safegate Sweden AB
556177-5387

Efterlevnad, Uppförandekod och motverkande av korruption

ADB SAFEGATE tar lagefterlevnad på stort allvar och respekterar tillämpliga lokala och internationella lagar som sträcker sig från anti-korruption, anti-trust och diskriminering till lagar om finansiell etik och ansvar, miljöskyddsarbete, mänskliga rättigheter och integritet samt rättvisa affärsuppgörelser. Vi strävar efter att följa bestämmelser i varje land där vi har verksamhet.

I ADB SAFEGATE's Uppförandekod finns tydliga globala riktlinjer för hur bolaget arbetar med motverkande av mutor och korruption. Att vara en leverantör till i princip alla länder i världen ställer stora krav på att dessa riktlinjer efterföljs och kan anses vara en av organisationens stora risker. Bolaget genomför utbildning för alla anställda avseende organisationens regler för mutor och motverkande av korruption vartannat år. Alla nyanställda ska genomföra utbildningen och detta följs upp i vårt molnbaserade personalverktyg. Målet är att 100% av alla chefer ska ha genomgått utbildningen, ett mål som var uppfyllt under 2020.

Koncernen har en "Group Compliance officer" som rapporterar direkt till CFO. Denne har tillsammans med vår övervakningskommitté regelbundna möten för att granska och uppdatera efterlevnaden av riktlinjerna för vår verksamhet som alla anställda och våra affärspartners har skrivit under. Dessa riktlinjer avgör vårt sätt att arbeta med kunder, partners och leverantörer och garanterar att efterlevnad av affärsetik följs i hela verksamheten och utgör grunden för varje försäljning eller projekt. Utöver detta har vi också lokala Compliance officers som kan följa efterlevnaden på närmre avstånd.

ADB SAFEGATE har även skapat en Uppförandekod för affärspartners som beskriver de krav som våra viktigaste leverantörer måste följa. Dessa är nära kopplade till ADB SAFEGATES övergripande Uppförandekods riktlinjer. Vi gör regelbundna undersökningar hos våra leverantörer och begär uppdateringar om deras miljöpraxis årligen. Resultaten av dessa undersökningar beaktas när man sedan beslutar ett fortsatt samarbete med leverantören. ADB SAFEGATE utför även fullständiga revisioner av leverantörer i deras lokaler. Dessa revisioner fokuserar på alla aspekter av leverantörernas efterlevnad och inkluderar därmed också miljöaspekten. Utförandet och utfallet av dessa revisioner följs upp på gruppnivå och det finns ingen separat data för ADB SAFEGATE Sweden AB. I genomsnitt utförs globalt årligen cirka 30 revisioner, men på grund av pandemin har antalet varit lägre under 2020.

ADB Safegate Sweden AB har satt upp som mål att inte ha några böter associerade med icke efterlevnad av miljöregler, korruption och mutor samt arbetsrättsliga överträdelser. Under 2020 har inga sådana böter rapporterats inom organisationen.

20221027710482

ADB Safegate Sweden AB
556177-5387

Förslag till behandling av bolagets förlust (kronor)

Till årsstämmans förfogande står:

Balanserad vinst	128 282 299
Ovillkorat aktieägartillskott	153 600 000
Årets resultat	-117 488 547
	164 393 752

Styrelsen föreslår att vinstmedlen behandlas så att:

I ny räkning balanseras	164 393 752
	164 393 752

Beträffande företagets 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.

20221027104483

ADB Safegate Sweden AB
556177-5387

RESULTATRÄKNING
(Tkr)

	Not	2021	2020
Nettoomsättning	4,5	124 363	400 859
Kostnad för sålda varor	5,8	-95 529	-447 626
Bruttoresultat		**28 834**	**-46 767**
Försäljnings- och administrationskostnader	6,7,8, 14	-50 163	-83 850
Utvecklingskostnader	7,8	-41 585	-98 016
Övriga rörelseintäkter	9	32 089	43 517
Rörelseresultat		**-30 825**	**-185 116**
Resultat från finansiella investeringar			
Ränteintäkter och liknande resultatposter	10	3 448	48 198
Räntekostnader och liknande resultatposter	10	-86 822	-51 046
Resultat efter finansiella poster		**-114 199**	**-187 964**
Bokslutsdispositioner			
Förändring av överavskrivningar	18	45	479
Resultat före skatt		**-114 154**	**-187 485**
Skatt på årets resultat	11	-3 335	-7 937
ÅRETS RESULTAT		**-117 489**	**-195 422**

20221027104484

ADB Safegate Sweden AB
556177-5387

BALANSRÄKNING

(Tkr)

	Not	2021-12-31	2020-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Goodwill, varumärken och andra rättigheter	12	72	29 093
		72	**29 093**
Materiella anläggningstillgångar	13		
Byggnader och markanläggningar		2 122	3 386
Inventarier		815	1 373
		2 937	**4 759**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	15	228 338	228 338
Fordringar hos koncernföretag		1 357	2 301
Uppskjuten skattefordan	22	1 328	4 663
		231 023	**235 302**
Summa anläggningstillgångar		**234 032**	**269 154**
Omsättningstillgångar			
Varulager m m			
Färdiga varor och handelsvaror		-	5 111
		0	**5 111**
Kortfristiga fordringar			
Kundfordringar		9 269	21 067
Fordringar hos koncernföretag		864 838	767 394
Pågående arbeten för annans räkning	16	818	3 770
Övriga fordringar		2 133	4 314
Skattefordran		12 457	7 942
Förutbetalda kostnader och upplupna intäkter	17	4 633	5 933
		894 148	**810 420**
Kassa och bank		**218**	**245**
Summa omsättningstillgångar		**894 366**	**815 776**
SUMMA TILLGÅNGAR		**1 128 398**	**1 084 930**

20221027104485

ADB Safegate Sweden AB
556177-5387

BALANSRÄKNING

	Not	2021-12-31	2020-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital (2.009.546 aktier)		20 095	20 095
Reservfond		4 020	4 020
		24 115	**24 115**
Fritt eget kapital			
Balanserat resultat		281 883	323 705
Årets resultat		-117 489	-195 422
		164 394	**128 283**
Summa eget kapital		**188 509**	**152 398**
Obeskattade reserver	18	**0**	**45**
Avsättningar			
Garantiavsättningar		1 017	6 562
Övriga avsättningar		-	3 513
		1 017	**10 075**
Långfristiga skulder	19		
Skulder till kreditinstitut		874 075	807 219
		874 075	**807 219**
Kortfristiga skulder			
Skulder till koncernföretag		8 514	17 359
Förskott från kunder	20	27 159	33 157
Leverantörsskulder		5 554	31 462
Övriga skulder		3 432	4 454
Upplupna kostnader och förutbetalda intäkter	21	20 138	28 761
		64 797	**115 193**
SUMMA EGET KAPITAL OCH SKULDER		**1 128 398**	**1 084 930**

20221027104 86

ADB Safegate Sweden AB
556177-5387

RAPPORT ÖVER FÖRÄNDRING I EGET KAPITAL

(Tkr)

	Bundet eget kapital		*Fritt eget kapital*		
	Aktie-kapital	Reserv-fond	Balanserad vinst eller förlust	Årets resultat	**Summa eget kapital**
Ingående balans per 1 januari 2021	**20 095**	**4 020**	**323 705**	**-195 422**	**152 398**
Disposition av föregående års resultat			-195 422	195 422	0
Årets resultat				-117 489	-117 489
Fusionsresultat					
Förändringar i redovisade värden på tillgångar och skulder:					
Summa värdeförändringar	**0**	**0**	**0**	**0**	**0**
Transaktioner med ägare:					
Återbetalning av aktieägartillskott					
Ovillkorat aktieägartillskott			153 600		153 600
Summa transaktioner med aktieägare	**0**	**0**	**153 600**	**0**	**153 600**
Utgående balans per 31 december 2021	**20 095**	**4 020**	**281 883**	**-117 489**	**188 509**

Aktiekapital 2.009.546 aktier á kvotvärde 10 kronor.

20221027104487

ADB Safegate Sweden AB
556177-5387

KASSAFLÖDESANALYS

(Tkr)	Not	2021	2020
Den löpande verksamheten			
Rörelseresultat		-30 825	-185 116
Justeringar för poster som inte ingår i kassaflödet:			
Avskrivningar		30 941	176 281
Rearesultat försäljning av anläggningstillgångar		4	-
Förändring avsättningar		-9 058	3 463
Valutakursdifferenser		-1 001	-11 404
Erhållen ränta		3 448	2 641
Erlagd ränta		-42 676	-48 653
Betald inkomstskatt		-4 515	11 504
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		**-53 682**	**-51 284**
Kassaflöde från förändringar i rörelsekapital			
Minskning(+)/ökning(-) av varulager		5 111	9 361
Minskning(+)/ökning(-) av övriga kortfristiga fordringar		10 683	427 488
Minskning(-)/ökning(+) av övriga kortfristiga skulder, exkl. lån		-51 384	437
Kassaflöde från den löpande verksamheten		**-89 272**	**386 002**
Investeringsverksamheten			
Förvärv av materiella anläggningstillgångar		-102	-45
Lämnat aktieägartillskott		-	-12 271
Återbetalda fordringar		1 054	-
Kassaflöde från investeringsverksamheten		**952**	**-12 316**
Finansieringsverksamheten			
Minskning(-)/ökning(+) nyttjande av cash pool		-65 307	-866 356
Aktieägartillskott		153 600	492 853
Kassaflöde från finansieringsverksamheten		**88 293**	**-373 503**
Årets kassaflöde		**-27**	**183**
Likvida medel vid årets början		**245**	**62**
Likvida medel vid årets slut		**218**	**245**

20221027104888

ADB Safegate Sweden AB
556177-5387

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.

20221027104489

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 överförts 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

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.

20221027104 90

ADB Safegate Sweden AB
556177-5387

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
Planer för ersättningar efter avslutad anställning klassificeras som antingen avgiftsbestämda eller förmånsbestämda.

Vid avgiftsbestämda planer betalas fastställda avgifter till ett annat företag, normalt ett försäkringsföretag, och företaget har inte längre någon förpliktelse till den anställde när avgiften är betald. Storleken på den anställdes ersättningar efter avslutad anställning är beroende av de avgifter som har betalats och den kapitalavkastning som avgifterna ger. Avgifterna för avgiftsbestämda planer redovisas som kostnad. Obetalda avgifter redovisas som skuld.

Ersättningar vid uppsägning
Ersättningar vid uppsägningar, i den omfattning ersättningen inte ger företaget några framtida ekonomiska fördelar, redovisas endast som en skuld och en kostnad när företaget har en legal eller informell förpliktelse att antingen
a) avsluta en anställds eller en grupp av anställdas anställning före den normala tidpunkten för anställningens upphörande, eller
b) lämna ersättningar vid uppsägning genom erbjudande för att uppmuntra frivillig avgång.
Ersättningar vid uppsägningar redovisas endast när företaget har en detaljerad plan för uppsägningen och inte har någon realistisk möjlighet att annullera planen.

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.

20221027104911

ADB Safegate Sweden AB
556177-5387

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 räkenskaps år. 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 med 0 tkr (3.135 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.

20221027104 92

ADB Safegate Sweden AB
556177-5387

Not 4 Nettoomsättningens fördelning

Nettoomsättning per geografisk marknad	2021	2020
Europa	115 757	262 944
Övriga världen	8 606	137 915
Summa	**124 363**	**400 859**

Not 5 Inköp och försäljning mellan koncernföretag

	2021	2020
Inköp	50%	21%
Försäljning	44%	63%

Not 6 Upplysning om revisorers arvode

	2021	2020
KPMG		
Revisionsuppdrag	485	661
Skatterådgivning	-	-
Övriga tjänster	-	-
Summa	**485**	**661**

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.

20221027104 93

ADB Safegate Sweden AB
556177-5387

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

	2021		2020	
	Antal anställda	Varav män	Antal anställda	Varav män
Sverige	73	55%	78	72%
Totalt	**73**	**55%**	**78**	**72%**

Könsfördelning inom styrelsen och företagsledningen

	2021		2020	
	Män	Kvinnor	Män	Kvinnor
Styrelseledamöter	75%	25%	75%	25%
VD och övriga befattningshavare	100%	0%	100%	0%

	2021		2020	
Löner, andra ersättningar och sociala kostnader	**Löner och andra ersättningar**	**Soc kostn (varav pensions-kostnader)**	**Löner och andra ersättningar**	**Soc kostn (varav pensions-kostnader)**
Styrelse, VD och övriga ledande befattningshavare	1 567	792 (299)	1 691	871 (328)
Övriga anställda	33 581	14 817 (5 791)	42 678	18 334 (6 323)
Total	**35 148**	**15 609**	**44 369**	**19 205**

Bolaget hade träffat avtal med tidigare VD om avgångsvederlag i 24 månader vilket betalas ut sedan oktober 2019.
Bolaget har träffat avtal med VD om avgångsvederlag med en uppsägningstid om maximalt 12 månader.

