

**PLM Group Danmark A/S**  
Langebjergvænget 4  
4000 Roskilde  
Central Business Registration No  
19241580

## **Annual report 2016**

The Annual General Meeting adopted the annual report on 28.04.2017

**Chairman of the General Meeting**



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Name: Jess Glad Frandsen

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## Entity details

### Entity

PLM Group Danmark A/S

Langebjergvænget 4

4000 Roskilde

Central Business Registration No: 19241580

Founded: 10.04.1996

Registered in: Roskilde

Financial year: 01.01.2016 - 31.12.2016

### Board of Directors

Jess Glad Frandsen, Chairman

Morten Strømsted

Allan Thorvaldsen

### Executive Board

Jan Olov Lundström, Chief Executive Officer

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postbox 1600

0900 Copenhagen

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of PLM Group Danmark A/S for the financial year 01.01.2016 - 31.12.2016.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Roskilde, 28.04.2017

### Executive Board



Jan Olov Lundström  
Chief Executive Officer

### Board of Directors



Jess Glau Frandsen  
Chairman



Morten Strømsted



Allan Thorvaldsen

## Independent auditor's report

### To the shareholder of PLM Group Danmark A/S

#### Opinion

We have audited the financial statements of PLM Group Danmark A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

## Independent auditor's report

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 28.04.2017

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556



Henrik Hjort Kjelgaard

State Authorised Public Accountant

## Management commentary

### Primary activities

PLM Group is the largest Dassault Systemes / SolidWorks value added reseller in Northern Europe serving approx. 5,000 customers from a wide range of industries.

PLM Group makes customers more competitive by implementing solutions based on PLM application software into their entire value chain. The intuitive and high torque solutions generate 3D capabilities to sell, design, manufacture, deliver and service better products, faster and more cost-effectively.

### Development in activities and finances

The result for the year is a loss of DKK 1.720k which the Management find unsatisfactory.

The company expects to grow in license sales during 2017. In addition the sale of training and consulting is also expected to grow.

### Uncertainty relating to recognition and measurement

There are no material uncertainties relating to recognition and measurement.

### Unusual circumstances affecting recognition and measurement

There are no unusual circumstances that have affected the recognition and measurement.

### Particular risks

#### Business risks

The most significant business risks are primarily related to the general financial development in the Nordic and Baltic region.

#### Financial exposure

The Company has no significant financial risks.

#### Environmental performance

As a result of the activities in the Company that primarily consist of sale of software solutions, the Company's environmental impact is limited.

#### Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.



## Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
<b>Gross profit</b>		<b>13.630.747</b>	<b>14.107</b>
Staff costs	1	(15.532.437)	(13.583)
Depreciation, amortisation and impairment losses	2	(112.832)	(115)
<b>Operating profit/loss</b>		<b>(2.014.522)</b>	<b>409</b>
Other financial income	3	324.484	173
Other financial expenses	4	(266.803)	(123)
<b>Profit/loss before tax</b>		<b>(1.956.841)</b>	<b>459</b>
Tax on profit/loss for the year	5	236.797	(108)
<b>Profit/loss for the year</b>		<b>(1.720.044)</b>	<b>351</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		(1.720.044)	351
		<b>(1.720.044)</b>	<b>351</b>

## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Completed development projects		0	49
Acquired intangible assets		0	0
Development projects in progress		496.438	427
<b>Intangible assets</b>	<b>6</b>	<b>496.438</b>	<b>476</b>
Other fixtures and fittings, tools and equipment		109.611	142
<b>Property, plant and equipment</b>	<b>7</b>	<b>109.611</b>	<b>142</b>
Deposits		425.604	521
<b>Fixed asset investments</b>	<b>8</b>	<b>425.604</b>	<b>521</b>
<b>Fixed assets</b>		<b>1.031.653</b>	<b>1.139</b>
Trade receivables		7.455.728	9.217
Receivables from group enterprises		18.834.048	9.299
Other receivables		3.654	61
Income tax receivable		280.158	0
Prepayments		333.744	446
<b>Receivables</b>		<b>26.907.332</b>	<b>19.023</b>
<b>Cash</b>		<b>15.882</b>	<b>1.653</b>
<b>Current assets</b>		<b>26.923.214</b>	<b>20.676</b>
<b>Assets</b>		<b>27.954.867</b>	<b>21.815</b>

## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Contributed capital		500.000	500
Reserve for development expenditure		69.043	0
Retained earnings		(479.224)	1.310
<b>Equity</b>		<u><b>89.819</b></u>	<u><b>1.810</b></u>
Deferred tax	9	102.062	13
<b>Provisions</b>		<u><b>102.062</b></u>	<u><b>13</b></u>
Debt to other credit institutions		3.853.982	0
Payables to group enterprises		9.833.888	4.769
<b>Non-current liabilities other than provisions</b>		<u><b>13.687.870</b></u>	<u><b>4.769</b></u>
Prepayments received from customers		0	45
Trade payables		5.735.211	6.113
Payables to group enterprises		28.316	466
Income tax payable		0	123
Other payables		5.431.491	5.790
Deferred income		2.880.098	2.686
<b>Current liabilities other than provisions</b>		<u><b>14.075.116</b></u>	<u><b>15.223</b></u>
<b>Liabilities other than provisions</b>		<u><b>27.762.986</b></u>	<u><b>19.992</b></u>
<b>Equity and liabilities</b>		<u><b>27.954.867</b></u>	<u><b>21.815</b></u>
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Group relations	12		

## Statement of changes in equity for 2016

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500.000	0	1.309.863	1.809.863
Transfer to reserves	0	69.043	(69.043)	0
Profit/loss for the year	0	0	(1.720.044)	(1.720.044)
<b>Equity end of year</b>	<b>500.000</b>	<b>69.043</b>	<b>(479.224)</b>	<b>89.819</b>

At 31 December 2016, the Company has lost more than half of its share capital. However, the share capital is expected to be reestablished by generating profits in the coming years.

