SCADA Holding A/S

A.C. Illumsvej 4A, 8600 Silkeborg

CVR no. 32 26 30 62

Annual report 2021

Approved at the Company's annual general meeting on 25 February 2022

Chair of the meeting:

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Torben Bjerre-Madsen

Contents

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 Holding A/S for the financial year 1 January - 31 December 2021.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2021 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

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

Silkeborg, 25 February 2022
Executive Board:

Thomas Vanting Bagger	Allan Baadsgaard Mønsted

Board of Directors:

Torben Bjerre-Madsen Chair	Thomas Vanting Bagger	Jan Lindholt Nielsen
Søren Holm Jensen	Morten Breum Keller	

Independent auditor's report

To the shareholders of SCADA Holding A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of SCADA Holding 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, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows 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 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 consolidated financial statements and the parent Company financial statements" (herinafter collectively referred to as "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 Group in accordance with the International Ethics Standards Board for Accountants' 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 consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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:

Independent auditor's report

- 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Herning, 25 February 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Karsten Mehlsen
state Authorised Public Accountant
mne18473

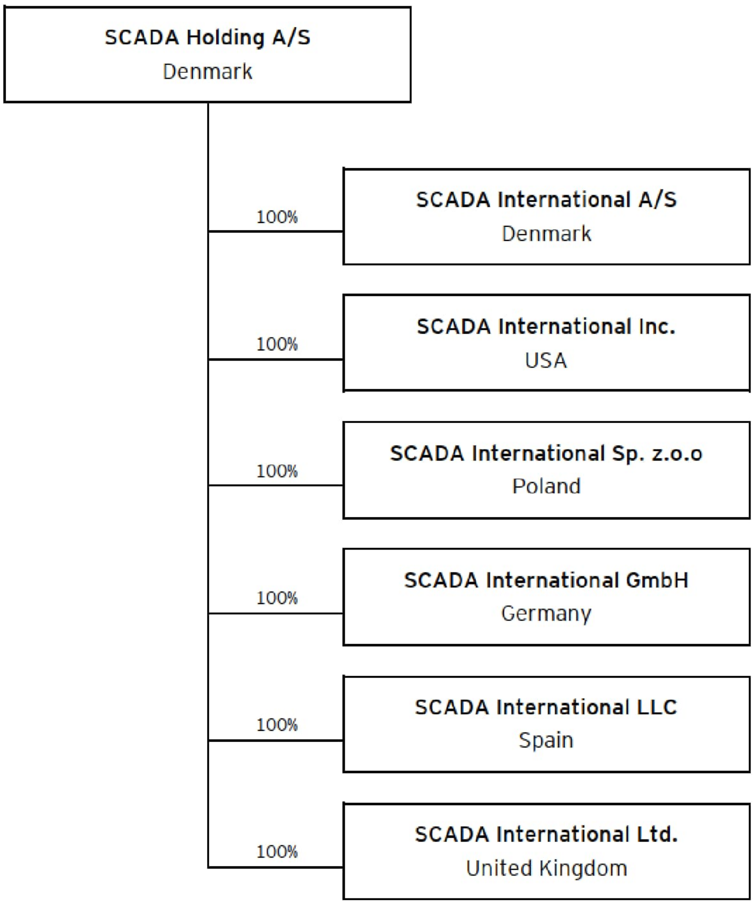
Management's review

Company details

Name	SCADA Holding A/S
Address, Postal code, City	A.C. Illumsvej 4A, 8600 Silkeborg
CVR no.	32 26 30 62
Established	16 June 2009
Registered office	Silkeborg
Financial year	1 January - 31 December
Telephone	+45 96 41 92 00
Board of Directors	Torben Bjerre-Madsen, Chair Thomas Vanting Bagger Jan Lindholt Nielsen Søren Holm Jensen Morten Breum Keller
Executive Board	Thomas Vanting Bagger Allan Baadsgaard Mønsted
Auditors	EY Godkendt Revisionspartnerselskab Dalgasgade 27, 3. sal, 7400 Herning, Denmark