Not 8 Avskrivningar

Avskrivningar per tillgångsslag:	2021	2020
Goodwill, varumärken och andra rättigheter	29 021	173 900
Byggnader och markanläggningar	1 264	1 305
Inventarier	656	1 076
Summa	**30 941**	**176 281**

Avskrivningarnas fördelning per funktion:	2021	2020
Kostnad sålda varor	28 972	173 832
Försäljnings- och administrationskostnader	1 969	2 449
Summa	**30 941**	**176 281**

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

20221027104944

ADB Safegate Sweden AB
556177-5387

Not 9 Övriga rörelseintäkter

	2021	2020
Intäkter från försäljning av varumärken och produkträttigheter	-	6 034
Intäkter från vidareförsäljning och fakturering av tjänster inom koncernen	31 630	37 059
Övrigt	459	424
Summa	**32 089**	**43 517**

Not 10 Resultat från finansiella investeringar

	2021	2020
Ränteintäkter	3 448	746
Valutadifferenser	-	47 452
Summa ränteintäkter och liknande resultatposter	**3 448**	**48 198**

	2021	2020
Räntekostnader	-38 682	-47 263
Valutadifferenser	-44 146	-
Övriga finansiella kostnader	-3 794	-3 783
Summa räntekostnader och liknande resultatposter	**-86 822**	**-51 046**

Not 11 Skatt på årets resultat

Följande komponenter ingår i skattekostnaden:	2021	2020
Aktuell skatt	-	-2 992
Justering av skatt hänförlig till tidigare år	-	-1 911
Uppskjuten skatt	-3 335	-3 034
Skatt på årets resultat	**-3 335**	**-7 937**

Avstämning årets skattekostnad

	2021	2020
Redovisat resultat före skatt	-114 154	-187 485
Skatt beräknad enligt gällande skattesats:	23 516	40 122
Skatteeffekt av:		
CFC för dotterbolag	-	-205
Skatt på ej aktiverade underskottsavdrag	-13 721	-
Justering av skatt hänförlig till tidigare år	-	-1 911
Ej avdragsgilla kostnader, avskrivning Goodwill	-5 968	-37 200
Ej avdragsgilla kostnader, övrigt	-7 162	-8 743
Redovisad skatt	**-3 335**	**-7 937**

20221027104955

ADB Safegate Sweden AB
556177-5387

Not 12 Immateriella anläggningar

Goodwill, varumärken och andra rättigheter	**2021-12-31**	**2020-12-31**
Ingående anskaffningsvärde	878 600	878 600
Årets anskaffning	-	-
Försäljningar/utrangeringar	-9 245	-
Utgående ackumulerade anskaffningsvärden	**869 355**	**878 600**
Ingående avskrivningar	-849 507	-675 607
Försäljningar/utrangeringar	9 245	-
Årets avskrivningar	-29 021	-173 900
Utgående ackumulerade avskrivningar	**-869 283**	**-849 507**
Utgående redovisat värde	**72**	**29 093**

Not 13 Materiella anläggningstillgångar

Byggnader och markanläggningar

	2021-12-31	**2020-12-31**
Ingående anskaffningsvärden	22 503	22 503
Inköp	-	-
Utgående ackumulerade anskaffningsvärden	**22 503**	**22 503**
Ingående avskrivningar	-19 117	-17 812
Årets avskrivningar	-1 264	-1 305
Utgående ackumulerade avskrivningar	**-20 381**	**-19 117**
Utgående redovisat värde	**2 122**	**3 386**

Inventarier

	2021-12-31	**2020-12-31**
Ingående anskaffningsvärde	25 243	25 198
Inköp	102	45
Försäljningar/utrangeringar	-3786	-
Utgående ackumulerade anskaffningsvärden	**21 559**	**25 243**
Ingående avskrivningar	-23 870	-22 794
Försäljningar/utrangeringar	3 782	-
Årets avskrivningar	-656	-1 076
Utgående ackumulerade avskrivningar	**-20 744**	**-23 870**
Utgående redovisat värde	**815**	**1 373**

Not 14 Leasingkostnader

	2021	**2020**
Årets kostnad för operationella leasingavtal uppgår till:	7 727	8 554
Förfallotidpunkt framtida leasingavgifter:		
Inom ett år	7 369	7 732
Senare än ett år men inom fem år	6 889	13 950
Senare än fem år	-	-
Summa	**14 258**	**21 682**

20221027104960

ADB Safegate Sweden AB
556177-5387

Not 15 Aktier och andelar i koncernföretag

	2021-12-31	2020-12-31
Ingående anskaffningsvärde	311 643	299 372
Årets anskaffningar	-	12 271
Utgående ackumulerade anskaffningsvärden	**311 643**	**311 643**
Ingående nedskrivningar	-83 305	-83 305
Årets nedskrivningar	-	-
Utgående ackumulerade nedskrivningar	**-83 305**	**-83 305**
Utgående redovisat värde	**228 338**	**228 338**

Företagets innehav av andelar i koncernföretag

Företagets namn	Kapital andel	Rösträtts-andel	Bokfört värde 2021-12-31	Bokfört värde 2020-12-31
ADB Safegate Gulf L.L.C.	100%	100%	102 825	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%	219	219
Summa			**228 338**	**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

20221027104497

ADB Safegate Sweden AB
556177-5387

Not 16 Pågående arbete för annans räkning

	2021-12-31	2020-12-31
Nedlagda kostnader	818	10 595
Fakturerat belopp	-	-6 825
Summa	**818**	**3 770**

Not 17 Förutbetalda kostnader och upplupna intäkter

	2021-12-31	2020-12-31
Förutbetalda hyror	1 959	1 944
Övriga interimsposter	2 674	3 989
Summa	**4 633**	**5 933**

Not 18 Obeskattade reserver

	2021-12-31	2020-12-31
Ackumulerade överavskrivningar	-	45
Summa	**0**	**45**

Not 19 Långfristiga skulder

Nedan anges den del av långfristiga skulder som förfaller till betalning senare än 5 år efter balansdagen

	2021	2020
Skulder till kreditinstitut	874 075	807 219
Summa	**874 075**	**807 219**

20221027104498

ADB Safegate Sweden AB
556177-5387

Not 20 Förskott från kund

	2021-12-31	2020-12-31
Fakturerat belopp	65 113	61 396
Nedlagda kostnader	-37 954	-28 239
Summa	**27 159**	**33 157**

Not 21 Upplupna kostnader och förutbetalda intäkter

	2021-12-31	2020-12-31
Upplupna löner och lönebikostnader	11 180	17 551
Upplupna fakturor och räntor	8 489	7 989
Erhållet gods där faktura ej erhållits	57	-
Övriga interimsposter	412	3 221
Summa	**20 138**	**28 761**

Not 22 Uppskjutna skattefordringar och skatteskulder

	2021-12-31		2020-12-31	
	Uppskjuten skattefordran	Uppskjuten skatteskuld	Uppskjuten skattefordran	Uppskjuten skatteskuld
Byggnader och mark	758	-	652	-
Lager	-	-	948	-
Kundfordringar	83	-	1 200	-
Övriga avsättningar	383	-	1 381	-
Räntebärande skulder	104	-	482	-
Summa	**1 328**	**0**	**4 663**	**0**

Not 23 Ställda säkerheter och eventualförpliktelser

Det finns inga ställda säkerheter eller eventualförpliktelser per den 31-12-2021.

Not 24 Händelser efter balansdagen

Den militära konflikten mellan Ryssland och Ukraina som startade i slutet av februari 2022 resulterade i stränga ekonomiska sanktioner mot Ryssland. Koncernen har historiskt haft en närvaro i Ryssland med ett litet försäljningskontor och genererat intäkter från ryska kunder på 2,3 mEUR 2021, vilket motsvarar 0,7 % av koncernens omsättning. Koncernen betjänar inte nya ryska kunder samtidigt som de uppfyller sina serviceåtaganden jämfört med befintliga kunder där det är juridiskt skyldigt och möjligt att göra det. Mot bakgrund av omständigheterna har koncernen kraftigt minskat sin närvaro i Ryssland och har stängt sitt kontor, samtidigt som den fortsätter att noggrant övervaka händelseutvecklingen. Dessutom räknar koncernen med att realisera endast en bråkdel av 2022 års budgeterade intäkter från Ryssland på 6,0 m€ (1,6 % av budgeterad omsättning). Denna händelse är en icke-justerande händelse för rapportperioden som slutar den 31 december 2021. Ledningen har analyserat om den följer sanktionsregimerna och förväntar sig för närvarande att de eventuella indirekta effekterna av konflikten på koncernens verksamhet är minimala.

Not 25 Disposition av företagets vinst

Till årsstämmans förfogande står följande vinstmedel: 164 393 752kr
Styrelsen föreslår att i ny räkning balanseras: 164 393 752 kr

20221027104499

ADB Safegate Sweden AB
556177-5387

Malmö den 23 september 2022

Laurent Dubois
Styrelsens ordförande

Erik Van Ockenburg

Thorben Burghardt

Anette Nord

Alexander Strandberg
Verkställande direktör

Vår revisionsberättelse har lämnats den
KPMG AB

Linda Bengtsson
Auktoriserad revisor

ADB Safegate Sweden AB
556177-5387

20221027105000

Malmö den 23 september 2022

Laurent Dubois
Styrelsens ordförande

T. Burghardt

Thorben Burghardt

Erik Van Ockenburg

Anette Nord

Alexander Strandberg
Verkställande direktör

Vår revisionsberättelse har lämnats den
KPMG AB

Linda Bengtsson
Auktoriserad revisor

20221027105O1

ADB Safegate Sweden AB
556177-5387

Malmö den 23 september 2022

Laurent Dubois
Styrelsens ordförande

Erik Van Ockenburg

Thorben Burghardt

Anette Nord

Alexander Strandberg
Verkställande direktör

Vår revisionsberättelse har lämnats den 7 oktober 2022
KPMG AB

Linda Bengtsson
Auktoriserad revisor

20221027105O2

Revisionsberättelse

Till bolagsstämman i ADB Safegate Sweden AB, org. nr 556177-5387

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för ADB Safegate Sweden AB för år 2021 med undantag för hållbarhetsrapporten på sidorna 3-4.

Enligt vår 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 2021 och av dess finansiella resultat för året enligt årsredovisningslagen. Våra uttalanden omfattar inte hållbarhetsrapporten på sidorna 3-4. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

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

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Annan information än årsredovisningen

Detta dokument innehåller även annan information än årsredovisningen och återfinns på sidorna 5-9. Den andra informationen består också av hållbarhetsrapporten som vi inhämtade före datumet för denna revisionsberättelse. Det är styrelsen och verkställande direktören som har ansvaret för den andra informationen.

Vårt uttalande avseende årsredovisningen omfattar inte denna information och vi gör inget uttalande med bestyrkande avseende denna andra information.

I samband med vår revision av årsredovisningen är det vårt ansvar att läsa den information som identifieras ovan och överväga om informationen i väsentlig utsträckning är oförenlig med årsredovisningen. Vid denna genomgång beaktar vi även den kunskap vi i övrigt inhämtat under revisionen samt bedömer om informationen i övrigt verkar innehålla väsentliga felaktigheter.

Om vi, baserat på det arbete som har utförts avseende denna information, drar slutsatsen att den andra informationen innehåller en väsentlig felaktighet, är vi skyldiga att rapportera detta. Vi har inget att rapportera i det avseendet.

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 misstag.

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

Våra 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 misstag, och att lämna en revisionsberättelse som innehåller våra 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 misstag 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 vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi 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 vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra 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 vi 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.

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

20221027105O3

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för ADB Safegate Sweden AB för år 2021 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

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

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till ADB Safegate Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra 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.
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

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt 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.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt 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 vi 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 vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi 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. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Revisorns yttrande avseende den lagstadgade hållbarhetsrapporten

Det är styrelsen som har ansvaret för hållbarhetsrapporten på sidorna 5-9 och för att den är upprättad i enlighet med årsredovisningslagen.

Vår granskning har skett enligt FAR:s rekommendation RevR 12 Revisorns yttrande om den lagstadgade hållbarhetsrapporten. Detta innebär att vår granskning av hållbarhetsrapporten har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionssed i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för vårt uttalande.

En hållbarhetsrapport har upprättats.

Anmärkning

Årsredovisningen har inte upprättats i sådan tid att det varit möjligt att, enligt 7 kap. 10 § aktiebolagslagen, hålla årsstämma inom sex månader efter räkenskapsårets utgång.

Malmö den 7 oktober 2022

KPMG AB

Linda Bengtsson
Auktoriserad revisor

Kopia vidimeras:

Jimmy Gustafsson

20230206025119

Ärende 9593367/22

Vänligen se bifogad Koncernredovisning för ADB Safegate Group. Denna skickas in som komplettering till årsredovisningen för ADB Safegate Sweden AB, org. nr 556177-5387.

