

Strategic report (continued)

Review of principal risks and uncertainties (continued)

Global Economic Disruption and Declined GDPs

Because of the global Covid-19 pandemic, AVEVA must now operate in an environment where there is economic disruption and declined GDPs. This could have many impacts including significantly decreased demand for our products and services from our customers, unexpected disruptions in the industries that we serve or limited access to funding should it be necessary.

The Company and Group remain in a strong cash and financial position. Our leadership continues to review this and is prepared to take mitigating steps as and when considered necessary. Recent examples include employee pay and recruitment freezes and cuts to discretionary spending. Further, our products deliver Capex certainty and Opex reduction. They therefore deliver meaningful efficiency to our customers in periods of economic and trading disruption.

Internal Systems

AVEVA depends on its many IT systems for day-to-day operations and to meet its customers' expectations. If they fail to operate effectively and efficiently then this could result in reputational damage, negative employee engagement or poor customer experiences.

The Group has appointed an experienced Chief Information Officer (CIO) and a Chief Information Security Officer (CISO) to lead and drive AVEVA's various IT initiatives. These include our new ERP implementation project, which is designed to provide and support industry best-practice processes. This includes respective governance frameworks and support from expert external advisers and integration specialists.

Disruptive Technologies

Competitors could develop new and unforeseen technology, software or business models which threaten our value offering. If these became significantly commercially viable, they could have material impacts on our profits and prospects.

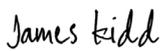
AVEVA largely mitigates this threat through its own leading innovation initiatives and remaining at the forefront of technological advances. This a core strategic strength of AVEVA. In addition, AVEVA continually scans the disruptive technology environment to ensure it is well informed and placed to respond to any material threats.

Section 172(1) statement

From the perspective of the Board, as a result of the group governance structure whereby the majority of the Company Board is embedded within the Group Board, the matters that it is responsible for considering under Section 172 (1) of the Companies Act 2006 ('s172') have been considered to an appropriate extent by the Group Board in relation both to the Group and to this entity. The Board has also considered relevant matters where appropriate. To the extent necessary for an understanding of the development, performance and position of the entity, an explanation of how the Group Board has considered the matters set out in s172 (for the Group and for the entity) is set out on page 11 of the Group's Strategic report, which does not form part of this report.

Copies of the financial statements can be obtained as set out in note 24.

The Strategic Report has been approved by the Board of Directors and signed on its behalf by

DocuSigned by:

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James Kidd
Director
15 December 2021