Management's review

Group chart



Management's review

Financial highlights for the Group

DKK'000	2021	2020	2019	2018	2017
Key figures					
Gross profit/loss	72,221	58,946	60,426	56,782	46,797
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	19,384	10,678	10,981	11,878	3,908
Operating profit/loss	12,830	5,243	7,121	9,757	2,890
Net financials	325	-628	-1,542	-300	-2,361
Profit for the year	**10,635**	**3,340**	**4,323**	**7,292**	**43**
Fixed assets	23,206	22,220	20,097	15,501	7,878
Non-fixed assets	87,688	52,645	56,163	76,420	40,084
Total assets	**110,894**	**74,865**	**76,260**	**91,921**	**47,962**
Share capital	550	550	550	550	550
Equity	**47,800**	**34,531**	**36,077**	**31,295**	**24,230**
Provisions	6,507	4,880	5,203	1,979	0
Current liabilities other than provisions	56,587	35,454	34,980	58,647	23,732
Investering i immaterielle anlægsaktiver	7,001	7,191	8,095	5,968	3,371
Investering i materielle anlægsaktiver	540	601	360	3,776	293
Financial ratios					
Return on assets	13.8%	6.9%	8.5%	14.0%	6.4%
Current ratio	155.0%	148.5%	160.6%	130.3%	168.9%
Equity ratio	43.1%	46.1%	47.3%	34.0%	50.5%
Return on equity	25.8%	9.5%	12.8%	26.3%	0.2%
Average number of full-time employees	**75**	**74**	**72**	**69**	**67**

For terms and definitions, please see the accounting policies.

Management's review

Business review

The group'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 group is represented in Germany, Poland, USA, Great Britain, Spain and Denmark.

Financial review

The company's activity has been significant growing during the year, especially within Hardware and Software Solutions. The order intake for both Hardware and Software Solutions has showed a significant growth compared to the 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 based upon this the management assesses, that the result for the year is satisfactory.

Social responsibility

With regard to §99a of the Danish Financial Statements Act on policies regarding Social Responsibility including human rights, it should be noted that the SCADA group does not, so far, have such written policies. However, it is the declared intention in every respect and at any time to run a decent and responsible business, in compliance with all existing laws and regulations as well as the human rights.

External environment

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

Financial risks and use of financial instruments

The group is affected by currency developments. The general development in wind energy can have a significant impact on the group´s activities.

Events after the balance sheet date

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

Outlook

In 2021, the group entered into contracts which, together with long-term agreements already concluded, mean that the expectations for 2022 are on the same level as 2021.

Treasury shares

The parent company owns treasury shares totaling nominal value DKK 16,610 corresponding to 3.02%of the share capital. In 2021 shares has been sold for DKK 2,090 thousand.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

		Group		Parent company	
Note	**DKK'000**	**2021**	**2020**	**2021**	**2020**
	Bruttofortjeneste/ bruttotab	72,221	58,946	-97	-13
2	Staff costs	-52,837	-48,268	0	0
	Amortisation/depreciation and impairment of fixed assets	-6,554	-5,435	0	0
	Profit/loss before net financials	12,830	5,243	-97	-13
	Income from investments in group enterprises	0	0	10,513	3,176
3	Financial income	1,560	877	275	224
	Financial expenses	-1,235	-1,505	-54	-1
	Profit before tax	13,155	4,615	10,637	3,386
	Tax for the year	-2,520	-1,275	-2	-46
	Profit for the year	10,635	3,340	10,635	3,340

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	**DKK'000**	**2021**	**2020**	**2021**	**2020**
	ASSETS				
	Fixed assets				
4	**Intangible assets**				
	Completed development projects	17,070	12,288	0	0
	Development projects in progress and prepayments for intangible assets	1,662	5,082	0	0
		18,732	17,370	0	0
5	**Property, plant and equipment**				
	Land and buildings	3,487	4,219	0	0
	Fixtures and fittings, other plant and equipment	987	631	0	0
		4,474	4,850	0	0
6	**Investments**				
	Investments in group enterprises	0	0	41,919	30,861
		0	0	41,919	30,861
	Total fixed assets	23,206	22,220	41,919	30,861
	Non-fixed assets				
	Inventories				
	Finished goods and goods for resale	12,615	4,718	0	0
		12,615	4,718	0	0
	Receivables				
	Trade receivables	41,658	29,761	0	0
7	Work in progress for third parties	26,419	14,512	0	0
	Receivables from group enterprises	0	0	5,651	5,752
10	Deferred tax assets	697	2,078	0	0
	Corporation tax receivable	418	184	312	184
	Other receivables	246	338	0	45
	Prepayments	568	126	0	0
		70,006	46,999	5,963	5,981
	Cash	5,067	928	0	914
	Total non-fixed assets	87,688	52,645	5,963	6,895
	TOTAL ASSETS	110,894	74,865	47,882	37,756

