

PLM Group ApS

Brogrenen 10
2635 Ishøj
Denmark

CVR no. 32 65 00 74

Annual report 2020

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

23 April 2021

Jörgen Pehr Niklas Fredsson
chairman

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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 ApS for the financial year 1 January – 31 December 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

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.

Ishøj, 23 April 2021
Executive Board:

Jan Olov Lundström
Chief Executive Officer

Board of Directors:

Jörgen Pehr Niklas
Fredsson
Chairman

Torbjörn Gösta Persson

Bengt Fredrik Liljedahl

Allan Thorvaldsen

Independent auditor's report

To the shareholder of PLM Group ApS

Opinion

We have audited the financial statements of PLM Group ApS for the financial year 1 January – 31 December 2020 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 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 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

Independent auditor's report

- 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 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.



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Independent auditor's report

Copenhagen, 23 April 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

David Olafsson
State Authorised
Public Accountant
mne19737

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Management's review

Company details

PLM Group ApS
Brogrenen 10
2635 Ishøj
Denmark

CVR no.:	32 65 00 74
Established:	8 December 2009
Registered office:	Ishøj
Financial year:	1 January – 31 December

Board of Directors

Jörgen Pehr Niklas Fredsson, Chairman
Torbjörn Gösta Persson
Bengt Fredrik 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. 6.000 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 cost-effectively.

Development in activities and financial position

During 2020 PLM Group acquired TeamWorks A/S, a SolidWorks reseller in Denmark. PLM Group 3D Printing ApS was merged with PLM Group with effective date 1.1.2020.

The Company's income statement for 2020 shows a loss of DKK -2,658 thousand as against DKK -478 thousand in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK -775 thousand as against DKK 9,580 thousand at 31 December 2019.

Uncertainty regarding measurement of investments in subsidiaries

2020 was a challenging year with COVID-19, varying markets, currencies and purchasing behavior. However, we are confident that the long term plan will ensure a satisfying development in both sales and profitability for the different subsidiaries and subsequently the PLM Group in total.

.Moreover, reference is made to note 5, in which the matter is described in further detail.

At the time of acquisition Management considered that the underlying performance especially in PLM Group Danmark A/S and PLM Group Norge AS had significant potential for topline growth and improved profitability. The base assumptions upon acquisition was to lift the revenue by 25% and 33% respectively for each of the entities over the period 2019-2022, but due to COVID-19 the growth has been delayed and the assumptions have had to be adjusted.

Based on this Management has assessed the valuation of the PLM Group Danmark A/S and PLM Group Norge AS shares. The assessment is based on a standardized DFC calculation. In the calculation a WACC of 11.4% has been applied which is considered conservative in the respective markets. Growth rate in the terminal period has been set to 2%. Based on this the valuation of the investments are still considered to be aligned with the initial plans in and the carrying value of the investments is not considered impaired.

For the other subsidiaries no detailed impairment test has been carried out considering that the underlying performance of those entities support the view that the carrying value is lower than Net realisable value.

Events after the balance sheet date

No significant events have occurred subsequent to the financial year-end. COVID-19 is still causing a lot of uncertainty in the market and the management expects the pandemic to have a negative effect on the result for the financial year of 2021. 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.

Capital resources

LMT Group AB has issued a letter of support stating that financial support will be provided to PLM Group ApS at least until 31 December 2021. 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'000	Note	2020	2019
Gross loss		<u>-477</u>	<u>-135</u>
Loss before financial income and expenses		<u>-477</u>	<u>-135</u>
Income from equity investments in group entities		218	0
Other financial income	2	75	85
Other financial expenses	3	<u>-3,227</u>	<u>-543</u>
Loss before tax		<u>-3,411</u>	<u>-593</u>
Tax on profit/loss for the year	4	<u>753</u>	<u>115</u>
Loss for the year		<u><u>-2,658</u></u>	<u><u>-478</u></u>
Proposed distribution of loss			
Retained earnings		<u><u>-2,658</u></u>	<u><u>-478</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2020	2019
ASSETS			
Fixed assets			
Investments	5		
Investments in group entities		<u>112,723</u>	<u>75,927</u>
Total fixed assets		<u>112,723</u>	<u>75,927</u>
Current assets			
Receivables			
Receivables from group entities		4,063	3,801
Other receivables		81	0
Deferred tax asset		<u>697</u>	<u>49</u>
		<u>4,841</u>	<u>3,850</u>
Total current assets		<u>4,841</u>	<u>3,850</u>
TOTAL ASSETS		<u><u>117,564</u></u>	<u><u>79,777</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2020	2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital		250	250
Retained earnings		-1,025	9,330
Total equity		-775	9,580
Liabilities			
Current liabilities			
Payables to group entities		114,108	70,197
Corporation tax		95	0
Other payables	6	4,136	0
		118,339	70,197
Total liabilities		118,339	70,197
TOTAL EQUITY AND LIABILITIES		117,564	79,777
Contingent liabilities	8		
Related party disclosures	9		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2020	250	9,330	9,580
Net effect from merger	0	-7,697	-7,697
Transferred over the profit appropriation	0	-2,658	-2,658
Equity at 31 December 2020	250	-1,025	-775

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of PLM Group ApS for 2020 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.

