

SCADA International A/S

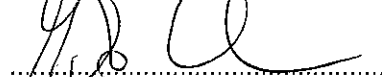
A.C. Illums Vej 4A, 8600 Silkeborg

CVR no. 29 52 64 43

Annual report 2022

Approved at the Company's annual general meeting on 3 April 2023

Chair of the meeting:



Mats Åke Lundgren

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of SCADA International A/S for the financial year 1 January - 31 December 2022.

The annual report is 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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Silkeborg, 3 April 2023

Executive Board:

Thomas Vanting Bagger

Allan Baadsgaard Mønsted

Board of Directors:

Mats Åke Lundgren
Chair

Thomas Vanting Bagger

Allan Baadsgaard Mønsted

Alfonso Luis Caro Vazquez

Ian Martin Lloyd Jones

Independent auditor's report

To the shareholders of SCADA International A/S

Opinion

We have audited the financial statements of SCADA International 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 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 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.

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 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 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 the 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:

- 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.

Independent auditor's report

- 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.

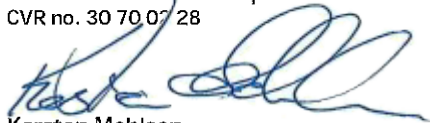
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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 Statement Act. We did not identify any material misstatement of the Management's review.

Herning, 3 April 2023
EY Godkendte Revisionspartnerselskab
CVR no. 30 70 07 28



Karsten Mehlsen
State Authorised Public Accountant
mne18473

Management's review

Company details

Name	SCADA International A/S
Address, Postal code, City	A.C. Illums Vej 4A, 8600 Silkeborg
CVR no.	29 52 64 43
Established	3 May 2006
Registered office	Silkeborg Kommune
Financial year	1 January - 31 December
Website	www.scada-international.com
E-mail	scada@scada-international.com
Telephone	+45 96 41 92 00
Board of Directors	Mats Åke Lundgren, Chair Thomas Vanting Bagger Allan Baadsgaard Mønsted Alfonso Luis Caro Vazquez Ian Martin Lloyd Jones
Executive Board	Thomas Vanting Bagger Allan Baadsgaard Mønsted
Auditors	EY Godkendt Revisionspartnerselskab Dalgasgade 27, 3. sal, 7400 Herning, Denmark

Management's review

Financial highlights

DKK'000	2022	2021	2020	2019	2018
Key figures					
Gross profit	52,736	45,874	35,648	45,291	42,740
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	17,469	14,385	4,641	11,699	11,783
Operating profit/loss	10,509	7,904	-691	7,888	9,708
Net financials	-4,229	-1,014	-753	-1,412	-227
Profit for the year	4,893	5,324	-1,133	5,019	7,385
Total assets					
Equity	29,820	25,630	20,306	21,439	16,420
Investment in intangible assets					
Investment in PP&E	1,037	513	508	237	3,732
Financial ratios					
Return on assets	8.9%	10.2%	-1.0%	9.2%	13.6%
Current ratio	110.4%	116.0%	107.5%	113.5%	106.4%
Equity ratio	20.4%	28.9%	30.4%	28.0%	17.5%
Return on equity	17.6%	23.2%	-5.4%	26.5%	58.0%
Average number of full-time employees					
	47	43	43	46	44

The financial ratios stated under "Financial highlights" have been calculated as follows:

Ordinary operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

Management's review

Business review

The company's activities are international and span the full value chain for SCADA (Supervisory control and data acquisition) for renewable energy companies, i.e. Hardware Solutions, Software Solutions, Installation and Commissioning, Consulting and Value Adding Services. The company is part of a group, which is present in Germany, Great Britain, Poland, USA, Spain and Denmark.

Financial review

The company's activities have had a significant growth during the year, especially within Hardware and Software Solutions. The order intake for both Hardware and Software Solutions has showed a significant increase compared to previous year. The result for the year has been positive affected by the high level of activity and general efficiency improvements. Overall, the result for the year is above budget and management consider it satisfactory.