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	**DKK'000**	**2021**	**2020**	**2021**	**2020**
	EQUITY AND LIABILITIES				
	Equity				
8	Share capital	550	550	550	550
	Net revaluation reserve according to the equity method	0	0	24,063	12,963
	Retained earnings	47,250	33,981	23,187	21,017
	Total equity	47,800	34,531	47,800	34,530
	Provisions				
10	Deferred tax	6,507	4,880	0	0
	Total provisions	6,507	4,880	0	0
	Liabilities other than provisions				
	Current liabilities other than provisions				
	Bank debt	22,378	8,976	0	0
	Lease liabilities	605	320	0	0
7	Prepayments on work in progress	6,440	3,775	0	0
	Trade payables	19,525	5,912	0	0
	Corporation tax payable	73	1,103	0	0
	Joint taxation contribution payable	0	0	50	0
	Other payables	6,624	14,500	32	3,226
	Deferred income	942	868	0	0
		56,587	35,454	82	3,226
	Total liabilities other than provisions	56,587	35,454	82	3,226
	TOTAL EQUITY AND LIABILITIES	110,894	74,865	47,882	37,756

1 Accounting policies
9 Treasury shares
11 Contractual obligations and contingencies, etc.
12 Collateral
13 Related parties
14 Appropriation of profit

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Group Share capital	Group Retained earnings	Group Total
	Equity at 1 January 2020	550	35,527	36,077
	Transfer through appropriation of profit	0	3,340	3,340
	Adjustment of investments through foreign exchange adjustments	0	-624	-624
	Other value adjustments of equity	0	208	208
	Purchase of treasury shares	0	-4,700	-4,700
	Sale of treasury shares	0	230	230
	Equity at 1 January 2021	550	33,981	34,531
	Transfer through appropriation of profit	0	10,634	10,634
	Adjustment of investments through foreign exchange adjustments	0	545	545
	Sale of treasury shares	0	2,090	2,090
	Equity at 31 December 2021	550	47,250	47,800

Note	DKK'000	Parent company Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
	Equity at 1 January 2020	550	17,286	18,240	36,076
14	Transfer, see "Appropriation of profit"	0	-3,907	7,247	3,340
	Adjustment of investments through foreign exchange adjustments	0	-624	0	-624
	Other value adjustments of equity	0	208	0	208
	Purchase of treasury shares	0	0	-4,700	-4,700
	Sale of treasury shares	0	0	230	230
	Equity at 1 January 2021	550	12,963	21,017	34,530
14	Transfer, see "Appropriation of profit"	0	10,555	80	10,635
	Adjustment of investments through foreign exchange adjustments	0	545	0	545
	Sale of treasury shares	0	0	2,090	2,090
	Equity at 31 December 2021	550	24,063	23,187	47,800

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

		Group	
Note	**DKK'000**	**2021**	**2020**
	Profit for the year	10,635	3,340
15	Adjustments	9,074	6,710
	Cash generated from operations (operating activities)	19,709	10,050
16	Changes in working capital	-23,293	9,188
	Cash generated from operations (operating activities)	-3,584	19,238
	Income taxes paid	-594	-322
	Corporation taxes refund	0	879
	Cash flows from operating activities	-4,178	19,795
	Additions of intangible assets	-7,001	-7,191
	Additions of property, plant and equipment	-540	-601
	Disposals of property, plant and equipment	0	238
	Cash flows to investing activities	-7,541	-7,554
	Proceeds of debt, finance leases	900	508
	Repayments, finance leases	-615	-388
	Acquisition of treasury shares	0	-4,700
	Sale of treasury shares	2,090	230
	Cash flows from financing activities	2,375	-4,350
	Net cash flow	-9,344	7,891
	Cash and cash equivalents at 1 January	-8,048	-15,672
	Foreign exchange adjustments	81	-267
17	**Cash and cash equivalents at 31 December**	-17,311	-8,048

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of SCADA Holding A/S for 2021 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.

