

**PTC**<sup>®</sup> PRODUCT & SERVICE ADVANTAGE

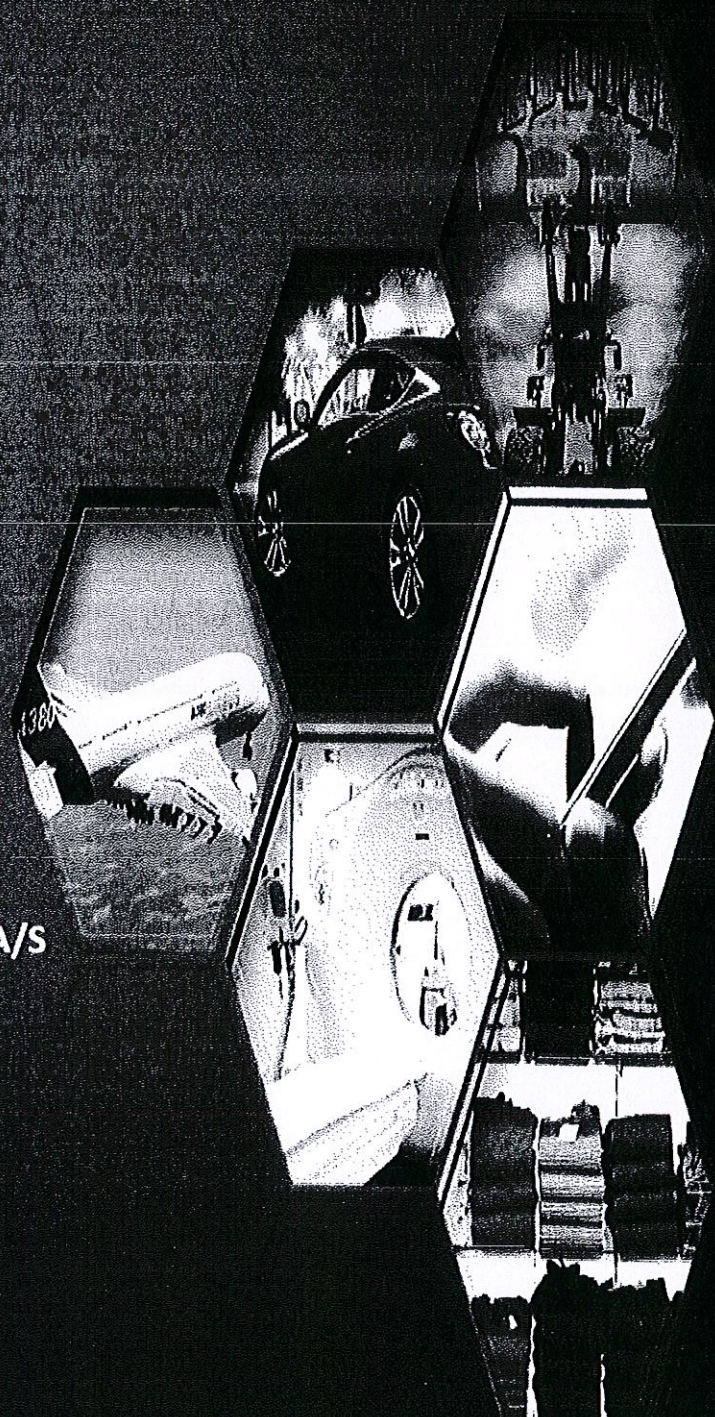
## Annual Report 2015/2016

**Parametric Technology (Denmark) A/S**

Lyngbyvej 14, ST TH

2100 KØBENHAVN Ø

CVR No.:16 99 34 33





The Annual Report has been presented and adopted at the Annual General Meeting of the Company on 30th of January, 2017

A handwritten signature in black ink, appearing to read 'Charles C W Dunn', is written over a horizontal line.