Malmö 2023-02-02

Matilda Lindroth
Financial Controller Sweden
ADB SAFEGATE

ADB SAFEGATE

R.C.S. Luxembourg B 217.137

with a share capital of EUR 426.500.000

12, rue Jean Engling • L-1466 Luxembourg

Consolidated Financial Statements

Consolidated financial statements for the financial year ended December 31, 2021 (with the report of the Réviseur d'entreprises Agréé thereon)



20230206025211

Table of Contents

Table of Contents 2
Consolidated statement of profit or loss and other comprehensive income of ADB Safegate Luxembourg 1 S.à r.l. 4
Consolidated statement of financial position of ADB Safegate Luxembourg 1 S.à r.l. 5
Consolidated statement of changes in equity of ADB Safegate Luxembourg 1 S.à r.l. 6
Consolidated statement of cash flows of ADB Safegate Luxembourg 1 S.à r.l. 7
Notes to the consolidated financial statements of ADB Safegate Luxembourg 1 S.à r.l. 8
1. Reporting entity 8
2. Significant changes in the current reporting period 8
3. Basis of preparation 8
a) Statement of compliance 8
b) Basis of measurement 8
c) Functional and presentation currency 9
d) Use of estimates and judgements 9
e) New and amended standards adopted by the Group 10
f) New standards and interpretations issued but not yet applicable 10
4. Accounting policies and significant judgements 11
4.1 Significant accounting policies 11
a) Basis of consolidation 11
b) Foreign currency 12
c) Financial instruments 12
d) Property, plant and equipment 13
e) Intangible assets 14
f) Inventories 15
g) Impairment 15
h) Employee benefits 17
i) Provisions 18
j) Revenues from contracts with customers 19
k) Leases 21
l) Finance income and expenses 22
m) Income tax 22
5. Determination of fair values 23
6. Financial risk management 24
Overview 24
a) Credit risk 24
b) Liquidity risk 25
c) Market risk 25
7. Business combinations 26

202302060202522

8. Revenue from contracts with customers 28
a) Disaggregation of revenue from contracts with customers 28
b) Assets and liabilities related to contracts with customers 28
c) Revenue recognised in relation to contract liabilities 29
d) Unsatisfied long-term contracts 29
e) Assets recognized from costs to obtain and costs to fulfil a contract 30
9. Other operating and other non-operating expenses 31
a) Other non-operating expenses 31
b) Expenses by nature 31
10. Personnel 32
a) Personnel expense 32
b) Employment – average number of employees 32
11. Finance income and expense, recognized in statement of profit or loss 33
12. Tax expense, Deferred Tax Assets and Liabilities 34
13. Property, plant and equipment 36
14. Intangible assets and Goodwill 37
15. Inventories 41
16. Trade and other receivables, Contract Assets 41
17. Cash and cash equivalents 42
18. Capital and reserves 42
19. Loans and borrowings 44
20. Liabilities for post-employment and other long-term employee benefits 48
21. Provisions 52
22. Trade and other payables, Contract liabilities 53
23. Financial instruments 54
24. Leases 60
25. Capital commitments 62
26. Contingencies 62
27. Related parties 62
28. Group entities 64
29. Auditor fees 65
30. Subsequent events 65

20230206002523

ADB SAFEGATE

CONSOLIDATED MANAGEMENT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ADB SAFEGATE LUXEMBOURG 1 S.à r.l. AS AT 31 DECEMBER 2021

In accordance with the Luxembourg law, we hereby submit our consolidated management report on the financial year ended 31 December 2021 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 2021 to 31 December 2021 with a comparative year from 1 January 2020 to 31 December 2020.

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 2021. 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 2021 amounted to 356,2 mEUR (380,4 mEUR in 2020). Total comprehensive income for the year was -24,7 mEUR (-119,0 mEUR in 2020). Operating result was 8,7 mEUR (-82,7 mEUR in 2020). EBITDA was 65,3 mEUR (64,6 mEUR in 2020).

The Group incurred 8,2 mEUR of transaction, integration and restructuring related costs (17,6 mEUR in 2020). The financial year was characterized by a series of disbursements in connection with Covid-19 related costs for an amount of 2,3 mEUR, IT remediation and upgrading plan for an amount of 2,1 mEUR, new business start-up costs for 1,9 mEUR,and acquisition related costs for an amount of 1,1 mEUR.

In 2021 the Group reversed 3,7 mEUR impairment losses on contract assets and trade receivables mainly in the Middle East given that the cash related to these assets was received. As a result of the impairment testing on goodwill performed at 31 December 2021, no impairment loss on goodwill was recognized (82,5 mEUR in 2020). However, the Group accounted for an impairment loss amounting to 10,4mEUR on Intangible assets (technology). 44,6 mEUR net financial expenses

2023020602524

were incurred in 2021 (25,4 mEUR in 2020), out of which net foreign exchange loss of 9,2 mEUR (10,4 mEUR net gain in 2020).

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 2021 events

During the current reporting period, the Group has acquired two companies comprising in total three legal entities, one in Germany and two in the United States.

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. This acquisition was completed to accelerate ADB Safegate's service strategy and expand its offering around the core services business, increasing its addressable market and allowing the Group to benefit from recurring revenues. The consideration transferred amounted to 39,0 m EUR and was fully paid in cash. Fair value of assets acquired and liabilities assumed amount to 29,1 mEUR and goodwill recognised on the acquisition amounted to 9,9 mEUR.

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 airfield control technology for systems, in particular software development and commissioning. The consideration transferred amounted to 1,1 mEUR. The fair value of assets acquired and liabilities assumed amount to 1,1 m EUR. No goodwill was recognized.

The outbreak of the COVID-19 pandemic and the impact of travel restrictions on the aviation industry and airport traffic continued to have an impact on the Group in 2021. Whereas initially in 2020 the pandemic created pressure and uncertainty for the revenues and outlook of the group, in 2021 the group was in addition confronted with important supply chain challenges indirectly arising from the pandemic.

Revenues came in at 356,2 mEUR in 2021 vs 380,4 mEUR in 2020, a decline of 6%. As in 2020, and despite the pandemic, no large projects in execution have been stopped or cancelled by customers. However, as airports had experienced significant lower traffic volumes, they continued to limit capex spending and postpone projects, which negatively impacted the Group's order intake. Still, the Group has been able to achieve order intake of 363,7 mEUR in 2021 versus 361,0 in 2020, as we have seen in particular Asian and USA markets starting to recover, while European markets remained more challenging in 2021.

From an operational standpoint, disruptions were more limited in 2021 compared to 2020, allowing the Group's plants in Tianjin (China), Zaventem (Belgium), Columbus (USA) and Mannheim (Germany) to operate relatively normally throughout the year, be it under strict safety precaution measures. The Group did start to experience increasing supply chain challenges in the second half of 2021, which started to negatively affect the production volumes and revenues. The Group

20230206002523

continues to proactively monitor and address this situation in order to limit the disruptions from this for our customers. Measures implemented include selective build-up of buffer stock, improved planning and forecasting, increased supplier communications, and proactive supplier management.

The Group also 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. In addition, the Group expects to create further revenue and cost synergies from integration of the two acquisitions executed in 2021, being the acquisition of Protec in Germany and DBT Group in the United States of America.

The Group has 33,2 mEUR of resources comprising cash and cash equivalents and 24,3 mEUR unused Revolving Credit Facility (RCF) available at the date of authorization of these financial statements. 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. Due to a relatively large RCF drawdown by year-end of 2021 to fund the DBT acquisition, this covenant test was applicable at year end and the Group complied with this covenant.

For the year ended 31 December 2021 the Group recognized a 36,0 mEUR Net Loss while Net Change in cash was +11,2 mEUR (in 2020, Net Loss of 108,9 mEUR while Net Change in cash was +1,8 mEUR).

The Group's net assets as at 31 December 2021 were -42,6 mEUR (-18,2 mEUR in 2020).

Currently, uncertainty over the longer term impact of the pandemic on air traffic is reducing as it is clear that air traffic has started to recover in particular for short haul traffic. Uncertainty mostly relates to the speed of long haul and business air traffic recovery, while at the same time cargo traffic is booming in relation to the global supply chain issues. In this situation airports in any case need to continue operations often on a 24/7 basis and hence are required to at least maintain or upgrade of their existing systems (airfield lighting, docking systems or airport operation software). At the same time - due to lower traffic volumes - their business model and revenue generation remains under pressure, limiting the financial means available for most airports.

For 2022 management therefore believes it will be a transition year - in which we will gradually see a broader recovery of air traffic and with airport finances continuing to be under pressure. Revenues for the Group should be comparable to 2021 before a broader recovery sets in in 2023. Given long lead times of projects, expected order intake in 2022 will in part drive revenues for 2023, in particular for larger (often multi-year) projects like expansions or major refurbishment projects.

The main financing facilities of the group are up for renegotiation as of 2023. Management is confident that the Group currently has adequate resources and sufficient loan facility headroom, and is pro-actively preparing to engage with its finance partners in order to timely renew financing facilities.

20230206025Z6

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, and 12 800 000 B 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

The military conflict between Russia and Ukraine which started end of February 2022 resulted in severe economic sanctions towards Russia. The Group has historically had a presence in Russia with a small sales office and generated revenues from Russian customers of 2,3 mEUR in 2021, representing 0,7% of the Group's turnover. The Group is not serving new Russian customers while fulfilling its service obligations versus existing customers where it is legally obliged and feasible to do so. Given the circumstances the Group has strongly reduced its presence in Russia and has closed its office, while it continues to closely monitor evolution of events. In addition the Group expects to realize only a fraction of the 2022 budgeted revenues from Russia of 6,0 m€ (1,6% of budgeted turnover). This event is a non-adjusting event for the reporting period ending on 31 December 2021. Management has analyzed whether it complies with the sanction regimes and currently expects the possible indirect effects of the conflict on the Group's operations to be minimal.

4. Research & Development (R&D) activities

The Group R&D net spending amounted to 4,0 mEUR in 2021 (2,6 mEUR in 2020), excluding 13,8 mEUR qualifying as development costs and recognized as intangible assets in 2021 (11,8 mEUR in 2020). 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 2021 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 2021.

20230206025Z7

ADB SAFEGATE

6. Financial instruments

The Group entered into foreign exchange forward contracts to cover revenues from specific sales transactions. Contracts covering risks associated to specific sales transactions are accounted for in accordance with the hedge accounting method.

7. Risks and uncertainties

Risks associated with activities conducted from 1 January 2021 until 31 December 2021 (1 January 2020 until 31 December 2020) 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 COVID-19 pandemic and its impact of travel restrictions on airport traffic, as well as 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

As a result of the Covid-19 pandemic and its impact on aviation industry and airport traffic there is a risk that the performance of the Group will be impacted going forward. However, 2022 performance up to 31 March 2022 appears to be satisfactory and 2022 Budget shows a sufficient cash generation until the end of the year 2022.

2022 Budget allows 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 2022. The Group does not anticipate any loss of clients; the

ADB SAFEGATE

20230206025 28

Order Intake as at 31 March 2022 is in line with budget and new orders are still flowing in in a trend which is in line with budget expectations. EBITDA as at 31 March 2022 is also in line with budget.

29 April 2022

Signature of Directors:

Laurent Dubois

KPMG

KPMG Luxembourg, Société anonyme
39, Avenue John F. Kennedy
L-1855 Luxembourg

Tel.: +352 22 51 51 1
Fax: +352 22 51 71
E-mail: info@kpmg.lu
Internet: www.kpmg.lu

20230206025 29

To the Partners of
ADB Safegate Luxembourg 1 S.à r.l.
12, rue Jean Engling
L-1466 Luxembourg
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 31 December 2021, and the consolidated statement of 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 31 December 2021 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 23 July 2016 on the audit profession ("Law of 23 July 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 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "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 information

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

© 2022 KPMG Luxembourg, Société anonyme, with registered office at 39, Avenue John F. Kennedy, L-1855 Luxembourg, registered with RCS Luxembourg under number B149133, and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

20230206025330

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 for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of the 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 of 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.

Responsibilities of the Réviseur d'Entreprises agréé for the audit of the consolidated financial statements

The objectives of our audit 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 23 July 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 23 July 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.

20230206025331

— 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 the 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 the Board of Managers 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.

Luxembourg, 29 April 2022

KPMG Luxembourg
Société anonyme
Cabinet de révision agréé

Christelle Bousser

20230228602532

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.

In millions of Euro	Notes	For the year ending 31/12/2021	For the year ending 31/12/2020
Statement of Profit or Loss			
Revenue	8	356,2	380,4
Cost of Sales		-233,0	-260,4
Gross Profit		**123,1**	**120,0**
Marketing and Selling Expenses		-21,8	-22,5
General Administration Expenses		-34,1	-31,4
Research and Development Expenses		-4,0	-2,6
Impairment Loss on Trade Receivables and Contract Assets	9, 23	3,7	1,8
Depreciation	13	-6,4	-6,1
Impairment Loss on Goodwill and Intangible Assets	14	-10,4	-86,1
Amortization	14	-32,3	-34,5
Other Expenses	9	-9,0	-21,4
Result From Operating Activities		**8,7**	**-82,7**
Financial Income		13,7	28,4
Financial Costs		-58,4	-53,8
Net Financial Costs	11	**-44,6**	**-25,4**
Share of Net Profit of Joint Ventures (Accounted for using Equity Method)		0,1	0,0
Result Before Taxes		**-35,8**	**-108,1**
Tax Income / (Expense)	12	-0,2	-0,8
Result after Tax for the period		**-36,0**	**-108,9**
Result For The Period Attributable To:			
Owners Of The Company		-36,0	-108,9
Non-Controlling Interests		0,0	0,0
Other comprehensive income			
Items that will not be reclassified to profit or loss		**0,2**	**-0,3**
Defined benefit plan actuarial gains (losses)	20	0,2	-0,3
Items that may be reclassified subsequently to profit or loss	11	**11,4**	**-9,9**
Foreign currency translation differences – foreign operations		11,9	-10,0
Effective portion of changes in fair value of cash-flow hedges		-0,5	0,1
Tax on other comprehensive income		0,0	0,0
Other comprehensive income for the period (net of tax)		**11,7**	**-10,2**
Total comprehensive income for the period		**-24,3**	**-119,1**
Total comprehensive income attributable to:			
Owners of the Company		-24,3	-119,1
Non-controlling interests		0,0	0,0
Total comprehensive income for the period		**-24,3**	**-119,1**

The accompanying notes on pages 8 - 65 are an integral part of these consolidated financial statements.

