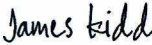


Aveva Denmark A/S

Indkildevej 6D
9210 Aalborg SØ
CVR No. 13611130

Annual report 2021

The Annual General Meeting adopted the
annual report on 29.06.2022

DocuSigned by:

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James Singer Kidd
Chairman of the General Meeting

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Entity details

Entity

Aveva Denmark A/S

Indkildevej 6D

9210 Aalborg SØ

Business Registration No.: 13611130

Registered office: Aalborg SØ

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

James Singer Kidd, Chairman

Thibaut Germain E. Cousin

Dennis Graugaard Andersen

Managing director

Dennis Graugaard Andersen

Auditors

EY Godkendt Revisionspartnerselskab

Statsautoriseret Revisionsaktieselskab

Dirch Passers Allé 36

2000 Frederiksberg

CVR No.: 30700228

Statement by Management

The Executive Board and Board of Directors have today considered and adopted the annual report of Aveva Denmark A/S for the financial year 01.01.2021 - 31.12.2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aalborg, 29.06.2022

Managing director

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Dennis Graugaard Andersen

Board of Directors

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James Singer Kidd
Chairman

DocuSigned by:

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Thibaut Germain E. Cousin

DocuSigned by:

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Dennis Graugaard Andersen

Independent auditor's report

To the shareholders of Aveva Denmark A/S

Opinion

We have audited the financial statements of Aveva Denmark A/S for the financial year 1 January – 31 December 2021, which comprise 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 financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Management's responsibilities 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting 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 additional requirements applicable in Denmark 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 the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting 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 note 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 29.06.2022

EY Godkendt Revisionspartnerselskab

CVR No. 30700228

A handwritten signature in blue ink that reads "Henrik P. Jensen".

Henrik Pungvig Jensen

State Authorised Public Accountant

Identification No (MNE) mne24825

Management commentary

Primary activities

AVEVA Denmark has moved to new location in the beginning of 2021. This has meant extra costs for interior design and installation, - just as new workflows have been adapted where we previously had a shared service solution with the sublandlord.

The company is a global software enterprise with one primary business area: AVEVA Enterprise Resource Management.

Focus is mainly on development, support and implementation of the ERP system for shipyards and other project oriented companies.

Also, the company is the legal entity for invoicing to Danish customers, other AVEVA software solutions not managed by the company.

Development in activities and finances

The income statement of the Company for 2021 shows a profit of 3.414.828 and at 31 December 2021 the balance sheet of the Company shows equity of DKK 15.636.656.

Effective from 1 January 2021, the Company has changed its accounting policy and chosen to implement IFRS 15 Revenue from contracts with Customers as interpretation basis for the provisions of the Danish Financial Statements Act on recognition of revenue.

The change will only impact revenue recognition from 1 January 2021 onwards in respect of certain new contracts with customers not previously entered into by the Company. Reference is made to (accounting policies) in the financial statements.

Unusual circumstances affecting recognition and measurement

As the situation of Covid19 got better during 2021 AVEVA Denmark gradually reopened the office to allow 50% of staff to be working in office from June and followed by bigger percentage from September. Fully in line with instructions from AVEVA Business Continuation to cater for people wellbeing and allow people to meet in office to socialize in person as part of their working conditions. Expectation is that during first quarter 2022 the office will be fully open for all personnel and working conditions will be in line with pre Covid19.

Covid19 have not had any impact on the ability to continue to develop the product, support our customers and execute implementation base on remote working with our customers.

Expectation for the performance of 2022 to be on level with 2021

AVEVA Denmark has taken actions to reduce costs versus the pre-Covid-19 plans for the financial year.

AVEVA Denmark does not intend to make staff reductions in response to the economic environment. Savings is generated from reductions in discretionary spend, travel costs and lower costs from switching key events from physical to virtual.

Strategy and objectives remain unchanged.

Outlook

The Schneider Electric Software GB Denmark branch is closed. The activities in the branch are sold back to Schneider, employees included.

