

Aveva Denmark A/S

Indkildevej 6D D
9210 Aalborg SØ
CVR No. 13611130

Penneo dokumentnøgle: VGV0Z-2IUMV-NVES4-BZ3G4-COALN-EXQSE

Annual report 2022

The Annual General Meeting adopted the annual report on 05.07.2023

DocuSigned by:

Peter Coveney

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Peter James Hilbre Coveney
Chairman of the General Meeting

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Entity details

Entity

Aveva Denmark A/S

Indkildevej 6D D

9210 Aalborg SØ

Business Registration No.: 13611130

Registered office: Aalborg SØ

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Peter James Hilbre Coveney, Chairman

Thibaut Germain E. Cousin

Dennis Graugaard Andersen

Augustin L. M. B. Laurent-Bellue

Managing director

Dennis Graugaard Andersen

Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Skelagervej 1A

9000 Aalborg

CVR No.: 33771231

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 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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, 05.07.2023

Executive Board

DocuSigned by:

Dennis Andersen

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Dennis Graugaard Andersen

Board of Directors

DocuSigned by:

Peter Coveney

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Peter James Hilbre Coveney

Chairman

DocuSigned by:

Dennis Andersen

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Dennis Graugaard Andersen

DocuSigned by:

Thibaut Cousin

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Thibaut Germain E. Cousin

DocuSigned by:

Augustin Laurent-Bellue

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Augustin L. M. B. Laurent-Bellue

Independent auditor's report

To the shareholders of Aveva Denmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Aveva Denmark A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

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

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 about 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 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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 commentary

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Aalborg, 05.07.2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33771231

Line Borregaard
State Authorised Public Accountant
Identification No (MNE) mne34353

Management commentary

Primary activities

AVEVA Denmark is a subsidiary of AVEVA Solutions Limited (ASL) in the United Kingdom and ASL is a subsidiary of AVEVA Group Limited. In January 2023, the takeover of AVEVA Group Limited by Schneider Electric SE was completed for the remainder of the issued share capital of the Company. Schneider Electric SE is listed in Paris, France.

Former CEO of AVEVA, Peter Herwick have moved into the position of CEO for Schneider Electric and former CRO of AVEVA Caspar Herzberg have moved into the role of CEO for AVEVA.

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

Focus is mainly on development, support, and implementation of the ERP System for shipyards and Engineering, Procurement, Construction Companies.

Also, the company is the legal entity for invoicing to Danish customers in relation to other AVEVA software solutions not related to the business area of AVEVA Enterprise Resource Management.

Development in activities and finances

The income statement of the Company for 2022 shows a profit of DKK 1.236.764 and on 31 December 2022 the balance sheet of the Company shows equity of DKK 16.873.420.

The operation model of AVEVA Denmark is now back to the situation as pre Covid. There have been no measures to reduce staff and employees are now back working from the office. This with the flexibility of working from home when required. Same as the flexibility before the Covid situation.

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 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		43,580,329	43,834,351
Staff costs	1	(40,828,019)	(39,137,568)
Depreciation, amortisation and impairment losses	2	(512,430)	(498,796)
Operating profit/loss		2,239,880	4,197,987
Other financial income		283,737	0
Other financial expenses	3	(145,701)	(126,908)
Profit/loss before tax		2,377,916	4,071,079
Tax on profit/loss for the year	4	(1,141,152)	(656,251)
Profit/loss for the year		1,236,764	3,414,828
Proposed distribution of profit and loss			
Retained earnings		1,236,764	3,414,828
Proposed distribution of profit and loss		1,236,764	3,414,828

Balance sheet at 31.12.2022

Assets

	2022 DKK	2021 DKK
Other fixtures and fittings, tools and equipment	920,200	1,188,977
Leasehold improvements	173,661	227,946
Property, plant and equipment	1,093,861	1,416,923
Other investments	0	46,601
Contract assets	1,748,454	1,390,096
Financial assets	1,748,454	1,436,697
Fixed assets	2,842,315	2,853,620
Trade receivables	3,058,892	1,935,477
Contract assets	2,323,950	4,498,304
Receivables from group enterprises	16,944,760	22,276,584
Deferred tax	63,775	677,205
Other receivables	389,609	390,254
Prepayments	543,172	374,322
Receivables	23,324,158	30,152,146
Cash	2,279,984	2,123,808
Current assets	25,604,142	32,275,954
Assets	28,446,457	35,129,574

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		790,525	790,525
Retained earnings		16,082,895	14,846,131
Equity		16,873,420	15,636,656
Other payables		3,345,677	3,240,575
Non-current liabilities other than provisions	5	3,345,677	3,240,575
Contractual obligations		1,443,391	0
Trade payables		958,510	660,508
Payables to group enterprises		0	6,368,592
Income tax payable		1,353,240	1,125,518
Other payables		4,434,172	7,697,450
Deferred income		38,047	400,275
Current liabilities other than provisions		8,227,360	16,252,343
Liabilities other than provisions		11,573,037	19,492,918
Equity and liabilities		28,446,457	35,129,574
Unrecognised rental and lease commitments	6		
Related parties with controlling interest	7		
Group relations	8		

Statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	790,525	14,846,131	15,636,656
Profit/loss for the year	0	1,236,764	1,236,764
Equity end of year	790,525	16,082,895	16,873,420

Notes

1 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	36,795,657	35,596,886
Pension costs	2,859,109	2,990,650
Other social security costs	297,758	285,645
Other staff costs	875,495	264,387
	40,828,019	39,137,568
Average number of full-time employees	42	41

2 Depreciation, amortisation and impairment losses

	2022	2021
	DKK	DKK
Depreciation of property, plant and equipment	512,430	498,796
	512,430	498,796

3 Other financial expenses

	2022	2021
	DKK	DKK
Financial expenses from group enterprises	27,142	32,738
Other interest expenses	12,739	17,674
Exchange rate adjustments	0	11,251
Other financial expenses	105,820	65,245
	145,701	126,908

4 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Current tax	527,722	1,250,518
Change in deferred tax	1,529	(17,634)
Adjustment concerning previous years	611,901	(576,633)
	1,141,152	656,251

5 Non-current liabilities other than provisions

	Due after more than 12 months 2022 DKK	Outstanding after 5 years 2022 DKK
Other payables	3,345,677	'0
	3,345,677	0

6 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Liabilities under rental or lease agreements until maturity in total	2,895,713	3,651,677

Rental and lease obligations comprise a total of DKK 2.896 thousand, where the company has entered into a new non-cancellable rental contract until 31 July 2026. Furthermore, the obligation includes operational leasing contracts total of DKK 113 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 Denmark 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.

7 Related parties with controlling interest

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

8 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest and 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.

The accounting policies applied to these financial statements are consistent with those applied last year.

The Financial Statements for 2022 are presented in DKK.

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 onpremise 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.

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

Financial expenses

Financial 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:

	Useful life
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

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.

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.

Contract liabilities

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 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.

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Line Borregaard

Statsautoriseret revisor

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