20230206002533

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

In millions of euro	Notes	31/12/2021	31/12/2020
Assets			
Property, plant and equipment	13	32,9	30,4
Intangible assets	14	332,7	334,2
Goodwill	14	187,8	167,9
Investment in a joint venture		0,1	0,0
Fixed assets		**553,4**	**532,5**
Loan receivables		0,3	0,3
Deferred tax assets	12	0,2	0,5
Costs incurred to obtain or fulfil a contract	8	2,1	2,0
Other non-current assets		**2,5**	**2,7**
Total non-current assets		**555,9**	**535,2**
Inventories	15	36,2	25,9
Current tax assets	12	1,6	2,8
Trade and other receivables	16	84,5	75,4
Contract assets	8, 16	71,3	90,8
Other current assets		9,4	8,5
Cash and cash equivalents	17	42,3	28,0
Total current assets		**245,3**	**231,6**
Total assets		**801,2**	**766,8**
Equity			
Share capital	18	426,5	426,5
Reserves		-4,7	-16,2
Retained earnings		-464,1	-428,1
Employee benefit obligations	20	-0,2	-0,5
Total equity attributable to the owners of the Company		**-42,6**	**-18,2**
Non-controlling interests		0,0	0,0
Total equity		**-42,6**	**-18,2**
Liabilities			
Loans and borrowings	19	576,4	554,3
Other financial liabilities		0,2	0,2
Employee benefit obligations	20	3,2	3,2
Deferred tax liabilities	12	66,8	69,1
Provisions	21	2,7	3,2
Lease liabilities	24	7,3	8,1
Total non-current liabilities		**656,7**	**638,1**
Current tax liabilities	12	3,4	2,4
Loans and borrowings	19	59,2	19,4
Other financial liabilities		0,6	0,1
Trade and other payables, including derivatives	22	63,7	52,1
Contract liabilities	8, 22	33,3	45,0
Provisions	21	6,2	10,4
Lease Liabilities	24	2,5	1,9
Other current liabilities		18,2	15,7
Total current liabilities		**187,1**	**146,9**
Total liabilities		**843,8**	**785,0**
Total equity and liabilities		**801,2**	**766,8**

The accompanying notes on pages 8 - 65 are an integral part of these consolidated financial statements.

20230206025341

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

In millions of euro	Share Capital	Additional paid in capital	Translation Reserve	Hedging Reserve	Treasury Share Reserve	Actuarial gain/loss Pension Plans	Retained Earnings	Total equity attributable to owners of the company	Non-controlling interests	Total Equity
1/01/2020	426,5	0,0	-6,2	-0,2	-2,0	-0,2	-317,1	100,8	0,0	100,8
Total comprehensive income for the period	0,0	0,0	-9,9	0,1	0,0	-0,3	-109,0	-119,0	0,0	-119,0
Profit/(loss)	0,0	0,0	0,0	0,0	0,0	0,0	-108,9	-108,9	0,0	-108,9
Total other comprehensive income	0,0	0,0	-9,9	0,1	0,0	-0,3	-0,1	-10,2	0,0	-10,2
Sale of treasury shares	*0,0*	*0,0*	*0,0*	*0,0*	*2,0*	*0,0*	*-1,8*	*0,2*	*0,0*	*0,2*
Other	0,0	0,0	0,0	0,0	0,0	0,0	-0,2	-0,2	0,0	0,2
31/12/2020	426,5	0,0	-16,0	-0,1	0,0	-0,5	-428,1	-18,2	0,0	-18,2

In millions of euro	Share Capital	Additional paid in capital	Translation Reserve	Hedging Reserve	Treasury Share 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	0,0	-16,0	-0,1	0,0	-0,5	-428,1	-18,2	0,0	-18,2
Total comprehensive income for the period	0,0	0,0	11,9	-0,5	0,0	0,2	-36,0	-24,3	0,0	-24,2
Profit/(loss)	0,0	0,0	0,0	0,0	0,0	0,0	-36,0	-36,0	0,0	-36,0
Total other comprehensive income	0,0	0,0	11,9	-0,5	0,0	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	0,0	0,0	-0,1
31/12/2021	426,5	0,0	-4,1	-0,6	0,0	-0,2	-464,1	-42,6	0,0	-42,6

The accompanying notes on pages 8 - 65 are an integral part of these consolidated financial statements.

20230206025335

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

In millions of euro	Notes	31/12/2021	31/12/2020
Cash flows from operating activities			
Profit / (Loss) for the period		-36,0	-108,9
Adjustments for:			
Depreciation	13	6,4	6,1
Amortisation of intangible assets	14	32,3	34,5
Impairment losses on goodwill and intangible assets	14	10,4	86,1
Impairment losses on trade receivables and contract assets	9, 23	-3,7	-1,8
Amortisation of costs to fulfill a contract	9	1,1	0,0
Net finance expense	11	44,6	25,4
Income tax expense/(income)	12	0,2	0,8
Change in provisions and employee benefits		-1,1	3,4
Change in Working Capital - Inventories		-8,6	0,7
Change in Working Capital - Trade and Other Payables		8,2	-1,6
Change in Working Capital - Contract Liabilities		-17,2	9,4
Change in Working Capital - Trade and Other Receivables		-0,3	11,1
Change in Working Capital - Contract Assets		26,1	-17,4
Change in Working Capital - Other Current Assets		-1,3	8,3
Change in Working Capital - Other Current Liabilities		-1,6	4,3
Change in Other Non-Current Assets		1,7	-0,1
Income tax paid		-3,2	-1,0
Net cash from (used in) operating activities		**58,0**	**59,2**
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	7	-35,0	0,0
Acquisition of Intangible Assets	14	-14,1	-15,8
Acquisition of property, plant and equipment	13	-5,0	-3,8
Net cash from (used in) investing activities		**-54,1**	**-19,6**
Cash flows from financing activities			
Proceeds from sale of own shares	19	0,0	0,2
New borrowings	19	44,6	64,0
Repayment of borrowings	19	-5,1	-72,7
Repayment of the principal of the lease liabilities	24	-2,4	-2,3
Interest and bank charges paid	19, 24	-29,8	-27,0
Net cash from (used in) financing activities		**7,3**	**-37,8**
Net Increase / decrease in cash and cash equivalents		**11,2**	**1,8**
Cash and cash equivalents beginning balance	**17**	**28,0**	**27,5**
Effect of exchange rate fluctuations on cash held		3,1	-1,3
Cash and cash equivalents ending balance	**17**	**42,3**	**28,0**

The accompanying notes on pages 8 - 65 are an integral part of these consolidated financial statements.

20230206025536

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 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The comparative year is from 1 January 2020 until 31 December 2020. 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 and intelligent gate and docking automation.

2. Significant changes in the current reporting period

During the current reporting period, the Group has acquired two companies comprising in total three legal entities, one in Germany and two in the United States. See note 7 for more 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 29 April 2022.

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 and the impact of travel restrictions on the aviation industry and airport traffic continued to have an impact on the Group in 2021. Whereas initially in 2020 the pandemic created pressure and uncertainty for the revenues and outlook of the group, in 2021 the group was in addition confronted with important supply chain challenges indirectly arising from the pandemic.

Revenues came in at 356,2 mEUR in 2021 vs 380,4 mEUR in 2020, a decline of 6%. As in 2020, and despite the pandemic, no large projects in execution have been stopped or cancelled by customers due to the pandemic. However, as airports had experienced significant lower traffic volumes, they continued to limit capex spending and postpone projects, which negatively impacted the Group's order intake. Still, the Group has been able to achieve order intake of 363,7 mEUR in 2021 versus 361,0 in 2020, as we have seen in particular Asian and USA markets starting to recover, while European markets remained more challenging in 2021.

From an operational standpoint, disruptions were more limited in 2021 compared to 2020, allowing the Group's plants in Tianjin (China), Zaventem (Belgium), Columbus (USA) and Mannheim (Germany) to operate relatively normally throughout the year, be it under strict safety precaution measures. The Group did start to experience increasing supply chain challenges in the second half of 2021, which started to negatively affect our production volumes and revenues. The Group continues to proactively monitor and address this situation in order to limit

20230206025317

the disruptions from this for our customers. Measures implemented include build-up of buffer stock, improved planning and forecasting, increased supplier communications, and proactive supplier management.

The Group also 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. In addition, the Group expects to create further revenue and cost synergies from integration of the two acquisitions executed in 2021, being the acquisition of Protec in Germany and DBT Group in the United States of America.

Currently, uncertainty over the longer-term impact of the pandemic on air traffic is reducing as it is clear that air traffic has started to recover in particular for short haul traffic. Uncertainty mostly relates to the speed of long haul and business air traffic recovery, while at the same time cargo traffic is booming in relation to the global supply chain issues. In this situation airports in any case need to continue operations often on a 24/7 basis and hence are required to at least maintain or upgrade of their existing systems (airfield lighting, docking systems or airport operation software). At the same time - due to lower traffic volumes - their business model and revenue generation remains under pressure, limiting the financial means available for most airports.

For 2022 management therefore believes it will be a transition year - in which we will gradually see a broader recovery of air traffic and with airport finances continuing to be under pressure. Revenues for the Group should be comparable to 2021 before a broader recovery sets in in 2023. Given long lead times of projects, expected order intake in 2022 will in part drive revenues for 2023, in particular for larger (often multi-year) projects like expansions or major refurbishment projects.

Net change in cash was 14,3 mEUR for 2021 on the back of strict working capital management and taking into account ongoing and even expanding innovation and capex investments in total for 19,1 mEUR. As per year-end 2021 the Group had 42,3 mEUR of cash and cash equivalents and 23,3 mEUR unused Revolving Credit Facility (RCF). 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. Due to a relatively large RCF drawdown by year-end of 2021 to fund the DBT acquisition, this covenant test was applicable at year end and the Group complied with this covenant.

The main financing facilities of the group are up for renegotiation as of 2024. Management is confident that the Group currently has adequate resources and sufficient loan facility headroom and is pro-actively preparing to engage with its finance partners in order to timely renew financing facilities.

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. We refer to the note 30 on Subsequent events, which mention that the Ukraine events have no significant impact going forward on the Group's activities.

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) Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs as adopted by the European Union requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.
Following accounting policies are more subject to judgement:

- Revenue (percentage of completion): see accounting policy (j)

20230228002338

- Impairment: see accounting policy (g)
- Useful life intangible assets: see accounting policy (e)
- Measurement of fair values: see note 5
- Recognition of deferred tax assets for carried forward tax losses: see accounting policy (m)
- Liabilities for post-employment and other long-term employee benefits: see accounting policy (h)
- Acquisition of subsidiary: fair value of the consideration transferred, and fair value of the assets acquired, and liabilities assumed: see note 5.
- Leases – estimation of the incremental borrowing rate: see accounting policy (k)
- Lease term of contracts with renewal and termination options, as a lessee: see accounting policy (k)

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 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2
- Amendments to IFRS 16 Covid-19: Related Rent Concessions

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 2021, and have not been applied in preparing these consolidated financial statements:

- Reference to the Conceptual Framework – Amendments to IFRS 3 (effective 1 January 2022)
- Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 (effective 1 January 2022)
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 (effective 1 January 2022)
- AIP IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities (effective 1 January 2022)
- Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (effective 1 January 2023)
- 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)

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.

20230206025339

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.

20230706075340

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 foreign currency and 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

20230206025341

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.

Subsequent to initial recognition, derivatives related to interest rate risk are measured at fair value, and changes therein are accounted for through profit and loss.

The Group applies hedge accounting for some designated foreign currency forward contracts. The objective of these hedges is to cover the currency risk on some construction contracts that are billed in foreign currency. 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 and B 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.

20230206025 47

(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

20230206025343

-	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 2021 or 1 January 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.
However, for the Group, the unadjusted (without taking into consideration the forward-looking information) historical information is the best estimate as the historical data capture a specific economic cycle, and that cycle represents the current conditions and forecast of future economic conditions.

On that basis, the loss allowance as at 31 December 2021 and 31 December 2020 was determined as follows for both trade receivables and contract assets:

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

20230206025344

31/12/2020 - 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	0,2%	0,6%	2,1%	0,9%	4,4%	15,2%	
Gross carrying amount – trade receivables net of prepayments	50,8	9,1	3,3	2,1	1,0	10,6	76,8
Gross carrying amount – contract assets	5,7	8,5	5,2	8,9	2,3	63,1	93,6
Loss allowance - trade receivables	-0,8	-0,1	-0,1	-0,1	-0,2	-7,8	-9,1
Loss allowance - contract assets	0,7	0,0	0,0	0,0	0,1	-3,5	-2,7

Trade receivables are presented net of advance payments received.

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

In millions of euro	**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**	**1,0**
Provisions reversed during the period	**1,0**	**3,0**
Foreign Currency Translation	**-0,1**	**-0,4**
Closing loss allowance as at 31 December 2021	**-1,7**	**-5,9**

The closing loss allowances for trade receivables and contract assets as at 31 December 2020 reconcile to the opening loss allowances as follows:

In millions of euro	**Contract Assets**	**Trade receivables**
Opening loss allowance as at 1 January 2020	**-4,5**	**-11,5**
Acquisition through business combinations	0,0	0,0
Provisions increased during the period	-0,2	-3,8
Provisions used during the period	0,1	3,0
Provisions reversed during the period	1,6	2,7
Foreign Currency Translation	0,2	0,5
Closing loss allowance as at 31 December 2020	**-2,7**	**-9,1**

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 for a period of greater than 60 days past due.

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

20230206025345

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

20230206025346

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.

20230206025347

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 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. Even though those 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 is one single distinct obligation: the customer expects an operative system. The only 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. As soon as the outcome of a project can be estimated reliably, contract revenue and expenses are recognised 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 recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

Invoices are issued according to the contractual terms and are usually payable within 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.

20230206025348

(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.

20230206025346

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:

20230206023350

- 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 2021, 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

20230206023351

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 deducing 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

20230206025S7

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 forward exchange contracts is based on broker quotes. These broker quotes are tested for reasonableness by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

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 5,7 percent of the Group's revenue is attributable to sales transactions with a single customer. Last year, the sales transactions with the biggest single customer represented 4,3 percent of total revenue. 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.