Reporting currency

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

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

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.

Foreign group entities

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Foreign exchange adjustments of balances with separate foreign subsidiaries, which are considered part of the aggregate investment in the subsidiary, are taken directly to equity, and foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are recognised directly in equity.

Income statement

Revenue

Revenue is recognised in the income statement provided that the delivery and transfer of risk have taken place by the end of the year and that the income can be reliably measured and is expected to be received. Revenue is recognised ex. VAT and taxes charges on behalf of third parties. Any given discounts are recognised in 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.

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/loss

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.

Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains and losses on the sale of fixed assets.

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.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

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:

Completed development projects	5 years
Buildings	6-25 years
Fixtures and fittings, other plant and equipment	3-5 years

Land is not depreciated.

Profit from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

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 Company and its Danish group entities are jointly taxed. 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.

Consolidated financial statements and parent 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 areidentifiable 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. The amortisation period is usually 5 years.

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.

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

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.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Investments in subsidiaries

On initial recognition, investments in subsidiaries are measured at cost and subsequently at the proportionate share of the entities' net asset values calculated in accordance with the parent company's accounting policies minus or plus any residual value of positive or negative goodwill calculated in accordance with the purchase method of accounting. Subsidiaries with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such entities are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the entity's deficit. Net revaluations of investments in subsidiaries are transferred to the net revaluation reserve according to the equity method where the carrying amount exceeds the acquisition cost.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

Corporate acquisitions are accounted for using the purchase method according to which the acquired entity's identifiable assets and liabilities are measured at fair value at the date of acquisition. In connection with the acquisition, a provision is made for expenses related to adopted plans to restructure the acquired entity. The tax effect of revaluations made is taken into account.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

Fixed assets are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

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).

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.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

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

Cash

Cash comprise bankdeposits and petty cash at hand.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

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

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	Group 2021	Group 2020	Parent company 2021	Parent company 2020
2 Staff costs				
Wages/salaries	48,191	44,578	0	0
Pensions	2,531	2,258	0	0
Other social security costs	2,115	1,432	0	0
	52,837	48,268	0	0
Average number of full-time employees	75	74	0	0

Remuneration to executive board totals tDKK 3,375 (2020: 2,872) and to board of directors tDKK 425 (2020: 425 tDKK).

DKK'000	Group 2021	Group 2020	Parent company 2021	Parent company 2020
3 Financial income				
Interest receivable, group entities	0	0	275	223
Other financial income	1,560	877	0	1
	1,560	877	275	224

4 Intangible assets

	Group		
DKK'000	Completed development projects	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2021	19,543	5,082	24,625
Additions	0	7,001	7,001
Cost at 31 December 2021	19,543	12,083	31,626
Impairment losses and amortisation at 1 January 2021	7,255	0	7,255
Amortisation for the year	5,639	0	5,639
Transferred	-10,421	10,421	0
Impairment losses and amortisation at 31 December 2021	2,473	10,421	12,894
Carrying amount at 31 December 2021	17,070	1,662	18,732
Amortised over	5 years		

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

5 Property, plant and equipment

DKK'000	Group Land and buildings	Group Fixtures and fittings, other plant and equipment	Group Total
Cost at 1 January 2021	7,495	4,475	11,970
Additions	0	540	540
Cost at 31 December 2021	7,495	5,015	12,510
Impairment losses and depreciation at 1 January 2021	3,276	3,844	7,120
Depreciation	732	184	916
Impairment losses and depreciation at 31 December 2021	4,008	4,028	8,036
Carrying amount at 31 December 2021	3,487	987	4,474
Property, plant and equipment include finance leases with a carrying amount totalling	0	468	468
Depreciated over	6-25 years	3-5 years	

6 Investments

DKK'000	Parent company Investments in group enterprises
Cost at 1 January 2021	17,898
Disposals	-42
Cost at 31 December 2021	17,856
Value adjustments at 1 January 2021	12,963
Foreign exchange adjustments	545
Profit/loss for the year	10,643
Reveral of revaluations of assets disposed	-88
Value adjustments at 31 December 2021	24,063
Carrying amount at 31 December 2021	41,919