Charles C W Dunn

Dirigent/Chairman

**CONTENTS**

MANAGEMENT'S STATEMENT ON THE ANNUAL REPORT .....	5
INDEPENDENT AUDITOR'S REPORT .....	6
To the Shareholders of Parametric Technology (Denmark) A/S .....	6
Management's Responsibility for the Financial Statements.....	6
Auditor's Responsibility .....	6
Opinion .....	7
COMPANY INFORMATION .....	8
ACCOUNTING POLICIES .....	9
Basis of preparation.....	9
Recognition and measurement .....	9
Translation policies.....	9
Corporation tax and deferred tax.....	10
INCOME STATEMENT.....	11
Gross profit.....	11
Revenue .....	11
Other external expenses .....	11
Staff expenses.....	11
Amortisation, depreciation and impairment losses .....	11
Financial income and expenses .....	11
BALANCE SHEET.....	12
Depreciation .....	Error! Bookmark not defined.
Receivables .....	12
Prepayments and deferred income.....	12
Equity.....	12
Financial debts.....	12
Income Statement .....	13
Balance Sheet .....	14
Assets.....	14
Liabilities and equity.....	15
Notes to the Annual Report.....	16
Note 1 – Staff Expenses .....	16

Note 2 - Taxes .....	16
Note 3 - Depreciation .....	17
Note 4 - Equity .....	17
Note 5 - Contingent assets, liabilities and other financial obligations .....	18
Note 6 - Related parties and ownership .....	18

## MANAGEMENT'S STATEMENT ON THE ANNUAL REPORT

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Parametric Technology (Denmark) A/S for the financial year 1 October 2015 – 30 September 2016.

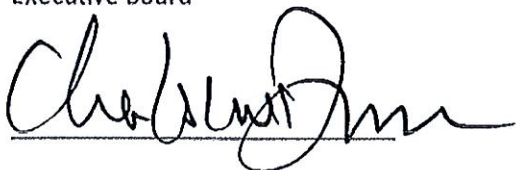
The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 30 September 2016 of the Company and of the results of the Company operations for the financial year 1 October 2015 – 30 September 2016.

We recommend that the Annual Report will be adopted at the Annual General Meeting.

Copenhagen, 30th of January, 2017

Executive Board



Charles C W Dunn

Supervisory Board



Charles C W Dunn

Petra Heck



Tobias Broda



## **INDEPENDENT AUDITOR'S REPORT**

### **To the Shareholders of Parametric Technology (Denmark) A/S**

We have audited the Financial Statements of Parametric Technology (Denmark) A/S for the financial year 1 October 2015 – 30 September 2016, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

### **Management's Responsibility 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

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

The audit has not resulted in any qualification.

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2016 and of the results of the Company operations for the financial year 1 October 2015 – 30 September 2016 in accordance with the Danish Financial Statements Act.

Copenhagen, 30th of January, 2017

Mazars

Statsautoriseret Revisionspartnerselskab

CVR-nr. 31 06 17 41



Christian Hjortshøj

State Authorised Public Accountant

## COMPANY INFORMATION

The company	Parametric Technology (Denmark) A/S Lyngbyvej 14 st.th. 2100 København Ø
CVR no.	16 99 34 33
Financial year	October 1 – September 30
Municipality of reg. office	Copenhagen
Supervisory Board	Charles C W Dunn Petra Heck Tobias Broda
Executive Board	Charles C W Dunn
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Østerfælled Torv 10, 2, 2100 Copenhagen Ø
Consolidated Financial Statements	The Annual Report for the Company is part of the consolidated financial statements of the ultimate Parent Company PTC Inc., 140 Kendrick Street, Needham MA 02494, USA. The above-mentioned consolidated financial statements can be obtained upon written request to Parametric Technology (Denmark) A/S.
Main activity	The Company carries on marketing activities in connection with its parent company's sale of software in Denmark.