Events after the balance sheet date

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		43,834,351	45,427,704
Staff costs	1	(39,137,568)	(42,881,439)
Depreciation, amortisation and impairment losses		(498,796)	(384,926)
Operating profit/loss		4,197,987	2,161,339
Other financial income		0	68,161
Other financial expenses	2	(126,908)	0
Profit/loss before tax		4,071,079	2,229,500
Tax on profit/loss for the year		(656,251)	(101,421)
Profit/loss for the year		3,414,828	2,128,079
Proposed distribution of profit and loss			
Retained earnings		3,414,828	2,128,079
Proposed distribution of profit and loss		3,414,828	2,128,079

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Other fixtures and fittings, tools and equipment		1,188,977	768,134
Leasehold improvements		227,946	11,508
Property, plant and equipment		1,416,923	779,642
Other investments		46,601	46,601
Contract assets		1,390,096	0
Financial assets		1,436,697	46,601
Fixed assets		2,853,620	826,243
Trade receivables		1,935,477	1,830,603
Contract assets		4,498,304	0
Receivables from group enterprises		22,276,584	19,332,575
Deferred tax		677,205	82,938
Other receivables		390,254	983,200
Prepayments		374,322	239,993
Receivables		30,152,146	22,469,309
Cash		2,123,808	1,827,824
Current assets		32,275,954	24,297,133
Assets		35,129,574	25,123,376

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		790,525	790,525
Retained earnings		14,846,131	11,431,303
Equity		15,636,656	12,221,828
Other payables		3,240,575	3,175,575
Non-current liabilities other than provisions	3	3,240,575	3,175,575
Trade payables		660,508	366,840
Payables to group enterprises		6,368,592	147,210
Income tax payable		1,125,518	531,066
Other payables		7,697,450	7,994,414
Deferred income		400,275	686,443
Current liabilities other than provisions		16,252,343	9,725,973
Liabilities other than provisions		19,492,918	12,901,548
Equity and liabilities		35,129,574	25,123,376
Unrecognised rental and lease commitments	4		
Related parties with controlling interest	5		
Group relations	6		

Statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	790,525	11,431,303	12,221,828
Profit/loss for the year	0	3,414,828	3,414,828
Equity end of year	790,525	14,846,131	15,636,656

Notes

1 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	35,596,886	39,166,020
Pension costs	2,990,650	3,063,442
Other social security costs	285,645	238,260
Other staff costs	264,387	413,717
	39,137,568	42,881,439
Average number of full-time employees	41	41

2 Other financial expenses

	2021 DKK	2020 DKK
Financial expenses from group enterprises	32,738	0
Other interest expenses	17,674	0
Exchange rate adjustments	11,251	0
Other financial expenses	65,245	0
	126,908	0

3 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK	Outstanding after 5 years 2021 DKK
Other payables	3,240,575	3,084,936
	3,240,575	3,084,936

4 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	3,651,677	4,368,572

Rental and lease obligations comprise a total of DKK 3.412 thousand, where the company has entered into a new non-cancellable rental contract until 30 July 2026. Furthermore, the obligation includes operational leasing contracts total of DKK 148 thousand.

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income. The total amount of corporation tax payable is disclosed in the Annual Report of Schneider Electric Danmark A/S, which is the management company of the joint taxation purpose. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax and tax on royalty and interest payments. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

5 Related parties with controlling interest

Aveva Solutions Limited, Great Britain owns all shares in the Entity, thus exercising control.

6 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
AVEVA Group plc, Great Britain.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

Changes in accounting policies

IFRS 15 – Revenue from Contracts with Customers

Effective from 1 January 2021, the Company has chosen to implement IFRS 15 Revenue from Contracts with Customers as interpretation basis for the provisions of the Danish Financial Statements Act on recognition of revenue. IFRS 15 replaces the current standards on revenue (IAS 11 and IAS 18) and related interpretations and introduces a new model for recognising and measuring revenue from contracts with customers.

The Company has changed its accounting policy in order to apply the same interpretation for revenue recognition as applied in the consolidated financial statements of its parent company, Aveva Solutions Limited (Aveva Group). The Company has implemented IFRS 15 with modified retrospective effect (the cumulative effect method). The cumulative effect of the IFRS 15 implementation has been recognised directly in equity at 1 January 2021. Comparative figures for 2020 have therefore not been restated.