20230206002553

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 2021:

- Revolving credit facility: 23,3 mEUR available credit line (63mEUR as per 31 December 2020). See note 19. In addition, the group had cash at hand of 42,3 mEUR per 31 December 2021.

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).

20230206025-4

7. Business combinations

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. This acquisition was completed to accelerate ADB Safegate's service strategy and expand its offering around the core services business, increasing its addressable market and allowing the Group to benefit from recurring revenues.
The consideration transferred amount to 39,0 m EUR (44,4 m USD) and was fully paid in cash.
Transaction costs incurred in connection with the acquisition of DBT of 1 mEUR (1,2 mUSD) are presented as part of 'Other non-operating expenses' (see Note 9), and include mainly legal fees, warranties insurance fees, and due diligence fees.
The fair values of the identifiable assets and liabilities of DBT as at the date of acquisition were:

In millions of euro	Note	Fair value recognised at acquisition
Intangible assets	14	20,8
Property, plant and equipment	13	1,9
Deferred tax assets	12	0,1
Inventories	15	3,7
Trade and other receivables	16	3,0
Other current assets		0,3
Cash and cash equivalents	17	4,5
Deferred tax liabilities	12	-2,2
LT Lease liabilities	24	-0,5
Current tax liabilities		0,4
Contracts liabilities	22	-1,5
Trade and other payables	22	-0,6
Provisions	21	-0,1
Other current liabilities		-0,5
ST Lease Liabilities	24	-0,2
Total identifiable net assets acquired		**29,1**

Consideration transferred	39,0
Total identifiable net assets acquired	29,1
Goodwill recognised	**9,9**

As part of the intangible assets, customer relationships were identified separately from goodwill because DBT has well established relationships and programs with airports across the US and internationally. These relationships are maintained through contracts for sale of sensors and maintenance and meet the contractual-legal criterion because the Company can identify each customer relationship and has had a history and pattern of generating revenue on a contractual basis.
Other main intangibles assets identified separately from goodwill are Developed technology and FAA certification.

20230208092353

Intangible assets acquired	Fair value	Valuation techniques
Customer relationships	13,2 mEUR	Multi-period excess earning method ("MPEEM") of the income approach. The value of the intangible asset is equal to the present value of the after-tax cash flows attributable to the intangible asset only. The main assumptions used for the valuation are revenue growth estimated by management for the period 2022 to 2031 from 10% to 3,1% and 2,5% LTGR beyond 2031, a discount rate of 17%, attrition rate of 5% and tax rate of 25%.
FAA certification	4,4 mEUR	Using the with and without method ("WWM"), the value of the FAA certification was determined based upon an assessment of lost profitability over the time needed to obtain an FAA certification assuming one had not been acquired as part of the Transaction. The main assumptions used for the valuation are the revenues forecast in the US for 2022 and 2023 and discount rate of 12,5%.
Developed technology	2,8 mEUR	Relief from royalty method. Main assumptions used for the valuation are the revenue growth estimated by management attributable to AWI, royalty rate of 7,0% and discount rate of 17,0%.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities.
The fair value of the trade receivables amounts to 2,97 mEUR. The gross amount of trade receivables is 3,06 mEUR and it is expected that the full contractual amounts can be collected.
Goodwill arising on acquisition amount to 9,98 mEUR (11,34 m USD). Goodwill recognized from this business combination is mainly attributable to the synergies expected to be achieved from integrating the company into the Group's existing service offering. Most of the goodwill recognized is expected to be deductible for income tax purposes.
Given that the business combination took place at closing of the last day of the reporting period, the consolidated income statement does not include results of the acquiree. If the business combination would have occurred as of the beginning of the reporting period, the company would have contributed in 2021 28 mUSD (23,7 m EUR) of reported revenue and 7 mUSD (5,9m EUR) of EBITDA.
The accounting for the business combination is complete. No adjustment is expected to be recognized during the next reporting period.

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 of which 0,3 mEUR is deferred in escrow account. The fair value of assets acquired and liabilities assumed amount to 1,1 m EUR, mainly composed of customer relationship intangible assets. Other significant assets and liabilities are contract assets for 2,4 m EUR and contract liabilities for 2,1 m EUR. The fair value of receivables acquired amount to 0,36 m EUR and estimation of valuation allowance is 0,01 m EUR. No goodwill was recognized.
Transaction costs of 0,1 m EUR are included in Other operating and other non-operating expenses (Note 9). The revenue and profit or loss of Protec since the acquisition date are 0,5 mEUR and 0,06 mEUR respectively. If the business combination would have occurred at the beginning of the reporting period, the revenue and profit or loss pro forma would have been 2,0 mEUR and 0,03 MEUR.
The entity acquired was merged into ADB Safegate Germany GmbH on 12 November 2021.

2023020800256

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:

In millions of euro	**31/12/2021**	**31/12/2020**
Product Group		
Delivery of Goods	**161,2**	**165,7**
Delivery of goods - At a point in time	161,2	165,7
Delivery of goods- over time	-	-
Projects	**173,4**	**188,4**
Projects - At a point in time	-	
Projects - over time	173,4	188,4
Services	**21,6**	**26,3**
Services - At a point in time	3,2	4,4
Services - over time	18,3	21,9
Geographical Area		
Turnover - European countries	79,8	106,1
Turnover - Middle East	65,3	63,8
Turnover - North America	111,7	101,7
Turnover - Far East	67,0	61,3
Turnover - Others	32,3	47,6

b) Assets and liabilities related to contracts with customers

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

20230206002537

In millions of euro	31/12/2021	31/12/2020
Current contract asset for		
Cost in Excess	***72,9***	***93,6***
Cost in Excess - Valuation Allowance	***-1,7***	***-2,7***
Delivery of goods - Current Contract Asset	2,1	5,1
Projects - Current Contract Asset	66,3	83,7
Services - Current Contract Asset	2,8	2,1
Current Contract Asset - sum of product group	***71,3***	***90,8***
Current contract liability for		
Contract Liability	***24,3***	***37,9***
Prepayments	***8,9***	***7,1***
Delivery of goods - Current Contract Liability	5,5	0,6
Projects - Current Contract Liability	24,6	42,5
Services - Current Contract Liability	3,2	1,9
Contract Liabilities - Sum of product group	***33,3***	***45,0***

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.

In millions of euro	31/12/2021	31/12/2020
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Delivery of good	4,0	0,0
Projects	17,3	6,2
Services	0,2	0,0
Total	**21,5**	**6,2**

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 2021 amount to 367,5 mEUR (333,5 mEUR as at 31 December 2020) and is broken down as follows:

In millions of euro	31/12/2021	31/12/2020
Unsatisfied long-term contracts - Delivery of good	71,9	30,1
Unsatisfied long-term contracts - Projects	232,1	268,1
Unsatisfied long-term contracts - Services	63,5	35,3
Total	**367,5**	**333,5**

Management expects that 51% of the transaction price allocated to the unsatisfied contracts as of 31 December 2021 will be recognized as revenue during the next reporting period (188,2 mEUR). The remaining 49% (179,3 mEUR) will be recognized in 2023 and 2024 or later respectively. The amount disclosed above does not include variable consideration, which is constrained.

20230206023558

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.

In millions of euro	**31/12/2021**	**31/12/2020**
Assets recognized from costs incurred to fulfil a contract	15,6	13,8
Accumulated amortization on asset recognized from costs incurred to fulfil a contract [(1)]	-13,5	-11,8
Net assets recognized from costs incurred to fulfil a contract	**2,1**	**2,0**

(1) Including a foreign currency difference of the year of 0,6mEUR

20230206025S9

9. Other operating and other non-operating expenses

Other expenses amounted to 9,0 mEUR (21,4 mEUR in 2020) and are made up of other operating expenses for 0,8 mEUR and other non-operating expenses for 8,2 mEUR.

a) Other non-operating expenses

In millions of euro	**31/12/2021**	**31/12/2020**
Acquisition /M&A /Financing related costs	1,1	0,0
Restructuring costs	0,6	7,0
Covid 19 costs	2,3	2,3
Quality costs	0,0	1,8
New business start-up costs	1,9	0,9
IT Remediation Plan	2,1	1,3
Provision for legal cases	0,1	3,2
Other non-operating costs	0,2	1,2
Total	**8,2**	**17,6**

Acquisition related costs amounting to 1,1 mEUR are related to the acquisition of entities in Germany and in the United States of America (see Note 7).
The restructuring costs amounting to 0,6 mEUR are mostly related to additional redundancy costs incurred during the year related to restructuring program decided in 2020 (7,0 mEUR in 2020).
Costs related to the Covid-19 pandemic and lockdown were incurred for 2,3 mEUR, including abnormal supply chain and freight costs (2,3 mEUR in 2020, including a special one-off bonus to employees).
Costs for starting up new business were spent for 1,9 mEUR (0,9 mEUR in 2020), mainly related to growth strategy study.
The Group spent 2,1 mEUR for upgrading the IT infrastructure and setting up a global IT Service desk (1,3 mEUR in 2020).

b) Expenses by nature

In millions of euro	**31/12/2021**	**31/12/2020**
Raw materials and consumables	120,9	142,6
Personnel expenses	90,0	98,3
Professional services	64,9	65,7
Freight	13,4	13,3
Supplies	7,6	6,5
Travel expenses	5,4	4,1
Maintenance	6,1	5,6
Insurance	2,4	1,8
Audit	1,0	1,0
Leases	1,7	2,3
Recruitment expenses	1,4	1,2
Amortization of cost to fulfil a contract	1,1	1,2
Amortization of intangible assets	32,3	34,5
Depreciation of tangible assets	6,4	6,1
Impairment loss on goodwill and intangible assets	10,4	86,1
Impairment losses on trade receivables and contract assets	-3,7	-1,8
Other expenses by nature	-13,9	-22,6
Total	**347,5**	**463,2**

7023020602560

In 2021, no impairment loss has been booked on the goodwill (86,1 mEUR in 2020), see note 14. An impairment loss on other intangible assets (technology) has been booked for 10,4 mEUR. Other expenses are mainly made up of development expenditures capitalized during the year.

10. Personnel

a) Personnel expense

In millions of euro	**31/12/2021**	**31/12/2020**
Salaries and wages	75,6	82,6
Social security contributions	9,8	10,9
Contributions to defined contribution plans	1,0	1,4
Expenses related to defined benefit plans	0,8	0,8
Other personnel expenses	2,7	2,6
Total	**90,0**	**98,3**

b) Employment – average number of employees

	31/12/2021	**31/12/2020**
Headcount		
White collar, on payroll	1.000,8	1.042,9
White collar, interim not on payroll	28,9	16,8
Blue collar, on payroll	168,7	166,3
Blue collar, interim not on payroll	10,0	11,7
Total	**1.208,3**	**1.237,6**
Fulltime-equivalent		
White collar, on payroll	975,4	887,9
White collar, interim not on payroll	27,4	13,1
Blue collar, on payroll	162,2	104,4
Blue collar, interim not on payroll	10,0	11,7
Total	**1.175,0**	**1.017,0**

Average number of Full-time equivalents working at ADB Safegate Group as of 31 December 2021: 1.175,0 (1.017,0 as of 31 December 2020).

20230206025611

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

In millions of euro	**31/12/2021**	**31/12/2020**
Finance income		
Interest Income	0,0	0,1
Net foreign currency gain	13,7	28,3
	13,7	**28,4**
Finance expenses		
Net foreign currency loss	-22,9	-17,9
Interest Expense on Lease Liabilities	-0,5	-0,6
Interest Expense at amortised costs	-30,6	-31,2
Bank Charges - Other	-4,3	-4,1
Loss on disposal of Fixed Assets	-0,1	0,0
	-58,4	**-53,8**
Net finance expenses recognised in profit and loss	**-44,6**	**-25,4**
Recognised in other comprehensive income		
Foreign currency translation differences for foreign operations	11,9	-10,0
Effective portion of changes in fair value of cash-flow hedges	-0,5	0,1
Recognised in other comprehensive income	**11,4**	**-9,9**

20230206025G2

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 2021 and 2020:

in millions of euro	**For the year ended 31/12/2021**	**For the year ended 31/12/2020**
Current tax expense		
Current period (+ Income / - Expense)	-5,7	-1,1
Adjustments for prior periods (+ Income / - Expense)	-0,1	-0,5
Total current tax (+ Income / - Expense)	**-5,7**	**-1,6**
Deferred tax expense		
Total deferred tax (+ Income / - Expense)	**5,6**	**0,9**
Total tax (+ Income / - Expense)	**-0,2**	**-0,8**

Reconciliation of effective tax rate		
Result before tax	-35,9	-108,1
Income tax using the Company's domestic tax rate (Luxembourg)	9,0	27,0
Effect of tax rates in foreign jurisdictions	-0,4	-1,2
Effect of non-deductible expenses	-3,5	-8,2
Effect of tax-exempted income	0,3	4,8
Effect of current year tax losses for which no deferred tax asset was recognised	-7,7	-22,7
Utilisation of previously unrecognized tax losses	0,0	0,0
Valuation allowance on temporary differences	0,0	0,0
Current tax adjustments for prior periods	-0,1	-0,5
Deferred tax adjustments for prior periods	2,3	0,0
Tax risk related provisions	0,0	0,0
Income tax recognised in the income statement (+ Income / - Expense)	**-0,2**	**-0,8**

In 2021, the Group's tax rate has not been affected by major tax reforms. Only Sweden decreased its corporate income tax rate for 2020 from 21,40% to 20,60%.
For memory, the Belgian parliament enacted the corporate tax reform on 22 December 2017. The highlight of the corporate tax reform is the reduction of the corporate tax rate which will be realized in two phases. The corporate tax rate is reduced from 33,99% to 29,58% as from assessment year 2020 and is 25% starting assessment year 2021. In addition, a minimum tax base, new notional interest deduction and tax consolidation starting assessment year 2020 are introduced.