## Notes

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>1. Staff costs</b>		
Wages and salaries	13.408.364	11.819
Pension costs	1.271.222	1.153
Other social security costs	222.404	226
Other staff costs	630.447	385
	<b>15.532.437</b>	<b>13.583</b>
Average number of employees	<b>38</b>	<b>34</b>
	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>2. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	44.858	49
Depreciation of property, plant and equipment	67.974	76
Profit/loss from sale of intangible assets and property, plant and equipment	0	(10)
	<b>112.832</b>	<b>115</b>
	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>3. Other financial income</b>		
Financial income arising from group enterprises	316.402	173
Interest income	8.082	0
	<b>324.484</b>	<b>173</b>
	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>4. Other financial expenses</b>		
Financial expenses from group enterprises	134.867	89
Interest expenses	111.425	5
Exchange rate adjustments	20.511	29
	<b>266.803</b>	<b>123</b>

## Notes

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>5. Tax on profit/loss for the year</b>		
Tax on current year taxable income	(280.158)	123
Change in deferred tax for the year	88.665	(15)
Adjustment concerning previous years	(45.304)	0
	<b>(236.797)</b>	<b>108</b>

	<b>Completed develop- ment projects DKK</b>	<b>Acquired intangible assets DKK</b>	<b>Develop- ment projects in progress DKK</b>
<b>6. Intangible assets</b>			
Cost beginning of year	244.680	2.250.000	427.395
Additions	0	0	69.043
<b>Cost end of year</b>	<b>244.680</b>	<b>2.250.000</b>	<b>496.438</b>
Amortisation and impairment losses beginning of year	(195.744)	(2.250.000)	0
Amortisation for the year	(48.936)	0	0
<b>Amortisation and impairment losses end of year</b>	<b>(244.680)</b>	<b>(2.250.000)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>0</b>	<b>0</b>	<b>496.438</b>

### Development projects in progress

Development projects in progress relates to development of the Company's homepage. Management expects that development projects in progress is completed during 2017.

## Notes

	<b>Other fixtures and fittings, tools and equipment DKK</b>
	<u>DKK</u>
<b>7. Property, plant and equipment</b>	
Cost beginning of year	1.434.012
Additions	31.136
<b>Cost end of year</b>	<b><u>1.465.148</u></b>
Depreciation and impairment losses beginning of the year	(1.291.641)
Depreciation for the year	(63.896)
<b>Depreciation and impairment losses end of the year</b>	<b><u>(1.355.537)</u></b>
<b>Carrying amount end of year</b>	<b><u>109.611</u></b>
	<b>Deposits</b>
	<u>DKK</u>
<b>8. Fixed asset investments</b>	
Cost beginning of year	520.625
Disposals	(95.021)
<b>Cost end of year</b>	<b><u>425.604</u></b>
<b>Carrying amount end of year</b>	<b><u>425.604</u></b>

## Notes

### 9. Deferred tax

Regulation of deferred tax	<b>2016</b>
	<b>DKK</b>
Deferred tax beginning of the year	(13.397)
Regulation of deferred tax current year	(88.665)
<b>Deferred tax at the end of the year</b>	<b>(102.062)</b>

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>10. Unrecognised rental and lease commitments</b>		
Hereof liabilities under rental or lease agreements until maturity in total	<b>8.344.305</b>	<b>13.122</b>

### 11. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which MST Finance & Consult ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is, therefore, liable from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

The company has given suretyship to PLM Group ApS for which reason PLM Group Danmark A/S and PLM Group ApS will be equally liable to the company's bankers.

### 12. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: PLM Holding ApS, Roskilde.



## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

### Income statement

#### Gross profit or loss

With reference to section 32 in the Danish Financial Statements Act, the gross profit/loss contains revenue, cost of sales and external expenses.

#### Revenue

Revenue from the sale of goods for resale is recognised in the income statement when delivery is made and the risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

## Accounting policies

### Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs and consists of the purchase of licenses from SolidWorks.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including distribution, sales advertising, administration, premises, bad debt, operational leasing contracts etc.

### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for Entity staff.

### Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

### Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and transactions in foreign currencies.

### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year.

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

### Balance sheet

#### Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

## Accounting policies

The costs of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is five years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. Development projects are written down to the lower of recoverable amount and carrying amount.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

### Property, plant and equipment

Machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5-10 years
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Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

### Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Cash

Cash comprises cash in hand and bank deposits.

## Accounting policies

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

### Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.