

PLM Group Danmark A/S

Langebjergvænget 4
4000 Roskilde
Denmark

CVR no. 19 24 15 80

Annual report 2019

The annual report was presented and approved at
the Company's annual general meeting on

22 June 2020

Jörgen Pehr Niklas Fredsson, Chairman

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PLM Group Danmark A/S
Annual report 2019
CVR no. 19 24 15 80

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of PLM Group Danmark A/S for the financial year 1 January – 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's activities for the financial year 1 January – 31 December 2019.

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

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

Roskilde, 22 June 2020
Executive Board:

Jan Olov Lundström
Chief Executive Officer

Board of Directors:

Jörgen Pehr Niklas
Fredsson
Chairman

Bengt Frederik Liljedahl

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 1 January – 31 December 2019 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for 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 rules and requirements.

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

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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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

- identify and assess the risks of material misstatement of the company 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

Independent auditor's report

- involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
 - conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 22 June 2020

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

David Olafsson
State Authorised
Public Accountant
mne19737

PLM Group Danmark A/S
Annual report 2019
CVR no. 19 24 15 80

Management's review

Company details

PLM Group Danmark A/S
Langebjergvænget 4
4000 Roskilde
Denmark

CVR no.: 19 24 15 80
Financial year: 1 January – 31 December

Board of Directors

Jörgen Pehr Niklas Fredsson, Chairman
Bengt Frederik Liljedahl
Allan Thorvaldsen

Executive Board

Jan Olov Lundström, Chief Executive Officer

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen
Denmark

Management's review

Operating review

Principal 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 torques solutions generate 3D capabilities to sell, design, manufacture, deliver and service better products, faster and more costeffectively.

Development in activities and financial position

The result for the year is a loss of DKK 917 t.kr. and is below Management expectations.

The Company expects to grow in license sales during 2020. In addition, the sale of training and consulting is also expected to grow.

Events after the balance sheet date

After the balance sheet date, the virus COVID-19 was declared a worldwide pandemic by the WHO, which

affects large parts of the world and our society. The management expects the pandemic to have a negative affect on the result for the financial year of 2020. At the moment, it is not possible to quantify the affect, as no one knows how the pandemic will affect the society on the long run. Except for COVID-19, no

significant events have occurred subsequent to the financial year-end.

Capital resources

LMT Group AB has issued a letter of support stating that financial support will be provided to PLM Group Danmark A/S at least until 31 December 2020. Management assesses that this is sufficient to cover the expected financing requirements for the coming year.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2019	2018
Gross profit		16,051,369	13,205,507
Staff costs	2	-16,812,548	-13,665,006
Depreciation, amortisation and impairment losses		-569,448	-141,888
Operating loss		-1,330,627	-601,387
Financial income	3	582,523	566,384
Financial expenses	4	-359,987	-304,961
Loss before tax		-1,108,091	-339,964
Tax on profit/loss for the year	5	191,284	194,025
Loss for the year		-916,807	-145,939
Proposed distribution of loss			
Retained earnings		-916,807	-145,939
		-916,807	-145,939

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2019	31/12 2018
ASSETS			
Fixed assets			
Intangible assets	6		
Completed development projects		<u>297,862</u>	<u>397,150</u>
Property, plant and equipment	7		
Fixtures and fittings, tools and equipment		<u>2,888,656</u>	<u>166,479</u>
Investments	8		
Deposits		<u>449,659</u>	<u>449,659</u>
Total fixed assets		<u>3,636,177</u>	<u>1,013,288</u>
Current assets			
Inventories			
Finished goods and goods for resale		<u>325,551</u>	<u>0</u>
Receivables			
Trade receivables		10,062,758	8,168,054
Receivables from group entities		4,174,687	16,164,631
Deferred tax asset		2,123	0
Corporation tax		160,292	162,573
Prepayments		<u>485,422</u>	<u>390,526</u>
		<u>14,885,282</u>	<u>24,885,784</u>
Cash at bank and in hand		<u>296,174</u>	<u>3,417,673</u>
Total current assets		<u>15,507,007</u>	<u>28,303,457</u>
TOTAL ASSETS		<u><u>19,143,184</u></u>	<u><u>29,316,745</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2019	31/12 2018
EQUITY AND LIABILITIES			
Equity			
Contributed capital		500,000	500,000
Retained earnings		1,516,777	2,433,584
Total equity		<u>2,016,777</u>	<u>2,933,584</u>
Provisions			
Provisions for deferred tax	9	0	81,436
Total provisions		<u>0</u>	<u>81,436</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Payables to group entities	10	0	11,877,316
Current liabilities other than provisions			
Banks, current liabilities		1,718,466	0
Trade payables		6,071,445	6,491,503
Payables to group entities		1,504,912	1,504,368
Other payables		4,088,743	3,236,232
Deferred income		3,742,841	3,192,306
		<u>17,126,407</u>	<u>14,424,409</u>
Total liabilities other than provisions		<u>17,126,407</u>	<u>26,301,725</u>
TOTAL EQUITY AND LIABILITIES		<u><u>19,143,184</u></u>	<u><u>29,316,745</u></u>
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		
Related party disclosures	13		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2019	500,000	2,433,584	2,933,584
Transferred over the distribution of loss	0	-916,807	-916,807
Equity at 31 December 2019	500,000	1,516,777	2,016,777

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of PLM Group Danmark A/S for 2019 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of 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 Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Company 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 Company, 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, transactions denominated in foreign currencies are translated at the exchange rates 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, payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Revenue from sales of licenses and thereto related upgrades and support 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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Other external expenses

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

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

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 and expenses

Other financial income comprises interest income, including interest income on receivables from group entities.