	31/12/2021	**31/12/2020**
Current tax assets	1,6	2,8
Current tax liabilities	3,4	2,4

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 2021.

Deferred tax relates to the following:

20230206025G3

	Assets		Liabilities		Net	
In millions of euros	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Non-current assets						
Goodwill	0,4	0,4	0,0	0,0	0,4	0,4
Intangible assets	0,3	0,5	70,7	74,2	-70,4	-73,7
Shares	0,0	0,0	0,4	0,4	-0,4	-0,4
Property, plant and equipment	0,1	0,0	2,7	3,1	-2,6	-3,1
Other non-current assets	0,0	0,0	0,0	0,0	0,0	0,0
Costs incurred to obtain or fulfil a contract	0,0	0,0	0,0	0,0	0,0	0,0
Non-current liabilities						
Loans and borrowings, interest bearing	0,0	1,6	0,8	0,0	-0,8	1,6
Liabilities for post-employment and other LT	0,7	0,6	0,0	0,0	0,7	0,6
Provisions	0,0	0,2	0,4	0,1	-0,4	0,1
Lease Liabilities - LT	1,2	1,4	0,0	0,0	1,2	1,4
Current assets						
Inventories	1,0	0,8	0,0	0,1	1,0	0,7
Trade and other receivables, interest free	2,0	0,7	1,0	3,4	1,0	-2,7
Other current assets	0,0	0,0	0,1	0,1	0,0	-0,1
Cash and cash equivalents	0,0	0,0	0,0	0,0	0,0	0,0
Current liabilities						
Loans and borrowings, interest bearing	2,0	0,3	0,0	0,0	2,0	0,3
Other financial liabilities, interest free	0,0	0,1	0,0	0,0	0,0	0,1
Trade and other payables, interest free	0,1	1,6	3,1	0,0	-2,9	1,6
Provisions	0,1	0,2	0,1	0,0	0,0	0,2
Other current liabilities	1,0	1,3	0,0	0,4	1,0	1,0
Lease Liabilities - ST	0,4	0,3	0,0	0,0	0,4	0,3
Unused tax loss	**3,4**	**3,2**			**3,4**	**3,2**
Tax credits	**0,0**	**0,0**			**0,0**	**0,0**
Total	**12,7**	**13,2**	**79,3**	**81,9**	**-66,7**	**-68,7**
Off Set	-12,5	-12,8	-12,5	-12,8		
Net	**0,2**	**0,5**	**66,8**	**69,1**		

Unrecognized losses in deferred tax assets

	31/12/2021		31/12/2020	
In millions of euro	Base	Unrecognized Deferred Tax	Base	Unrecognized Deferred Tax
Tax Losses	22,9	5,1	25,5	2,2
Impairment Losses	10,4	2,6	83,7	20,4
Total	33,3	7,7	109,2	22,7

In 2021, the effect of current year tax losses for which no deferred tax asset was recognized amounts to 7,7 mEUR (22,7 mEUR in the previous period) and is mainly explained by the following elements:
The Group has impaired a part of its intangible assets (10,4 mEUR). As a result, no deferred tax asset was recognised, impacting the reconciliation for 2,6 mEUR. Moreover, current tax losses mainly generated by the holding companies in Belgium and Luxembourg were not recognized as deferred tax assets.

On a cumulative basis a total of 110,9 mEUR deferred taxes remained unrecognized (103,2 mEUR as at 31 December 2020).

In millions of euro	31/12/2021	31/12/2020
Accumulated deferred tax assets not recognised	110,9	103,2

In Luxembourg, as for the previous years, and this as from 1st January 2017, the tax losses can be carried forward for maximum 17 years. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom, before actually recognising these.

20230206025G4

13. Property, plant and equipment

in millions of euro	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**

in millions of euro	Land and building	Plant and equipment	Fixtures and installations	Assets under construction	Total
Cost					
1/01/2020	**36,9**	**12,5**	**20,1**	**4,1**	**73,6**
Acquisitions through business combinations	0,0	0,0	0,0	0,0	0,0
Other additions	1,6	0,4	1,7	0,1	3,8
Disposals and reclassifications	-1,3	-1,0	-1,0	-3,4	-6,7
Impairment	0,0	0,0	0,0	0,0	0,0
Effect of movements in exchange rates	-0,2	-0,2	-0,5	0,0	-1,1
31/12/2020	**37,0**	**11,7**	**20,2**	**0,7**	**69,6**
Depreciation and impairment losses					
1/01/2020	**13,2**	**8,2**	**14,8**	**0,0**	**36,3**
Accumulated depreciation through business combinations	0,0	0,0	0,0	0,0	0,0
Depreciation for the period	2,5	1,3	2,3	0,0	6,1
Impairment loss	0,0	0,0	0,0	0,0	0,0
Disposals and reclassifications	-0,6	-0,9	-1,1	0,0	-2,6
Effect of movements in exchange rates	0,0	-0,1	-0,4	0,0	-0,6
31/12/2020	**15,2**	**8,4**	**15,6**	**0,0**	**39,2**
Carrying amounts					
1/01/2020	**23,7**	**4,3**	**5,2**	**4,1**	**37,3**
31/12/2020	**21,8**	**3,3**	**4,6**	**0,7**	**30,4**

20230206023365

14. Intangible assets and Goodwill

In millions of euro	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**

In millions of euro	Goodwill	Client relations	Software Licences	Patents	Trademarks	Technology	Other Intangible Assets	Total
Cost								
1/01/20	**508,8**	**318,3**	**6,6**	**1,1**	**34,2**	**71,6**	**42,3**	**983,0**
Acquisitions through business combinations	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other acquisitions	0,0	0,0	4,0	0,0	0,0	11,8	0,0	15,9
Disposals & reclassifications	0,0	0,0	5,9	0,0	0,0	-4,0	-2,8	-0,9
Effect of movements in exchange rates	-8,0	-4,3	-0,1	0,0	-0,5	0,0	-1,2	-14,1
31/12/20	**500,8**	**314,0**	**16,4**	**1,1**	**33,7**	**79,4**	**38,3**	**983,9**
Amortization and Impairment losses								
1/01/20	**247,2**	**45,8**	**5,3**	**1,1**	**5,5**	**21,4**	**37,5**	**363,8**
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	22,5	1,8	0,0	2,4	5,8	1,2	33,7
Impairment loss	82,5	0,0	0,0	0,0	0,0	3,6	0,0	86,1
Disposals and reclassifications	0,0	0,0	1,2	0,0	0,0	-3,2	-1,2	-3,2
Effect of movements in exchange rates	3,2	-0,7	-0,1	0,0	-0,1	0,0	-1,1	1,3
31/12/20	**332,9**	**67,6**	**8,3**	**1,1**	**7,8**	**27,6**	**36,4**	**481,7**
Carrying amounts								
1/01/20	**261,6**	**272,5**	**1,3**	**0,0**	**28,7**	**50,2**	**4,8**	**619,1**
31/12/20	**167,9**	**246,5**	**8,1**	**0,0**	**25,9**	**51,8**	**1,9**	**502,1**

The remaining amortisation period of the client relations intangible asset is 9 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 2021, the Group defined three cash generating units:

- Americas
- Rest of the World
- Airport Systems.

The aggregate carrying amounts of goodwill allocated to each unit, at 31 December 2021, are as follows:

20230206025G6

(in € millions)	Carrying amount of goodwill 31/12/2021	Carrying amount of goodwill 31/12/2020
Americas	125,4	116,5
Rest of world	37,5	37,4
Airport Systems	14,9	14,0
Total	**177,8**	**167,9**

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

	Parameters of the model applied to cash flow forecasts			
	Discount rates 31/12/2021	Perpetual Growth rates 31/12/2021	Discount rates 31/12/2020	Perpetual Growth rates 31/12/2020
Americas	9,6%	2,1%	9,5%	2,2%
Rest of world	9,7%	2,0%	11,4%	2,0%
Airport Systems	11,6%	2,1%	10,8%	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 and preferred to use the same methodology as previous year for consistency and transparency considerations.

Impairment tests have been performed at 31 December 2021 using cash flow projections from budget for 2022 approved by the Board of Directors and business plan for 2023-2026.
The value in use for the three cash-generating units exceeds their carrying amount hence no impairment loss was recognised in 2021, compared to 82,5 mEUR of impairment loss in 2020.

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

- 2021 actual figures
- 2022 budget figures approved by the Board
- 2023 – 2026 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 three 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; 4,0% growth rate for CGU Americas, 7,6% average growth rate for CGU RoW and 1,8% growth rate for CGU AS.
- Sales margin: based on past performance, management's expectations for the future, based on current industry trends and long-term inflation forecasts; 34,2% for CGU Americas, 33,9% for CGU RoW, and 53,4% for CGU AS.
- 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 again 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.

2023020602567

For the impairment test, management considered a more prudent scenario for growth of the three CGUs for the next 5 years than the long-range business plan.
Budget 2022 figures are highly influenced by the consequences of the sanitary crisis, mainly the global supply chain disruptions. For the 2023/2026 plan, figures are based on existing pipeline of projects and expectations, reflecting reasonable vision of the markets addressed by the Group. The sanitary crisis has strongly reduced airport activity, with major differences depending on the regions (European airports scaling back on spending, while non-European markets holding up better, mainly in Asia and in the Americas). It is expected that ADB Safegate markets will recover as from 2023.
In order to assess the figures of the terminal value, comparisons were made in each CGU between the average annual growth from 2022 to Term year reference and the perpetual growth rates retained. The perpetual growth rates retained are significantly 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:

In millions of euro	**Outcome of the impairment**	**Specific Premium - Discount rates**	**Perpetual Growth rates**
Americas	11,4		
50 bps increase		-13,6	11,0
50 bps decrease		15,6	-9,6
Rest of world	37,8		
50 bps increase		-24,1	16,3
50 bps decrease		27,5	-14,3
Airport Systems	4,5		
50 bps increase		-1,0	0,9
50 bps decrease		1,1	-0,8

The outcome of the impairment test shows a headroom of 11,4 mEUR for the CGU Americas (2020: impairment of 10,2 mEUR), a headroom of 37,8 mEUR for the CGU Rest of world (2020: impairment of 71,9 mEUR), and a headroom of 4,5 mEUR for the CGU Airport Systems (2020: headroom of 19,1 mEUR). Hence no need for an impairment in 2021.
The sensitivity towards the specific premium in discount rate or the perpetual growth rate is calculated versus the headroom.
In case of an increase of the specific premium within the discount rate of 0,5%, the recoverable amount of the CGU Americas will be lower than its carrying amount which will lead to a need for impairment of 2,2 mEUR.
A rise in the discount rate from 9,6% to 10,03% in the CGU Americas would result in an impairment of its goodwill (all other assumptions being constant). A rise in the discount rate from 9,7% to 10,52% in the CGU Rest of World would result in an impairment of its goodwill (all other assumptions being constant). A rise in the discount rate from 11,6% to 14,6% in the CGU Airport Systems would result in an impairment of its goodwill (all other assumptions being constant).
A decrease in the perpetual growth rate from 2,1% to 1,49% in the CGU Americas would result in an impairment of its goodwill (all other assumptions being constant). A decrease in the perpetual growth rate from 2,0% to 0,52% in the CGU Rest of world would result in an impairment of its goodwill (all other assumptions being constant). A decrease in the perpetual growth rate from 2,1% to 0,0% in the CGU Airport Systems would not cause the carrying amount to exceed its recoverable amount (all other assumptions being constant).
A decrease in revenue growth from 4,0% to 1,9% in the CGU Americas would result in an impairment of its goodwill (all other assumptions being constant). A decrease in revenue growth from 7,6% on average to 6,3% in the CGU Rest of World would result in an impairment of its goodwill (all other assumptions being constant). A

decrease in revenue growth from 4,3% to 1,9% in the CGU Airport Systems would result in an impairment of its goodwill (all other assumptions being constant).
A decrease in sales margin from 34,2% to 33,2% in the CGU Americas would result in an impairment of its goodwill (all other assumptions being constant). A decrease in sales margin 33,9% to 32,58% in the CGU Rest of World would result in an impairment of its goodwill (all other assumptions being constant). A decrease in sales margin from 53,4% to 49% in the CGU Airport Systems would result in an impairment of its goodwill (all other assumptions being constant).

20230206025G8

20230206025369

15. Inventories

In millions of euro	**31/12/2021**	**31/12/2020**
Raw materials and consumables	17,7	11,2
Semi-finished goods	0,8	0,3
Finished goods	17,3	13,7
Advances for Inventories	0,5	0,8
Total	**36,2**	**25,9**

In 2021, inventories of 120,9mEUR were recognized as expense during the period and included in cost of sales against 142,6 mEUR in 2020 (see note 9).

Inventories are shown net of write downs for obsolescence, amounting to 11,9 mEUR as of 31 December 2021 (8,3 mEUR as of 31 December 2020).

16. Trade and other receivables, Contract Assets

In millions of euro	**31/12/2021**	**31/12/2020**
Trade and other receivables		
Trade Receivables	84,1	74,8
Invoices to be Issued to Customers	0,2	-0,5
Cost Unbilled Contracts	0,1	1,1
Cost in Excess	71,3	90,8
Total	**155,7**	**166,3**
Non-current	0,0	0,0
Current	155,7	166,3

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 11,3 mEUR is expected to be realized or settled after more than 12 months.