## **ACCOUNTING POLICIES**

### **Basis of preparation**

The Annual Report of Parametric Technology (Denmark) A/S for 2015/2016 has been prepared in accordance with the Danish Financial Statements Act applying to companies in reporting class B.

The accounting policies applied remain unchanged from last year.

The Annual Report for 2015/2016 is presented in DKK.

### **Recognition and measurement**

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when the Company has a legal and constructive obligation as a result of a prior event, and 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.

### **Translation policies**

Transactions in foreign currencies are translated during the year at the exchange rates at the dates of transaction. Gains and losses 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.

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 transaction date rates are recognised in financial income and expenses in the income statement.

### **Corporation tax and deferred tax**

Tax for the year consists of current tax for the year and 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 entries is recognised directly in equity. Any share of the tax reported in the Income statement arising from profit/loss on extraordinary activities for the year is attributed to such activities, whereas the remaining share is attributed to profit/loss on ordinary activities for the year.

Current tax liabilities and current tax receivable are recognised in receivables in the balance sheet in the event of overpayment of tax on account, and in debt in the event of underpayment of tax on account.

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 amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, 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.



## **INCOME STATEMENT**

### **Gross profit**

Gross profit consists of net Revenue minus cost of sales and other external expenses.

### **Revenue**

Revenue consists of re-invoiced cost to the group including a mark-up. Revenue is recognized when costs are incurred or when service is delivered.

### **Other external expenses**

Other external expenses are comprised of expenses for premises, sales and distribution as well as office expenses, etc.

### **Staff expenses**

Staff expenses are comprised of salaries and wages.

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment as well as gains and losses from current replacement of fixed assets.

### **Financial income and expenses**

Financial income and expenses comprise of interest, realised and unrealised exchange adjustments, as well as extra payments and repayment under the on-account taxation scheme.

## **BALANCE SHEET**

### **Depreciation**

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

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

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

Gains and losses on current replacement of property, plant and equipment are recognised in "Depreciation, amortisation and impairment of property, plant and equipment".

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### **Receivables**

Receivables are measured at amortized cost, usually equalling nominal value less provisions for bad debt.

### **Prepayments and deferred income**

Prepayments include expenses incurred in respect of subsequent financial years. Such expenses are typically prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### **Equity**

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

### **Financial debts**

Debts are measured at amortised costs, substantially corresponding to nominal value.



## Income Statement

	<u>Note</u>	<u>2015/16</u> DKK	<u>2014/15</u> DKK
Revenue		16,482,128	15,378,997
Other external expenses		2,740,071	3,199,494
Gross profit		<u>13,742,057</u>	<u>12,179,503</u>
Staff expenses	1	13,206,405	11,640,858
Depreciation	3	40,955	38,308
Profit/(loss) before financial income and expenses		<u>494,697</u>	<u>500,337</u>
Financial income		0	20
Financial expenses		2,656	6,784
Profit/(loss) before tax		<u>492,041</u>	<u>493,573</u>
Tax on profit/(loss) for the year	2	114,775	125,135
Net profit/(loss) for the year		<u>377,266</u>	<u>368,438</u>
<b>Proposed distribution of profit</b>			
Retained earnings	4	377,266	368,438
Distributed to retained earnings		377,266	368,438

**Balance Sheet****Assets**

	<u>Note</u>	<u>2015/16</u>	<u>2014/15</u>
		DKK	DKK
Other fixtures and fittings, tools and equipment		83,059	109,753
Depreciation		<u>83,059</u>	<u>109,753</u>
Deposits		129,910	129,131
Financial Fixed Assets		<u>129,910</u>	<u>129,131</u>
Fixed Assets	3	<u>212,969</u>	<u>238,884</u>
Deferred tax asset		26,819	35,079
Receivables from group enterprises		1,976,163	2,162,547
Other receivables		29,945	25,418
Prepayments		37,894	60,507
Receivables		<u>2,070,822</u>	<u>2,283,552</u>
Cash at bank and in hand		2,935,047	3,774,348
Current assets		<u>5,005,869</u>	<u>6,057,900</u>
Total Assets		<u>5,218,838</u>	<u>6,296,784</u>