Other financial expenses comprise interest expenses, including interest expenses on payables to group entities 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 Company 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).

Intangible assets

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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

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 purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

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.

Prepayments

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

Cash at bank and in hand

Cash and cash equivalents comprise cash in hand and bank deposits.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Other financial liabilities

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

Income tax receivable or payable

Deferred income comprises received income related to support agreements for recognition in subsequent financial years. Deferred income is measured at cost.

Deferred income

Deferred income comprises received income related to support agreements for recognition in subsequent financial years. Deferred income is measured at cost.

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.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Financial statements 1 January – 31 December

Notes

DKK	<u>2019</u>	<u>2018</u>
2 Staff costs		
Wages and salaries	14,426,420	12,070,408
Pensions	1,308,796	1,087,642
Other social security costs	280,043	168,425
Other staff costs	<u>797,289</u>	<u>338,531</u>
	<u>16,812,548</u>	<u>13,665,006</u>
Average number of full-time employees	<u>34</u>	<u>34</u>
3 Other financial income		
Interest income from group entities	255,629	353,687
Other financial income	1,822	0
Exchange gains	<u>325,072</u>	<u>212,697</u>
	<u>582,523</u>	<u>566,384</u>
4 Financial expenses		
Interest expense to group entities	261,909	249,643
Other financial costs	11,906	4,700
Exchange losses	<u>86,172</u>	<u>50,618</u>
	<u>359,987</u>	<u>304,961</u>
5 Tax on profit/loss for the year		
Current tax for the year	-160,292	-162,573
Deferred tax for the year	-83,559	-21,324
Adjustment of tax concerning previous years	<u>52,567</u>	<u>-10,128</u>
	<u>-191,284</u>	<u>-194,025</u>

Financial statements 1 January – 31 December

Notes

6 Intangible assets

	Completed development projects
DKK	
Cost at 1 January 2019	741,118
Cost at 31 December 2019	741,118
Amortisation and impairment losses at 1 January 2019	-343,968
Amortisation for the year	-99,288
Amortisation and impairment losses at 31 December 2019	-443,256
Carrying amount at 31 December 2019	297,862

7 Property, plant and equipment

	Fixtures and fittings, tools and equipment
DKK	
Cost at 1 January 2019	1,210,110
Additions for the year	3,192,337
Cost at 31 December 2019	4,402,447
Depreciation and impairment losses at 1 January 2019	-1,043,631
Depreciation for the year	-470,160
Depreciation and impairment losses at 31 December 2019	-1,513,791
Carrying amount at 31 December 2019	2,888,656

8 Fixed assets investments

	Deposits
DKK	
Cost at 1 January 2019	449,659
Cost at 31 December 2019	449,659
Carrying amount at 31 December 2019	449,659

Financial statements 1 January – 31 December

Notes

9 Deferred tax

DKK	31/12 2019	31/12 2018
Deferred tax at 1 January	-81,436	-102,760
Adjustment of deferred tax	83,559	21,324
	<u>2,123</u>	<u>-81,436</u>

10 Non-current liabilities other than provisions

There is no long-termed debt due for payment later than 5 years after balance sheet date.

11 Unrecognised rental and lease commitments

DKK	2019	2018
Liabilities under rental or lease agreements until maturity in total	5,554,879	5,252,089

12 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where PLM Group ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

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.

13 Related party disclosures

PLM Group Danmark A/S' related parties comprise the following: PLM Group ApS, Roskilde, CVR.-no. 32650074.

Consolidated financial statements

The company is part of the consolidated financial statements of LMT Group AB, BOX 423, SE-331 24 Värnamo, Sweden.

The consolidated financial statements of, can be obtained by contact to LMT Group AB on the adress as mentioned above.

ΠΕΝΝΕΟ

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Allan Thorvaldsen

Bestyrelsesmedlem

On behalf of: PLM Group Danmark A/S

Serial number: PID:9208-2002-2-282554180486

IP: 194.62.xxx.xxx

2020-06-22 10:08:11Z



JÖRGEN FREDSSON

Bestyrelsesformand

On behalf of: PLM Group Danmark A/S

Serial number: 19730603xxxx

IP: 212.37.xxx.xxx

2020-06-22 11:08:46Z



Jan Olov Lundström

Adm. direktør

On behalf of: PLG Group Danmark A/S

Serial number: 19630212xxxx

IP: 94.234.xxx.xxx

2020-06-22 11:16:55Z



FREDRIK LILJEDAHL

Bestyrelsesmedlem

On behalf of: PLM Group Danmark A/S

Serial number: 19721202xxxx

IP: 94.255.xxx.xxx

2020-06-22 13:30:42Z



David Olafsson

Statsautoriseret revisor

On behalf of: KPMG Statsautoriseret Revisionspartnerselskab

Serial number: PID:9208-2002-2-279797654008

IP: 83.151.xxx.xxx

2020-07-03 11:12:01Z



JÖRGEN FREDSSON

Dirigent

On behalf of: PLM Group Danmark A/S

Serial number: 19730603xxxx

IP: 90.232.xxx.xxx

2020-07-07 09:16:14Z



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