Trade Receivables and Contract Assets are shown net of impairment amounting to 7,6 mEUR as of 31 December 2021 (11,9 mEUR as of 31 December 2020) split into 5,9 mEUR Loss allowance on Trade Receivables and 1,7 mEUR Loss allowance on Contract Assets (respectively 9,1 mEUR and 2,7 mEUR as of 31 December 2020). See note 23.

20230206025570

17. Cash and cash equivalents

In millions of euro	**31/12/2021**	**31/12/2020**
Bank balances	42,3	28,0
Cash and cash equivalents in the statement of financial position	**42,3**	**28,0**
Cash and cash equivalents in the statement of cash flows	42,3	28,0

The Group only has cash balances outstanding at financial institutions with an "A" credit rating attributed by Standard & Poor's, except for Standard Bank in South Africa for an amount of 0,5 mEUR as of 31 December 2021 (0,6 mEUR as of 31 December 2020), which has a "B" rating.

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 12,000.00 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 426,5 mEUR (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.

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 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 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. 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.

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.

Authorised capital

The authorised capital of ADB Luxembourg 1 S.à r.l., excluding the issued share capital, amounts to 20,0 mEUR consisting of 20,000,000 ordinary shares with a nominal value of 1.00 EUR each. The authorized capital may be increased or reduced by a resolution of the general meeting of shareholders. The board of managers is authorized – for a period of five years after the publication of the deed introducing the authorized capital – to issue, in one or several times, shares, share subscription warrants, ordinary bonds, with beneficiary or convertible certificates in any form, in any denomination and in any currency and any other instruments convertible into shares within the limits of the authorized share capital.

Additionally, in accordance with art 710-23 of the Luxembourg law of 10 August 1915, as amended, the Company

20230206025711

is required to allocate to a legal reserve a minimum of 5% of its annual net profit until this reserve equals 10% of the subscribed 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.

20230206025372

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.

In millions of euro	31/12/2021	31/12/2020
Non-current liabilities	**583,7**	**562,4**
Secured bank loans	576,4	554,3
Lease Liabilities	7,3	8,1
Current liabilities	**61,7**	**21,3**
Short term portion of secured debt	0,0	0,1
Revolving facility	56,7	17,0
Accrued Interests on senior loans	2,5	2,3
Lease Liabilities	2,5	1,9
Total loans and borrowings	**645,4**	**583,7**

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 BankAG 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 2021, the undrawn amount equals to 23,3 mEUR (63,0 mEUR as of 31 December 2020).

In millions of euro	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[(1)] + Margin[(3)]	2024	126,7	125,9
Secured bank loan - 2nd Lien	USD	Libor[(1)] + 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

in millions of euro	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount 31/12/2020
Secured bank loan - 1st Lien	EUR	Euribor[(1)] + Margin[(2)]	2024	344,0	337,0
Secured bank loan - 1st Lien	USD	Libor[(1)] + Margin[(3)]	2024	117,8	116,5
Secured bank loan - 2nd Lien	USD	Libor[(1)] + Margin[(4)]	2025	103,1	102,4
Secured Bank Loan ADB SG Germar	EUR	Fixed 1.70%	2026	0,6	0,6
Revolving facility	EUR	Euribor[(1)] + Margin[(5)]	2023	17,0	17,2
Revolving facility	USD	Libor[(1)] + Margin[(5)]	2023	0,0	0,0
Total interest-bearing liabilities				**582,4**	**573,8**

20230206025T3

(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 2020 and shall depend on Senior debt cover
(3) Margin is at 3,75% as per 31 December 2020 and shall depend on Senior debt cover
(4) Margin is at 8,75% as per 31 December 2020 and shall depend on Senior debt cover
(5) Margin is at 3,25% as per 31 December 2020 and shall depend on Senior debt cover

in millions of euro	**31/12/2021**	**31/12/2020**
Senior Loans		
Proceeds from issue of senior loans	584,7	565,4
Transaction Costs	-8,2	-11,0
Accrued Interests	2,3	2,1
Carrying amount of liability	**578,8**	**556,5**
Revolving Facility		
Proceeds from issue of revolving facility	56,6	17,0
Accrued Interests	0,2	0,2
Carrying amount of liability	**56,8**	**17,2**

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 2021, the amortisation expense amounted to 2,8 mEUR (2,8 mEUR in 2020).

20230306023574

Reconciliation of movements of liabilities to cash flows arising from financing activities

in millions of euro	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**
Changes from financing cash flows						
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 changes from financing cash flows	**2,5**	**39,6**	**0,0**	**-2,9**	**-30,6**	**8,5**
Other changes						
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 liability related other changes	**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**	**644,7**

	Senior Loans	Revolving Facility	Transaction Costs	Leases	Accrued Interests	Total
Balance at 01/01/2020	**579,8**	**25,6**	**-13,9**	**11,4**	**2,6**	**605,4**
Changes from financing cash flows						
Proceeds from loans and borrowings	0,0	64,0	0,0	0,0	0,0	**64,0**
Repayment of loans and borrowings	0,0	-72,5	0,0	-2,3	0,0	**-74,8**
Activated interest	5,0	0,0	0,0	0,0	-5,0	**0,0**
Interests and bank charges paid/received	0,0	0,0	0,0	-0,6	-26,5	**-27,1**
Total changes from financing cash flows	**5,0**	**-8,5**	**0,0**	**-2,9**	**-31,6**	**-37,9**
Other changes						
Currency differences	-19,4	-0,1	0,2	0,0	-0,2	**-19,4**
Amortisation	0,0	0,0	2,7	0,0	0,0	**2,7**
New contracts	0,0	0,0	0,0	1,6	0,0	**1,6**
Terminated contracts	0,0	0,0	0,0	-0,7	0,0	**-0,7**
Interest expense	0,0	0,0	0,0	0,6	31,5	**32,0**
Interest income						**0,0**
Total liability related other changes	**-19,4**	**-0,1**	**2,9**	**1,5**	**31,3**	**16,2**
Balance at 31/12/2020	**565,4**	**17,0**	**-11,0**	**9,97**	**2,32**	**583,7**

Bank loan covenants

Due to a relatively large RCF drawdown by year-end of 2021 to fund the DBT acquisition, the threshold of more than 35% of drawings on the Original Revolving Facility Commitment is met as at 31 December 2021. The Group complies with this covenant.

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.

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)
- Luxembourg Law Account Pledge
- Belgium Law Share Pledge over the shares in ADB Safegate Belgium BV

20230206025575

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 governed pledge over the shares in ADB Safegate BV
- Belgian Law governed pledge over material bank accounts and material intercompany receivables

ADB Safegate BV

- Belgium Law Receivables and Bank Accounts Pledge
- Swedish Law Share Pledge over the shares in ADB Safegate Sweden AB
- 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 governed pledge over the shares in ADB Safegate Germany Verwaltungs GmbH
- Pledge in relation to intercompany receivables of ADB Safegate BV- Branch Finland
- Floating charge pledge agreement of ADB Safegate BV- Branch Finland

ADB Safegate Hong Kong Limited

- Debenture creating fixed and floating charges over ADB Safegate Hong Kong's assets

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.

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.
- Luxembourg Law Claim Pledge

20230206025 76

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 2021, 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:

In millions of euro	**31/12/2021**	**31/12/2020**
Amounts recognized in the statement of financial position		
1. Defined benefit obligation	11,0	11,1
2. Fair value of plan assets	7,8	7,9
3. Funded status	**3,2**	**3,1**
5. Net defined benefit liability (asset)	**3,2**	**3,1**
6. Liability for other post-employment benefits	0,0	0,0
7. Liability for early retirement obligations	0,0	0,0
Total employee benefits	**3,2**	**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.

In millions of euro	**31/12/2021**	**31/12/2020**
Change in defined benefit obligation		
1. Defined benefit obligation at end of prior year	11,1	9,9
2. Service cost		
a. Current service cost	0,8	0,8
3. Interest expense	0,1	0,1
4. Cash flows		
a. Benefit payments from plan assets	(1,1)	(0,1)
b. Benefit payments from employer	(0,1)	(0,0)
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	(0,3)	0,2
c. Effect of experience adjustments	0,5	0,2
8. Defined benefit obligation at end of year	**11,0**	**11,1**

2023020602577

In millions of euro	31/12/2021	31/12/2020
Change in fair value of plan assets		
1. Fair value of plan assets at end of prior year	7,9	7,3
2. Interest income	0,1	0,1
3. Cash flows		
a. Total employer contributions		
(i) Employer contributions	0,5	0,6
(ii) Employer direct benefit payments	0,1	0,0
b. Participant contributions	0,2	0,2
c. Benefit payments from plan assets	(1,1)	(0,1)
d. Benefit payments from employer	(0,1)	(0,0)
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)	0,5	0,1
7. Fair value of plan assets at end of year	**7,8**	**7,9**

In millions of euro	31/12/2021	31/12/2020
Components of defined benefit cost		
1. Service cost		
a. Current service cost	0,8	0,8
e. Total service cost	**0,8**	**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	**0,8**	**0,9**
6. Remeasurements (recognized in other comprehensive		
a. Effect of changes in demographic assumptions	-	-
b. Effect of changes in financial assumptions	(0,3)	0,2
c. Effect of experience adjustments	0,5	0,2
d. (Return) on plan assets (excluding interest income)	(0,5)	(0,1)
g. Total remeasurements included in OCI	**(0,2)**	**0,3**
7. Total defined benefit cost recognized in P&L and OCI	**0,6**	**1,1**

In millions of euro	31/12/2021	31/12/2020
Net defined benefit liability (asset) reconciliation		
1. Net defined benefit liability (asset)	3,1	2,6
2. Defined benefit cost included in P&L	0,8	0,9
3. Total remeasurements included in OCI	(0,2)	0,3
5. Cash flows		
a. Employer contributions	(0,5)	(0,6)
b. Employer direct benefit payments	(0,1)	(0,0)
8. Net defined benefit liability (asset) as of end of year	**3,2**	**3,1**

2023020602578

In millions of euro	**31/12/2021**	**31/12/2020**
Plan assets		
Fair value of plan assets		
a. Assets held by insurance company	7,8	7,4
b. Other	-	0,5
d. Total	**7,8**	**7,9**

Assets held by insurance company (7,8 mEUR as of 31 December 2021) are primarily invested in Government and corporate bonds, but also in other asset classes such as equities and real estate.

In millions of euro	**31/12/2021**
Expected cash flows for following year	
1. Expected employer contributions	1,0
2. Expected contributions to reimbursement rights	-
3. Expected total benefit payments	
Year 1	0,6
Year 2	0,4
Year 3	0,3
Year 4	0,1
Year 5	0,2
Next 5 years	3,3

In millions of euro	**31/12/2021**	**31/12/2020**
Sensitivity Analysis		
Present value of defined benefit obligation		
Discount rate - 25 basis points	11,4	11,3
Discount rate + 25 basis points	10,7	10,7
Pensions-in-payment increase rate - 25 basis points	2,5	11,1
Pensions-in-payment increase rate + 25 basis points	2,7	11,1
Weighted average duration of defined benefit obligation (in years)		
Discount rate - 25 basis points	13,9	9,2
Discount rate + 25 basis points	13,6	10,8

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:

2023020602579

	31/12/2021	31/12/2020
Belgium	66%	65%
Germany	33%	32%
France	1%	1%
Italy	0%	2%

Actuarial assumptions

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

	Belgium		Germany	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Discount Rate	1,10%	0,80%	1,10%	1,0%
Long-term rate of return on assets	1,10%	0,80%	1,10%	1,0%
Salary Increases	Inflation + 0.75%		Inflation + 0.25%	
Inflation	1.75%		1.75%	
Mortality	MR/FR including age correction minus 4 or 5 years		Heubeck Richttafeln 2018G	Heubeck Richttafeln 2018G
Retirement Age	65		between 60 and 65	

20230206025780

21. Provisions

In millions of euro	**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

In millions of euro	**Warranties**	**Claims**	**Restructuring**	**Other**	**Total**
01/01/2020	**7,8**	**2,6**	**0,0**	**0,3**	**10,7**
Provisions made during the period	4,6	0,3	0,3	2,5	7,6
Provisions used during the period	0,0	-0,1	0,0	0,0	0,0
Provisions reversed during the period	-3,6	-1,4	0,0	0,0	-5,0
Other movement	0,2	0,0	0,0	0,3	0,5
Foreign Currency Translation	-0,2	0,0	0,0	0,0	-0,2
31/12/2020	**8,7**	**1,4**	**0,3**	**3,1**	**13,6**
Non-Current	1,1	1,4	0,2	0,5	3,2
Current	7,7	0,0	0,1	2,6	10,4

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

During 2020, an amount of 2,5 m€ was provided for an onerous contract with a supplier since the Group expected that it will not use the committed quantities as per the contract, which will generate an overstock. The estimation of the provision was based on estimated use of stock at hand plus the commitment to the supplier. The provision is now in deduction of inventories, as the quantities have been purchased in the meanwhile and are considered slow moving.