In general, the most significant changes in IFRS 15 compared to current accounting policies are:

- A sales transaction must be recognised as revenue in profit or loss in line with the transfer of control (which can take place either at a given date or over time) over the goods or services to the customer. The current risk and rewards concept has thus been replaced by a control concept.
- More detailed guidelines on how to identify partial transactions under a customer contract and how to recognise and measure the individual components.

When implementing IFRS 15, the Company has recognized a cumulative equity effect of DKK 0 thousand at 1 January 2021, as there is no change to revenue recognition in prior years in accordance with IFRS 15. The effect on assets, liabilities, profit and loss and deferred tax is therefore DKK 0 thousand at 1 January 2021.

The change will only impact revenue recognition from 1 January 2021 onwards in respect of certain new contracts with customers not previously entered into by the Company.

- In relation to the new contracts, revenue is recognised upon transfer of control of the promised software and/or services to customers. Revenue from the new types of contracts with elements of licensing will either be recognized at a certain date or over time when control of a good or service is transferred to the customer depending on the type of licenses and time for transferring of control.

For other activities no changes are expected compared to prior years.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

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

Assets and liabilities are initially measured at cost.

Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Foreign currency translation

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Income statement

Gross profit or loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

Revenue

The Company has chosen IFRS 15 as interpretation for revenue recognition.

The company generates revenue through the supply of subscription, maintenance, and services.

Revenue is recognised upon transfer of control of the promised software and/or services to customers. The Company enters into contracts which can include combinations of software licences, support and maintenance fees and other professional services, each of which is capable of being distinct and usually accounted for as separate performance obligations. Where there are multiple performance obligations, revenue is measured at the value of the expected consideration received in exchange for the services, allocated by the relative stand-alone selling prices of each of the performance obligations.

The company offers a number of non-cancellable, fixed-term subscription licensing models, and include on-premise software rentals. Rentals consist of two separate components: a software licence; and support and

maintenance, which are two distinct performance obligations. The software licence is a right to use licence which is recognised at a point in time when the contract is agreed, and the software is made available to the customer. The support and maintenance element is recognised on a straight-line basis over the rental period.

Revenue classified as maintenance includes annual fees as well as separate support and maintenance contracts. For both, revenue is recognised over time on a straight-line basis over the period of the contract, which is typically 12 months. Customers that have purchased an initial licence pay obligatory annual fees each year. Annual fees consist of the continuing right to use, and support and maintenance, which includes core product upgrades and enhancements, and remote support services. Users must continue to pay annual fees in order to maintain the right to use the software. Customers that have purchased a perpetual licence have the option to pay for support and maintenance.

Services consist primarily of consultancy, implementation services and training. Revenue from these services is recognised as the services are performed by reference to the costs incurred as a proportion of the total estimated costs of the service project.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff expenses

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

Other financial income

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

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/loss 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, whereas the tax attributable to equity transactions is recognised directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

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

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

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:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

The fixed assets' residual values are determined at nil.

Impairment of fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation/amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount.

The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Contract assets and liabilities

A contract asset is recognised when revenue recognised in respect of a customer contract exceeds amounts received or receivable from the customer. This situation arises when the software licence performance obligation, from a multi-year rental contract, has been delivered to a customer and the revenue recognised at a point in time and invoicing is conditional on further performance. Also, from the recognition of revenue from service projects on a percentage of completion basis that is greater than amounts invoiced to the customer and invoicing is conditional on further performance. When the invoices are raised the contract asset values are reclassified to trade receivables.

Contract liabilities comprise the obligation to transfer goods or services to a customer for which the Company has received payment from the customer in advance of revenue recognition. This situation arises when the customer is invoiced in advance of the transfer and recognition of maintenance and subscriptions. Also, when the revenue recognised from services projects on a percentage of completion basis is lower than the amounts invoiced to the customer.

Other investments

Equity investments that are not classified as group enterprises or associates and which are not traded in an active market are measured in the balance sheet at cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases 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 tax rates that will be effective under the legislation 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 or in equity if the deferred tax relates to items recognised in equity.

Prepayments

Prepayments comprise prepaid expenses concerning subsequent financial years.

Dividend

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

Cash

Cash comprises cash in hand and bank deposits.

Operating 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.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Current tax receivables and liabilities

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability. Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.