

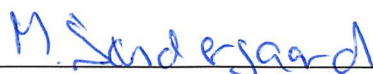
Swarco Technology ApS

**C.F. Tietgens Boulevard 25
5220 Odense SØ**

CVR no. 19 94 33 05

Annual report 2015

The annual report was presented and
adopted at the annual general meeting of
the Company on 12 May 2016



Morten Søndergaard Hansen
Chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Swarco Technology ApS for the financial year 1 January - 31 December 2015.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

We recommend that the annual report be approved at the annual general meeting.

Odense, 12 May 2016

Executive Board



Morten Søndergård Hansen

Board of Directors



Michael Schuch
Chairman



Hans Petter Ødegaard



KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen Ø
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Independent auditor's report

To the shareholder of Swarco Technology ApS

We have audited the financial statements of Swarco Technology ApS for the financial year 1 January - 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.



Independent auditor's report

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Copenhagen, 12 May 2016

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 91 98

A handwritten signature in blue ink, appearing to read 'Kenn W. Hansen'.

Kenn W. Hansen
statsautoriseret revisor

Company details

Company

Swarco Technology ApS
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5220 Odense SØ
Denmark

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Website: www.swtech.dk

CVR no.: 19 94 33 05
Financial year: 1 January - 31 December
Registered office: Odense

Board of Directors

Michael Schuch, Chairman
Hans Petter Ødegaard

Executive Board

Morten Søndergård Hansen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen Ø
Denmark

General meeting

The annual general meeting will be held on 12 May 2016 at the Company's address.

Financial statements 1 January - 31 December

Accounting policies

The annual report of Swarco Technology ApS for 2015 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to entities of reporting class B.

The accounting policies remain unchanged from last year.

The financial Statements for 2015 are presented in DKK.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the Company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item. .

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the financial statements.

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when delivery and transfer of risk to the buyer have taken place before year end.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Financial statements 1 January - 31 December

Accounting policies

Staff costs

Staff costs comprise wages and salaries as well as payroll expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement.

The Company is jointly taxed with Danish group entities. The tax effect of the joint taxation is allocated to entities in proportion to their taxable incomes.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Fixtures and fittings, tools and equipment	3	years
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Assets of less than DKK 12,600 are expensed in the year of acquisition.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Financial statements 1 January - 31 December

Accounting policies

Inventories

Inventories are measured at cost in accordance with the FIFO method. Inventories are written down to the lower of net realisable value and cost.

Goods for resale and consumables are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Corporation tax and deferred tax

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax value of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Financial statements 1 January - 31 December

Accounting policies

Current tax liabilities and receivables, which consist of joint taxation contribution, are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Foreign currency translation

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Liabilities other than provisions

Trade payables are recognised at cost and subsequently measured at amortised cost.
Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Income statement

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
Gross profit		24,445,409	24,580,252
Staff costs	2	<u>-10,973,482</u>	<u>-10,371,718</u>
Profit before financial income and expenses		13,471,927	14,208,534
Financial income		975	6,625
Financial expenses	3	<u>-20,101</u>	<u>-54,723</u>
Profit before tax		13,452,801	14,160,436
Tax on profit for the year	4	<u>-3,191,302</u>	<u>-3,495,849</u>
Profit for the year		<u>10,261,499</u>	<u>10,664,587</u>
Proposed dividend for the year		10,300,000	12,064,587
Retained earnings		<u>-38,501</u>	<u>-1,400,000</u>
		<u>10,261,499</u>	<u>10,664,587</u>

Financial statements 1 January - 31 December

Balance sheet

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
Assets			
Other fixtures and fittings, tools and equipment		286,599	0
Property, plant and equipment		286,599	0
Non-current assets		286,599	0
Finished goods and goods for resale		3,742,060	4,690,934
Inventories		3,742,060	4,690,934
Trade receivables		1,146,664	2,227,452
Receivables from subsidiaries		13,007,442	16,100,600
Other receivables		670,649	938,976
Deferred tax asset		33,067	3,041
Prepayments		0	1,378
Receivables		14,857,822	19,271,447
Cash at bank and in hand		6,110,023	1,794,906
Total current assets		24,709,905	25,757,287
Total assets		24,996,504	25,757,287

Financial statements 1 January - 31 December

Balance sheet

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
Equity and liabilities			
Share capital		166,194	166,194
Retained earnings		6,403,494	6,441,995
Proposed dividend for the year		10,300,000	12,064,587
Total equity	5	<u>16,869,688</u>	<u>18,672,776</u>
Trade payables		3,129,422	3,454,207
Corporation tax		3,223,460	1,925,304
Other payables		1,773,934	1,705,000
Current liabilities		<u>8,126,816</u>	<u>7,084,511</u>
Total liabilities		<u>8,126,816</u>	<u>7,084,511</u>
Total equity and liabilities		<u>24,996,504</u>	<u>25,757,287</u>
Principal activity	1		
Rental agreements and leases	6		
Contingent assets, liabilities and other financial obligations	7		

Financial statements 1 January - 31 December

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1 Principal activity

The principal activities comprise the development, service and maintenance of traffic signalling systems.

	<u>2015</u>	<u>2014</u>
	DKK	DKK
2 Staff costs		
Wages and salaries	9,876,446	9,186,038
Pensions	804,200	888,992
Other social security costs	130,298	127,541
Other staff costs	<u>162,538</u>	<u>169,147</u>
	<u>10,973,482</u>	<u>10,371,718</u>
Average number of employees	<u>17</u>	<u>17</u>

According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.

3 Financial expenses

Other financial expenses	0	11,150
Exchange loss	<u>20,101</u>	<u>43,573</u>
	<u>20,101</u>	<u>54,723</u>

4 Tax on profit for the year

Current tax for the year	3,168,883	3,443,304
Deferred tax for the year	-30,026	57,476
Adjustment of tax concerning previous years	<u>52,445</u>	<u>-4,931</u>
	<u>3,191,302</u>	<u>3,495,849</u>

Financial statements 1 January - 31 December

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5 Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January 2015	166,194	6,441,995	12,064,587	18,672,776
Ordinary dividend paid	0	0	-12,064,587	-12,064,587
Profit for the year	0	-38,501	10,300,000	10,261,499
Equity at 31 December 2015	166,194	6,403,494	10,300,000	16,869,688

The share capital consists of 166,194 shares of a nominal value of DKK 166,194 each. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

6 Rental agreements and leases

Rental agreements and leases

Lease obligations under operating leases. Total future lease and rental payments:

	2015	2014
	DKK	DKK
Within 1 year	833,135	865,659
Between 1 and 5 years	1,080,837	1,664,578
	1,913,972	2,530,237

Financial statements 1 January - 31 December

Notes

7 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Company is jointly and severally liable for tax on the jointly taxed income with Swarco Danmark A/S and Swarco Odense A/S. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, royalty tax and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.