20230206025817

22. Trade and other payables, Contract liabilities

In millions of euro	31/12/2021	31/12/2020
Trade and other payables - including derivatives		
Trade payables	31,8	29,5
Credit Notes to Receive from Vendors	0,0	0,1
Accruals	30,8	22,5
Deferred income	1,2	0,0
Contract Liabilities - Advance payments received	8,9	7,1
Contract Liabilities - Billings in excess of cost and estimated profit	24,3	37,9
Total	**97,0**	**97,1**

20230206025B2

23. Financial instruments

Trade receivables

In millions of euro	**31/12/2021**	**31/12/2020**
Exposure to credit risk		
Trade receivables	89,9	83,9
Prepayments	-8,9	-7,1
Trade and other receivables (including prepayments)	**81,0**	**76,8**

In millions of euro	**31/12/2021**	**31/12/2020**
The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was:		
European Countries	12,2	14,9
Middle East	27,1	22,8
North America	18,3	16,1
Far East	16,4	13,2
Other Regions	7,0	9,8
TOTAL	**81,0**	**76,8**

In millions of euro	**31/12/2021**	**31/12/2020**
The ageing of trade and other receivables at the reporting date was:		
Ageing of trade receivables: neither past due nor impaired	48,9	50,8
Ageing of trade receivables: < 30 days	8,2	9,1
Ageing of trade receivables: 31 - 60 days	7,6	3,3
Ageing of trade receivables: 61 - 90 days	4,1	2,1
Ageing of trade receivable: 91 - 120 days	1,6	1,0
Ageing of trade receivable: > 120 days	10,6	10,6
TOTAL	**81,0**	**76,8**

In millions of euro	**31/12/2021**	**31/12/2020**
The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:		
Beginning Balance	**-9,1**	**-11,5**
Acquisitions through business combinations	**-0,1**	**0,0**
Impairment loss recognised (net of increase/used/reversals)	**3,7**	**1,9**
Foreign Currency Translation	**-0,4**	**0,5**
Ending Balance	**-5,9**	**-9,1**

20230206022583

Contract assets

In millions of euro	31/12/2021	31/12/2020
Exposure to credit risk		
Contract assets	**72,9**	**93,6**

In millions of euro	31/12/2021	31/12/2020
The maximum exposure to credit risk for contract assets at the reporting date by geographic region was:		
European Countries	9,0	17,2
Middle East	30,1	44,4
North-America	0,0	0,2
Far East	28,9	26,1
Other Regions	4,9	5,6
TOTAL	**72,9**	**93,6**

In millions of euro	31/12/2021	31/12/2020
The ageing of contract assets at the reporting date was:		
Ageing of contract assets: neither past due nor impaired	10,7	5,7
Ageing of contract assets: < 30 days	5,1	8,5
Ageing of contract assets: 31 - 60 days	4,4	5,2
Ageing of contract assets: 61 - 90 days	4,4	8,9
Ageing of contract assets: 91 - 120 days	1,1	2,3
Ageing of contract assets: > 120 days	47,2	63,1
TOTAL	**72,9**	**93,6**

In millions of euro	31/12/2021	31/12/2020
The movement in the allowance for impairment in respect of contract assets during the year was as follows:		
Beginning Balance	**-2,7**	**-4,5**
Impairment loss recognised (net of increase/used/reversals)	1,2	1,5
Foreign Currency Translation	-0,1	0,2
Ending Balance	**-1,7**	**-2,7**

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.

The Group's most significant customer accounted for 3,2 mEUR of the outstanding receivables and 6,3 mEUR of the costs in excess as at 31 December 2021 (6,4 mEUR and 3,4 mEUR as at 31 December 2020).

Cash and cash equivalents

As described in note 17, the Group held cash and cash equivalents of 42,3 mEUR at 31 December 2021 (28,0 mEUR at 31 December 2020). The cash and cash equivalents are held with financial institutions with an "A" credit

20230206025784

rating attributed by Standard & Poor's, except for Standard Bank in South Africa for an amount of 0,5 mEUR as of 31 December 2021 (0,6 mEUR as of 31 December 2020), 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:

31/12/2021

In millions of euro	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 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	1,2	1,2	2,0	3,3	1,5
Trade and other payables	62,5	62,5	62,5				
Contract liabilities	45,0	45,0	45,0				

31/12/2020

In millions of euro	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
Bank loans and other facilities	573,7	695,5	25,7	13,8	27,5	628,4	0,1
Lease liabilities	10,0	10,0	1,0	1,0	3,0	4,2	0,9
Trade and other payables	52,0	52,0	52,0				
Contract liabilities	45,0	45,0	45,0				

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 at 31 December 2021 (based on notional amounts):

In millions of euro	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 Group's exposure to foreign currency risk was as follows at 31 December 2020 (based on notional amounts):

20230206025B5

In millions of euro	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	16,6	13,2	-48,0	13,2	11,2	5,8	-8,4	0,8	18,4	0,7	4,5	28,0
Trade receivables (+)	-8,9	0,0	43,3	1,2	3,2	4,8	0,3	0,3	18,2	0,1	12,2	74,8
Bank Loans and revolving facility	0,0	0,0	-355,3	0,0	0,0	0,0	0,0	0,0	-218,4	0,0	0,0	-573,7
Trade payables (-)	-1,1	0,0	-18,5	-0,7	-0,4	-0,3	-0,7	-0,3	-6,7	0,0	-0,8	-29,5
Leases	0,0	-0,8	-2,2	-0,7	0,0	0,0	-4,9	0,0	-0,7	-0,4	-0,3	-10,0
Total	**6,7**	**12,4**	**-380,7**	**13,1**	**14,0**	**10,3**	**-13,7**	**0,8**	**-189,2**	**0,4**	**15,7**	**-510,4**

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

The following significant exchange rates applied during the current period (2021):

ISO	Closing Rate	Average
AED	0,23945	0,23021
AUD	0,6386	0,63517
BRL	0,15785	0,15687
CAD	0,69605	0,67464
CHF	0,96395	0,92513
CLP	0,00103	0,00112
CNY	0,13837	0,1311
DKK	0,13446	0,13446
EUR	1	1
GBP	1,1902	1,16312
HKD	0,11282	0,10879
INR	0,01181	0,01144
MYR	0,21111	0,20406
QAR	0,2415	0,23141
RMB	0,13837	0,1311
RUB	0,01176	0,01147
SEK	0,09725	0,09858
SGD	0,65185	0,62927
TRY	0,06605	0,09785
TWD	0,03173	0,03027
USD	0,87955	0,84559
ZAR	0,05495	0,05723

Sensitivity analysis

A 10 percent strengthening (weakening) of the Euro against the following currencies at 31 December 2021 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

20230206025865

	Strengthening of EUR		Weakening of EUR	
In millions	**Equity**	**P&L**	**Equity**	**P&L**
AED	1,2	0,2	-1,2	-0,2
AUD	1,2	0,0	-1,2	0,0
GBP	0,1	0,0	-0,1	0,0
RMB	2,8	-0,6	-2,8	0,6
SEK	6,3	1,1	-6,3	-1,1
USD	9,6	-0,3	-9,6	0,3

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:

	Carrying Amount	**Carrying Amount**
In millions of euro	31/12/2021	31/12/2020
Fixed Rate Instruments		
Financial Liabilites (ADB Safegate Germany GmbH)	0,5	0,6
Variable Rate Instruments		
Financial Liabilities (Senior Loans)	578,2	556,0
Revolving Facility	56,8	17,2

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 (foreign currency forward 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:

20230206025587

31 December 2021

In millions of euro	Carrying Amount	Fair Value
Forward exchange contract Assets	0,0	0,0
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
Forward exchange contract Liabilities	0,0	0,0
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 Labilities	33,3	33,3
Financial liabilities not measured at fair value	**741,2**	**747,0**

31 December 2020

In millions of euro	Carrying Amount	Fair Value
Forward exchange contract Assets	0,0	0,0
Financial assets measured at fair value	**0,0**	**0,0**
Receivables and Contract Assets	166,2	166,2
Cash and cash equivalents	28,0	28,0
Financial assets not measured at fair value	**194,3**	**194,3**
Interest rate swap Liabilities	0,0	0,0
Forward exchange contract Liabilities	0,0	0,0
Financial liabilities measured at fair value	**0,0**	**0,0**
Bank loans	556,8	565,4
Revolving facilities	16,9	17,0
Lease liabilities	10,0	10,0
Trade and other payables	52,0	52,0
Contract Labilities	45,0	45,0
Financial liabilities not measured at fair value	**680,7**	**689,4**

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

20230206025883

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

In millions of euro	**Land and building**	**Vehicles**	**IT**	**Total**
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**

In millions of euro	**Land and building**	**Vehicles**	**IT**	**Total**
Cost				
1/01/2020	**11,1**	**2,1**	**0,3**	13,5
Other additions	0,9	0,8	0,0	1,62
Disposals and reclassifications	-1,3	-0,2	-0,1	-1,6
Effect of movements in exchange rates	0,0	0,0	0,0	0,0
31/12/2020	**10,7**	**2,6**	**0,2**	**13,6**
Depreciation and impairment losses				
1/01/2020	**1,6**	**0,8**	**0,1**	**2,5**
Depreciation for the period	1,6	0,8	0,1	2,50
Disposals and reclassifications	-0,6	-0,2	-0,1	-0,9
Effect of movements in exchange rates	0,0	0,0	0,0	0,0
31/12/2020	**2,6**	**1,4**	**0,1**	**4,1**
Carrying amounts				
1/01/2020	**9,6**	**1,3**	**0,2**	**11,1**
31/12/2020	**8,1**	**1,3**	**0,1**	**9,5**

2023006025B9

Lease liability

In millions of euro	31/12/2021	31/12/2020
Beginning Balance	**10,0**	**11,4**
Acquisitions through business combinations	0,8	0,0
New contracts	2,6	1,6
Repayments	-2,4	-2,3
Terminated contracts	-1,1	-0,7
Effect of movements in exchange rates	0,1	0,0
Ending Balance	**9,9**	**10,0**
Of which		
Current lease liability	**2,5**	**1,9**
Non-current lease liability	**7,3**	**8,1**

2. Amounts recognized in the statement of profit or loss

In millions of euro	31/12/2021	31/12/2020
Depreciation charge of right-of-use assets		
Land and building	**1,5**	**1,6**
Vehicles	**0,9**	**0,8**
IT	**0,1**	**0,1**
Total depreciation charge RoU	**2,5**	**2,5**
Interest expense (included in finance costs)	**0,5**	**0,6**
Expense relating to short-term leases and low value assets	**1,7**	**2,3**

3. Amounts recognized in the statement of cash flows

In millions of euro	31/12/2021	31/12/2020
Cash outflows		
Reimbursement of the principal of the lease liabilities	**2,4**	**2,3**
Interests on lease liabilities	**0,5**	**0,6**

4. Maturity analysis of the lease liability

In millions of euro	31/12/2021
Due in 2022	2,5
Due in 2023	2,2
Due in 2024	1,6
Due in 2025 or later	3,5

20230206025

25. Capital commitments

The Group has capital commitments as at 31 December 2021 related to blanket purchase orders and discreet 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 discreet orders is 107,1 mEUR (95,1 mEUR as at 31 December 2020).

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 on the estimated Commencement Date of Oct 1, 2022. Lease commitment for this lease amount to 25,5 mEUR.
Moreover, the Group has open bonds for a total amount of 64,4 mEUR as at 31 December 2021 (68,8 mEUR as at 31 December 2020).

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.

At 31 December 2021, 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.

The shareholders of the Company on 31 December 2021 are:

-	CEP IV Participations S.à r.l., SICAR:	49,7%
-	CEP IV Investment 2017 S.à r.l.:	44,6%
-	Air Co Investment 1 SA (Luxembourg)	0,92%
-	Air Co Investment 2 SA (Luxembourg)	
-	Management	4,8%

20230206023591

Key management personnel compensation

Key management personnel compensation comprised:

in millions of euro	**For the year ended 31/12/2021**	**For the year ended 31/12/2020**
Short-term employee benefits	2,6	2,4
Post-employment benefits	0,0	0,0
Termination benefits	0,9	0,8
Total	**3,6**	**3,2**

As a result of the termination of contracts with three Group's executives, these executives received termination benefits of 0,9 mEUR, which were recognised as an expense during the year.

Key management personnel is made of four Group's executives as at 31 December 2021 (2020: 5). Should these executives leave the Group, the commitment to pay termination benefits will amount to up to 1,0 mEUR.

Two key members of management purchased respectively 1 200 000 shares and 1 000 000 shares owned by other shareholders.

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.

20230206025 92

28. Group entities

The following entities are fully consolidated:

Name	Country of incorporation	% Equity interest 31/12/2021	% Equity interest 31/12/2020
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	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 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 ΕΠΕ	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
Dynniq Nederland B.V.	The Netherlands	50	50
ADB Safegate Doha WLL	Qatar	48	48
ADB Safegate Russia LLC	Russian Federation	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	49	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

The Group has equity interests in ADB Safegate Gulf LLC (49%) and ADB Safegate Doha WLL (48%). The other shareholders are local sponsors with whom the Group has signed side letters stating 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. Both entities are therefore fully consolidated in the consolidated financial statements of the Group.

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

20230206025935

29. Auditor fees

Fees billed to the Company (and its subsidiaries) by KPMG Luxembourg, Société Coopérative and other member firms of the KPMG Network during the period are as follows:

Excluding VAT

Audit 2021:	0,6 mEUR
Audit 2020:	0,7 mEUR

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

30. Subsequent events

The military conflict between Russia and Ukraine which started end of February 2022 resulted in severe economic sanctions towards Russia. The Group has historically had a presence in Russia with a small sales office and generated revenues from Russian customers of 2,3 mEUR in 2021, representing 0,7% of the Group's turnover. The Group is not serving new Russian customers while fulfilling its service obligations versus existing customers where it is legally obliged and feasible to do so. Given the circumstances the Group has strongly reduced its presence in Russia and has closed its office, while it continues to closely monitor evolution of events. In addition, the Group expects to realize only a fraction of the 2022 budgeted revenues from Russia of 6,0 m€ (1,6% of budgeted turnover). This event is a non-adjusting event for the reporting period ending on 31 December 2021. Management has analyzed whether it complies with the sanction regimes and currently expects the possible indirect effects of the conflict on the Group's operations to be minimal.