Financial risks and use of financial instruments

The group is affected by currency developments especially in USD. The company hedge when making large purchases in USD. The company does not do any currency speculation. The general renewable energy investment climate has a significant impact on the company's activities.

Impact on the external environment

The SCADA group is constantly striving to reduce the environmental impact resulting from operations of the group and is certified in accordance with ISO 45001.

Research and development activities

New functionalities and added value in the OneView software suite has during 2022 been added to improve business opportunities, customer satisfaction and to fit new customer segments. Development of software for Balancing Power Responsible Traders has progressed as planned.

Outlook

The Outlook for 2023 is continued growth in both the Hardware business and especially in the Software business. All in all, 2023 gross profit is expected to grow 15-25% compared to 2022. EBITDA follows due to economies of scale, more efficient ways of working and growth in the software revenue.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2022	2021
	Gross profit	52,736	45,874
3	Staff costs	-35,267	-31,489
	Amortisation/depreciation and impairment of fixed assets	-6,960	-6,481
	Profit before net financials	10,509	7,904
4	Financial income	202	8
5	Financial expenses	-4,431	-1,022
	Profit before tax	6,280	6,890
6	Tax for the year	-1,387	-1,566
	Profit for the year	4,893	5,324

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	ASSETS		
	Fixed assets		
7	Intangible assets		
	Completed development projects	17,283	17,070
	Development projects in progress and prepayments for intangible assets	5,331	1,662
		<u>22,614</u>	<u>18,732</u>
8	Property, plant and equipment		
	Land and buildings	2,756	3,487
	Other fixtures and fittings, tools and equipment	1,627	891
		<u>4,383</u>	<u>4,378</u>
	Total fixed assets	<u>26,997</u>	<u>23,110</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	33,841	12,615
		<u>33,841</u>	<u>12,615</u>
	Receivables		
	Trade receivables	33,947	25,732
9	Work in progress for third parties	39,081	21,205
	Receivables from group entities	11,604	5,152
	Joint taxation contribution receivable	0	50
	Other receivables	246	246
	Deferred income	610	455
		<u>85,488</u>	<u>52,840</u>
	Cash	15	15
	Total non-fixed assets	<u>119,344</u>	<u>65,470</u>
	TOTAL ASSETS	<u><u>146,341</u></u>	<u><u>88,580</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	EQUITY AND LIABILITIES		
	Equity		
10	Share capital	500	500
	Reserve for hedging	-703	0
	Reserve for development costs	17,639	14,611
	Retained earnings	12,384	10,519
	Total equity	29,820	25,630
	Provisions		
11	Deferred tax	7,697	6,508
	Total provisions	7,697	6,508
	Liabilities other than provisions		
12	Non-current liabilities other than provisions		
	Lease liabilities	726	0
		726	0
	Current liabilities other than provisions		
	Bank debt	25,717	21,773
	Lease liabilities	265	605
9	Prepayments on work in progress	5,244	5,049
	Trade payables	49,235	10,183
	Payables to group entities	20,603	12,013
	Other payables	6,068	5,877
	Deferred income	966	942
		108,098	56,442
	Total liabilities other than provisions	108,824	56,442
	TOTAL EQUITY AND LIABILITIES	146,341	88,580

- 1 Accounting policies
- 2 Events after the balance sheet date
- 14 Contractual obligations and contingencies, etc.
- 15 Collateral
- 16 Related parties
- 17 Appropriation of profit

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Reserve for hedging	Reserve for development costs	Retained earnings	Total
		500	0	13,549	6,257	20,306
17	Equity at 1 January 2021	0	0	1,062	4,262	5,324
	Transfer, see "Appropriation of profit"					
	Equity at 1 January 2022	500	0	14,611	10,519	25,630
17	Transfer, see "Appropriation of profit"	0	0	3,028	1,865	4,893
	Fair value adjustment of derivative financial instruments	0	-901	0	0	-901
	Tax on items recognised directly in equity	0	198	0	0	198
	Equity at 31 December 2022	500	-703	17,639	12,384	29,820

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of SCADA International A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised as separate items in the balance sheet and in the hedging reserve under equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Income statement

Revenue

The Company has chosen IAS 11 as interpretation for recognition of revenue. Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Gross profit

The items revenue, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

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

Amortisation/depreciation

The item comprises depreciation of property, plant and equipment as well as intangible assets.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Finished development projects	5 years
Buildings	6-25 years
Other fixtures and fittings, tools and equipment	3-5 years

Land is not depreciated.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

The Company has chosen IAS 17 as interpretation for recognition and measurement of leases. On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Payments under operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total obligation relating to operating leases and rental agreements is disclosed in contingent liabilities, etc.