**Liabilities and equity**

	<u>Note</u>	<u>2015/16</u>	<u>2014/15</u>
		DKK	DKK
Share capital		500,000	500,000
Retained earnings		2,503,220	2,125,955
<b>Equity</b>	<b>4</b>	<b><u>3,003,220</u></b>	<b><u>2,625,955</u></b>
Corporation tax		61,708	26,875
<b>Long-term debt</b>		<b><u>61,708</u></b>	<b><u>26,875</u></b>
Trade payables		341,707	439,564
Corporation tax		14,685	87,708
Other payables		1,797,518	3,116,682
<b>Short-term debt</b>		<b><u>2,153,909</u></b>	<b><u>3,643,954</u></b>
<b>Debt</b>		<b><u>2,215,617</u></b>	<b><u>3,670,829</u></b>
<b>Liabilities and equity</b>		<b><u>5,218,838</u></b>	<b><u>6,296,784</u></b>
Contingent assets, liabilities and other financial obligations	5		
Related parties and ownership	6		

## Notes to the Annual Report

### Note 1 - Staff Expenses

	<u>2015/16</u>	<u>2014/15</u>
	DKK	DKK
Salaries	12,151,643	10,170,532
Pensions	480,867	650,708
Other Social Security expenses	39,164	65,798
Other Costs	534,731	753,820
	<u>13,206,405</u>	<u>11,640,858</u>
Average number of employees	8	10

### Note 2 - Taxes

	<u>2015/16</u>	<u>2014/15</u>
	DKK	DKK
Tax on profit/(loss) for the year		
Current tax for the year	107,708	111,875
Adjustment deferred tax	6,123	10,535
Adjustment re prior years	944	2,725
Total tax for the year	<u>114,775</u>	<u>125,135</u>

**Note 3 - Depreciation**

	Leasehold Improvements DKK	Other fixtures and fittings, tools and equipment DKK
Cost at 1 October	191,808	980,085
Additions for the year	0	14,261
Cost at 30 September	<u>191,808</u>	<u>994,346</u>
Depreciation at 1 October	191,808	870,331
Depreciation for the year	0	40,955
Impairment losses and depreciation at 30th of September	<u>191,808</u>	<u>911,286</u>
Carrying amount at 30. September	<u>0</u>	<u>83,060</u>
Depreciated over	Term of lease	3-5 years

**Note 4 - Equity****Equity**

	Share Capital DKK	Retained Earnings DKK	Dividend DKK	Total DKK
Equity at 1. October	500,000	2,125,955	0	2,625,955
Net profit/(loss) for the year	0	377,265	0	377,265
Equity at 30th of September	<u>500,000</u>	<u>2,503,219</u>	<u>0</u>	<u>3,003,219</u>

The share capital consists of 500 shares of a nominal value of DKK 1.000. No shares carry any special rights.



**Note 5 - Contingent assets, liabilities and other financial obligations****Rental agreements and leases**

The company has the option to terminate the tenancy with 6 months' notice. The present annual rent is approximately DKK 350k.

The company has taken on leasing commitments of DKK 150k which is due in 2017.

**Note 6 - Related parties and ownership****Controlling interest****Basis**

PTC Inc., Needham, MA 02494, USA

Ultimate parent company

The Company's share capital is wholly owned by Parametric Technology Europe B.V., Netherlands

Controlling shareholder

**Other related parties**

Petra Heck

Member of the Supervisory Board

Tobias Broda

Member of the Supervisory Board

Charles C.W. Dunn

Member of the Supervisory Board

**Transactions**

There have been no transactions with the Supervisory Board, the Executive Board, senior employees, significant shareholders, group enterprises or other related parties, except for the intercompany transactions and normal management remuneration.