Omission of consolidated financial statements

Pursuant to section 110(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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, 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.

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.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Gross profit

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

Revenue

Revenue occurs from the sale of royalties and is recognised in the income statement when delivery is made and 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.

Other external costs

Other external costs include costs relating to the Company's ordinary activities, including costs for administration and audit fees, etc.

Income from investments in group entities

Income from investments in group entities comprises gains in the form of dividends on investments in group entities.

Financial income and expenses

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

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

Tax on 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).

Investments in group entities

Investments in group entities are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

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

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Income tax receivable or payable

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.

Other financial liabilities

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

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DKK'000	<u>2020</u>	<u>2019</u>
2 Financial income		
Interest income from group entities	74	85
Exchange gains	<u>1</u>	<u>0</u>
	<u>75</u>	<u>85</u>
3 Financial expenses		
Interest expense to group entities	2,199	927
Other financial costs	397	121
Exchange losses	<u>631</u>	<u>-505</u>
	<u>3,227</u>	<u>543</u>
4 Tax on loss for the year		
Current tax for the year	0	-81
Deferred tax for the year	-629	-49
Adjustment of tax concerning previous years	0	15
Adjustment of deferred tax concerning previous years	-19	0
Net effect from merger	<u>-105</u>	<u>0</u>
	<u>-753</u>	<u>-115</u>

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5 Fixed assets investments

DKK'000	Investments in group entities
Cost at 1 January 2020	75,927
Net effect from merger	-50
Additions for the year	37,626
Cost at 31 December 2020	113,503
Impairment losses for the year	-780
Revaluations 31 December 2020	-780
Carrying amount at 31 December 2020	112,723

The Company has given suretyship to the companies listed below, for which reason PLM Group ApS and these debtors will be equally liable to their bankers.

The suretyship covers the following assets:

Goodwill, trademarks, designs and name rights, vehicles, inventory and operating equipment and trade receivables in the below entities:

Name/legal form	Registered office	Voting rights and ownership interest	Equity	Profit/loss for the year
			DKK'000	DKK'000
Subsidiaries:				
PLM Group 3DX ApS	Denmark	100%	-15	-49
PLM Group Danmark A/S	Denmark	100%	7,345	2,616
PLM Group Estonia	Estonia	100%	6,713	621
PLM Group Latvia	Latvia	100%	8,451	722
PLM Group Norge	Norway	Norway	5,008	925
PLM Group Suomi	Finland	Finland	20,092	6,612
PLM Group Sverige	Sweden	Sweden	15,277	10,795
Pronor Ehf	Iceland	Iceland	-92	-123
			62,779	22,119

2020 was a challenging year with COVID-19, varying markets, currencies and purchasing behavior. However, we are confident that the long term plan will ensure a satisfying development in both sales and profitability for the different subsidiaries and subsequently the PLM Group in total.

At the time of acquisition Management considered that the underlying performance especially in PLM Group Danmark ApS and PLM Group Norge AS had significant potential for topline growth and improved profitability. The base assumptions upon acquisition was to lift the revenue by 25% and 33% respectively for each of the entities over the period 2019-2022, but due to COVID-19 the growth has been delayed and the assumptions have had to be adjusted.

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Based on this Management has assessed the valuation of the PLM Group Danmark A/S and PLM Group Norge AS shares. The assessment is based on a standardized DFC calculation. In the calculation a WACC of 11.4% has been applied which is considered conservative in the respective markets. Growth rate in the terminal period has been set to 2%. Based on this the valuation of the investments are still considered to be aligned with the initial plans in and the carrying value of the investments is not considered impaired.

For the other subsidiaries no detailed impairment test has been carried out considering that the underlying performance of those entities support the view that the carrying value is lower than Net realisable value.

6 Other payables

Other payables is mainly attributable to a 4 million vendor payable that was issued due to the acquisition of Team Works A/S. The payable is due to be repaid in full during 2021.

7 Staff costs and incentive schemes

The Company has no employees.

8 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 the companies listed below, for which reason PLM Group ApS and these debtors will be equally liable to their bankers.

- PLM Group Danmark A/S
- PLM Group 3DX ApS

9 Related party disclosures

PLM Group ApS related parties comprise the following:

Control

PLM Group ApS is part of the consolidated financial statements of LMT Group AB, BOX 423, SE-331 24 Värnamo, Sweden, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of LMT Group AB can be obtained by contacting the companies at the addresses above.