Impairment of fixed assets

The carrying amount of non-current assets is subject to an annual test for indications of impairment other than the decrease in value reflected by amortisation or depreciation.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Work in progress for third parties

Work in progress (customised orders) are measured at the selling price of the work performed, less any payments received on account of the customer and expected losses. The orders are characterized by the fact that the orders contain high levels of individualization of the design.

The selling price is measured by reference to the stage of completion at the balance sheet date and total expected income from the contract. The stage of completion is determined on the basis of an estimate of the work, usually calculated as the ratio between the costs incurred and total estimated costs of the order or hours worked and the total estimated hours worked for that order.

When it is probable that the total costs for an order will exceed total revenue, the expected loss on the order is immediately recognised as an expense and provision.

When the selling price of an individual order cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Net assets are determined as the sum of orders where the selling price of the work performed exceeds progress billings. Net liabilities are determined as the sum of orders where the progress billings exceed the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement when incurred.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash

Cash comprise petty cash at hand and bankdeposits.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The reserve does not represent a limitation under company law and may therefore be negative.

Liabilities

The company has chosen IAS 39 as interpretation for recognition and measurement of financial liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Fair value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

2 Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

DKK'000	2022	2021
3 Staff costs		
Wages/salaries	32,366	28,789
Pensions	2,481	2,373
Other social security costs	420	327
	<u>35,267</u>	<u>31,489</u>
Average number of full-time employees	<u>47</u>	<u>43</u>

Remuneration to executive board totals tDKK 2.980 (2021: tDKK 3.375) and to board of directors tDKK 430 (2021: tDKK 425).

DKK'000	2022	2021
4 Financial income		
Interest receivable, group entities	202	149
Other financial income	0	-141
	<u>202</u>	<u>8</u>
5 Financial expenses		
Interest expenses, group entities	308	218
Other financial expenses	4,123	804
	<u>4,431</u>	<u>1,022</u>

Financial statements 1 January - 31 December

Notes to the financial statements

6	Tax for the year		
	Deferred tax adjustments in the year	1,387	1,571
	Tax adjustments, prior years	0	45
	Refund in joint taxation	0	-50
		<u>1,387</u>	<u>1,566</u>
	DKK'000	2022	2021
	Specified as follows:		
	Tax for the year	1,387	1,566
	Tax on items recognised directly in equity	-198	0
		<u>1,189</u>	<u>1,566</u>

7	Intangible assets			
		Completed development projects	Development projects in progress and prepayments for intangible assets	Total
	DKK'000			
	Cost at 1 January 2022	29,964	1,662	31,626
	Additions in the year	5,048	4,762	9,810
	Transfer from other accounts	1,093	-1,093	0
	Cost at 31 December 2022	<u>36,105</u>	<u>5,331</u>	<u>41,436</u>
	Impairment losses and amortisation at 1 January 2022	12,894	0	12,894
	Amortisation/depreciation in the year	5,928	0	5,928
	Impairment losses and amortisation at 31 December 2022	<u>18,822</u>	<u>0</u>	<u>18,822</u>
	Carrying amount at 31 December 2022	<u>17,283</u>	<u>5,331</u>	<u>22,614</u>
	Amortised over	<u>5 years</u>		

Completed development projects

Completed development projects include new features to the software solution to fit a broader customer base. Revenue and order intake has increased throughout the year and is expected to continue to grow. Based on this management has no indication that write-offs should be needed.