Parent company

Name	Legal form	Domicile	Interest
Subsidiaries			
SCADA International	A/S	Silkeborg	100.00%
SCADA International	Inc.	USA	100.00%
SCADA International Deutschland	GmbH	Tyskland	100.00%
SCADA International	Sp. Z.o.o	Polen	100.00%
SCADA International MED	SL	Spanien	100.00%
SCADA International Business	Ltd.	UK	100.00%

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

		Group		Parent company	
	DKK'000	2021	2020	2021	2020
7	**Work in progress for third parties**				
	Selling price of work performed	83,848	47,393	0	0
	Progress billings	-63,869	-36,656	0	0
		19,979	10,737	0	0
	recognised as follows:				
	Work in progress for third parties (assets)	26,419	14,512	0	0
	Work in progress for third parties (liabilities)	-6,440	-3,775	0	0
		19,979	10,737	0	0

		Parent company	
	DKK'000	2021	2020
8	**Share capital**		
	Analysis of the share capital:		
	55,000 shares of DKK 10.00 nominal value each	550	550
		550	550

9 **Treasury shares**

Parent company

Treasury shares

The parent company owns tresury shares totaling nominal value DKK 16,610 thousand corresponding to 3.02%of the share capital.

In 2021 shares has been sold for DKK 2,090 thousand.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

	Group		Parent company	
DKK'000	**2021**	**2020**	**2021**	**2020**
10 Deferred tax				
Deferred tax at 1 January	2,802	2,912	0	0
Recognized in the income statement	3,008	-110	0	0
Deferred tax at 31 December	5,810	2,802	0	0
Analysis of the deferred tax				
Deferred tax assets	-697	-2,078	0	0
Deferred tax liabililties	6,507	4,880	0	0
	5,810	2,802	0	0

11 Contractual obligations and contingencies, etc.

Other financial obligations

Group

Rent and lease liabilities include a rent obligation totalling DKK 1.545 thousand in interminable rent agreements with remaining contract terms of 3-18 months.

Furthermore, the Company has liabilities under operating leases for cars totalling DKK 503 thousand, with remaining contract terms of 1-30 months.

Parent company

The company has issued debt relief regarding the subsidiaries SCADA International A/S and SCADA International Deutschland GmbH´s debt to credit institutions. The debt collectively sums up to DKK 510 thousand as of 31 December 2021.

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 taxated companies is DKK 0 thousand at 31 December 2021. Later adjustments of the joint taxation income and tax deducted at source might lead to a larger liability for the company.

12 Collateral

Group

The group has provided guarantees and provided collateral in land and buildings nom. DKK 4,500 thousand for balances between group companies and bank. At 31 December 2021 land and buildings has a carrying amount of DKK 4,001 thousand.

Furthermore a group 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 2021 the assets have a carrying amount of DKK 57,364 thousand.

Parent company

None

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

13 Related parties

Related party transactions

DKK'000	2021	2020
Parent Company		
Financial income from group enterprises	276	223
Receivables from group enterprises	5,651	5,752

Parent company

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5%of the votes or minimum 5%of the share capital:

Name	Domicile
SCADA Holding A/S	Silkeborg
ECSA Management ApS	København
Lindholt Invest ApS	Herning
TVB Invest ApS	Silkeborg
Albaad Holding ApS	Hørning

		Parent company	
	DKK'000	2021	2020
14	**Appropriation of profit**		
	Recommended appropriation of profit		
	Net revaluation reserve according to the equity method	10,555	-3,907
	Retained earnings	80	7,247
		10,635	3,340

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

	DKK'000	Group 2021	Group 2020
15	**Adjustments**		
	Amortisation/depreciation and impairment losses	6,554	5,435
	Tax for the year	2,520	1,275
		9,074	6,710
16	**Changes in working capital**		
	Change in inventories	-7,897	-863
	Change in receivables	-24,154	1,086
	Change in trade and other payables	8,758	8,965
		-23,293	9,188
17	**Cash and cash equivalents at year-end**		
	Cash according to the balance sheet	5,067	928
	Short-term debt to banks	-22,378	-8,976
		-17,311	-8,048

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Allan Baadsgaard Mønsted
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