

# Swarco Technology ApS

C.F. Tietgens Boulevard 25  
5220 Odense SØ

CVR no. 19 94 33 05

## **Annual report 2019**

The annual report was presented and approved at the  
Company's annual general meeting on

30 April 2020

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Morten Søndergaard Hansen  
chairman

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**Swarco Technology ApS**  
Annual report 2019  
CVR no. 19 94 33 05

## **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 2019.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019.

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

Odense, 30 April 2020  
Executive Board:

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Morten Søndergård Hansen

Board of Directors:

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Christoph Bergdolt  
Chairman

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Jeremy Peter Cowling



## **Independent auditor's report**

### **To the shareholder of Swarco Technology ApS**

#### **Opinion**

We have audited the financial statements of Swarco Technology ApS for the financial year 1 January – 31 December 2019 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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

#### **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.

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

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

## Independent auditor's report

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 30 April 2020

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98



Kenn W. Hansen  
State Authorised  
Public Accountant  
mne30154

**Swarco Technology ApS**  
Annual report 2019  
CVR no. 19 94 33 05

## Company details

Swarco Technology ApS  
C.F. Tietgens Boulevard 25  
5220 Odense SØ

CVR no.:	19 94 33 05
Established:	1 February 1997
Registered office:	Odense
Financial year:	1 January – 31 December

## Board of Directors

Christoph Bergdolt, Chairman  
Jeremy Peter Cowling

## Executive Board

Morten Søndergård Hansen,

## Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
DK-2100 Copenhagen

## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2019	2018
<b>Gross profit</b>		29,870,809	27,459,089
Staff costs	2	-14,111,993	-12,438,208
Depreciation, amortisation and impairment losses		-70,599	-72,000
<b>Operating profit</b>		15,688,217	14,948,881
Financial income		5,417	0
Financial expenses		-43,850	-69,637
<b>Profit before tax</b>		15,649,784	14,879,244
Tax on profit for the year	3	-3,454,265	-3,291,307
<b>Profit for the year</b>		12,195,519	11,587,937
<b>Proposed profit appropriation</b>			
Proposed dividends for the year		0	8,000,000
Retained earnings		12,195,519	3,587,937
		12,195,519	11,587,937

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2019	31/12 2018
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>	4		
Fixtures and fittings, tools and equipment		<u>0</u>	<u>70,599</u>
<b>Total fixed assets</b>		<u>0</u>	<u>70,599</u>
<b>Current assets</b>			
<b>Inventories</b>			
Manufactured goods and goods for resale		<u>4,471,471</u>	<u>4,986,454</u>
<b>Receivables</b>			
Trade receivables		2,999,677	3,175,642
Receivables from group entities		15,650,147	6,843,552
Other receivables		649,911	4,091,779
Deferred tax asset	5	16,380	6,309
Tax receivables from group entities		<u>466,476</u>	<u>0</u>
		<u>19,782,591</u>	<u>14,117,282</u>
<b>Cash at bank and in hand</b>		<u>2,441,119</u>	<u>2,479,592</u>
<b>Total current assets</b>		<u>26,695,181</u>	<u>21,583,328</u>
<b>TOTAL ASSETS</b>		<u><u>26,695,181</u></u>	<u><u>21,653,927</u></u>



## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	<u>31/12 2019</u>	<u>31/12 2018</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		166,194	166,194
Retained earnings		20,393,038	8,197,519
Proposed dividends for the financial year		<u>0</u>	<u>8,000,000</u>
<b>Total equity</b>		<u>20,559,232</u>	<u>16,363,713</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables		4,298,633	2,411,782
Payables to group entities		0	1,309,657
Other payables		<u>1,837,316</u>	<u>1,568,775</u>
		<u>6,135,949</u>	<u>5,290,214</u>
<b>Total liabilities</b>		<u>6,135,949</u>	<u>5,290,214</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>26,695,181</u>	<u>21,653,927</u>
<b>Contractual obligations, contingencies, etc.</b>	6		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Proposed dividends for the financial year</u>	<u>Total</u>
Equity at 1 January 2019	166,194	8,197,519	8,000,000	16,363,713
Ordinary dividends paid	0	0	-8,000,000	-8,000,000
Transferred over the profit appropriation	<u>0</u>	<u>12,195,519</u>	<u>0</u>	<u>12,195,519</u>
<b>Equity at 31 December 2019</b>	<u>166,194</u>	<u>20,393,038</u>	<u>0</u>	<u>20,559,232</u>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Swarco Technology ApS for 2019 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Principal activities

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

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

### Income statement

#### Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

#### Revenue

Income from the sale of goods, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2010.

#### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

#### Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

#### Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

### Balance sheet

#### Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
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Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

#### Inventories

Inventories are measured at cost in accordance with the weighted average method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Manufactured goods and goods for resale are measured at cost, comprising purchase price plus delivery costs.

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

#### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

#### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Cash at bank and in hand

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

##### Equity

###### *Dividends*

The expected dividends payment for the year is disclosed as a separate item under equity.

##### Tax receivables from group entities and deferred tax

Current tax payable and receivable from the joint taxation scheme is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

##### Liabilities

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

## Financial statements 1 January – 31 December

### Notes

DKK	<u>2019</u>	<u>2018</u>
<b>2 Staff costs</b>		
Wages and salaries	12,819,437	11,278,333
Pensions	889,968	823,388
Other social security costs	185,465	151,033
Other staff costs	<u>217,123</u>	<u>185,454</u>
	<u><u>14,111,993</u></u>	<u><u>12,438,208</u></u>
Average number of full-time employees	<u>23</u>	<u>20</u>
<b>3 Tax on profit for the year</b>		
Current tax for the year	3,469,929	3,285,084
Deferred tax for the year	-10,071	6,223
Adjustment of tax concerning previous years	<u>-5,593</u>	<u>0</u>
	<u><u>3,454,265</u></u>	<u><u>3,291,307</u></u>
<b>4 Property, plant and equipment</b>		
DKK		Fixtures and fittings, tools and equipment
Cost at 1 January 2019		<u>286,599</u>
Cost at 31 December 2019		<u>286,599</u>
Depreciation and impairment losses at 1 January 2019		-216,000
Depreciation for the year		<u>-70,599</u>
Depreciation and impairment losses at 31 December 2019		<u>-286,599</u>
<b>Carrying amount at 31 December 2019</b>		<u><u>0</u></u>
<b>5 Deferred tax</b>		
DKK	<u>31/12 2019</u>	<u>31/12 2018</u>
Deferred tax at 1 January	6,309	12,532
Deferred tax adjustment for the year in the income statement	<u>10,071</u>	<u>-6,223</u>
	<u><u>16,380</u></u>	<u><u>6,309</u></u>

## **Financial statements 1 January – 31 December**

### **Notes**

#### **6 Contractual obligations, contingencies, etc.**

##### **Contingent liabilities**

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

##### **Operating lease obligations**

The Company has entered into operating leases with the following future lease and rental payments:

Within 1 year: DKK 638,308 (2018: DKK 1,233,012).

Between 1 and 5 years: DKK 1,290,380 (2018: DKK 3,678,688).