Financial statements 1 January - 31 December

Notes to the financial statements

8 Property, plant and equipment

DKK'000	Land and buildings	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2022	7,495	4,342	11,837
Additions in the year	0	1,037	1,037
Cost at 31 December 2022	7,495	5,379	12,874
Impairment losses and depreciation at 1 January 2022	4,008	3,451	7,459
Amortisation/depreciation in the year	731	301	1,032
Impairment losses and depreciation at 31 December 2022	4,739	3,752	8,491
Carrying amount at 31 December 2022	2,756	1,627	4,383
Property, plant and equipment include finance leases with a carrying amount totalling	0	1,273	1,273
Depreciated over	6-25 years	3-5 years	

DKK'000	2022	2021
9 Work in progress for third parties		
Selling price of work performed	117,998	65,069
Progress billings	-84,161	-48,913
	33,837	16,156
recognised as follows:		
Work in progress for third parties (assets)	39,081	21,205
Work in progress for third parties (liabilities)	-5,244	-5,049
	33,837	16,156

10 Share capital

Analysis of the share capital:

50,000 shares of DKK 10.00 nominal value each	500	500
	500	500

11 Deferred tax

Deferred tax at 1 January	6,508	4,892
Tax on items recognised directly in equity	-198	0
Other deferred tax	1,387	1,616
Deferred tax at 31 December	7,697	6,508

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12 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Lease liabilities	726	0	726	0
	726	0	726	0

13 Derivative financial instruments and disclosure of fair values

Fair value disclosures

The Company has the following assets and liabilities measured at fair value:

DKK'000	Derivative financial instruments (Liability)
Fair value at year end	901
Changes recognised in the hedging reserve	901
Fair value level	2

The company has forward contracts to buy USD 2.061 thousand in 2023. At 31. December 2022 the fair value of the forward contracts amounts to a unrealized loss of DKK 901 thousand at 31. December 2022.

The fair value of forward contracts is recognized as other liabilities. (short term)

14 Contractual obligations and contingencies, etc.

Contingent liabilities

The company is jointly taxed with the Danish subsidiaries. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties.

The net-liability for the jointly taxed companies appears in the annual report for SCADA Holding A/S, CVR-no. 32 26 30 62.

Later adjustments of the joint taxation income and tax deducted at source might lead to a larger liability for the company.

Other financial obligations

Rent and lease liabilities include a rent obligation totalling DKK 1.070 thousand in interminable rent agreements with remaining contract terms of 3-12 months.

Furthermore, the Company has liabilities under operating leases for cars totalling DKK 650 thousand, with remaining contract terms of 14-36 months.

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15 Collateral

The company has provided guarantees and provided collateral in land and buildings nom. DKK 4.500 thousand for all balances between bank and the company, as well as the group-related company, SCADA International Deutschland GmbH, to their bank. SCADA International Deutschland GmbH has a bankdebt totaling DKK 0 thousand at 31 December 2022. At 31 December 2022 land and buildings has a carrying amount of DKK 2.756 thousand.

Furthermore the company has provided a company charge nom. DKK 5.200 thousand for balances between the company and bank. The company charge includes receivables, inventories, other fixtures and fittings, tools and equipment and intangible assets. At 31 December 2022 the assets have a carrying amount of DKK 92.029 thousand.

16 Related parties

SCADA International A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
SCADA Holding A/S	Silkeborg	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
SCADA Holding A/S	Silkeborg	www.cvr.dk

Related party transactions

SCADA International A/S was engaged in the below related party transactions:

DKK'000	2022	2021
Sales to group enterprises	9,772	9,599
Costs from group enterprises	-23,229	-12,138
Fees sold to group enterprises	4,445	4,046
Fees paid to group enterprises	-3,095	-5,076
Financial income received from group enterprises	202	390
Financial expenses paid to group enterprises	-308	-348
Receivables from group enterprises	11,604	5,152
Payables to group enterprises	20,602	12,013

Information about security for loans relating to group entities

Information about security for loans relating to group entities appears from 15, "Collateral".

DKK'000	2022	2021
17 Appropriation of profit		
Recommended appropriation of profit		
Reserve for development costs	3,028	1,062
Retained earnings	1,865	4,262
	4,893	5,324