

Lectra Danmark A/S

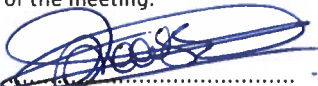
Vestergade 41, 7400 Herning

CVR no. 79 13 02 14

Annual report 2020

Approved at the Company's annual general meeting on 24 June 2021

Chair of the meeting:



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Carlo Julien Keersse



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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Lectra Danmark A/S for the financial year 1 January - 31 December 2020.

The annual report, which has not been audited, has been prepared in accordance with the provisions of the Danish Financial Statements Act. The Board of Directors and the Executive Board have considered the criteria for omission of audit to be met.

In our opinion, the financial statements give a true and fair view of the financial position of the Company 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.

Herning, 24 June 2021
Executive Board:




Carlo Julien Keersse
CEO

Board of Directors:

Jérôme Claude Sylvain
Viala
Chair

Holger Max-Lang

Olivier Duval du Chesnay



Carlo Julien Keersse

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CEO

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Executive Board:

Carlo Julien Keersse
CEO

Board of Directors:



Jérôme Claude Sylvain
Viala
Chair

Holger Max-Lang



Olivier Duval du Chesnay

Carlo Julien Keersse

Independent auditor's report on the compilation of financial statements

To the general management of Lectra Danmark A/S

We have compiled the financial statements of Lectra Danmark A/S for the financial year 1 January - 31 December 2020 based on the Company's bookkeeping and other information provided.

The financial statements comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed this compilation engagement in accordance with ISRS 4410 *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant ethical requirements in the Danish act on approved auditors and audit firms and FSR - Danish Auditors' code of ethics, including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Statements Act.

Herning, 24 June 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Karsten Mehlsen
State Authorised Public Accountant
mne18473

Management's review

Company details

Name	Lectra Danmark A/S
Address, Postal code, City	Vestergade 41, 7400 Herning
CVR no.	79 13 02 14
Established	20 September 1985
Registered office	Herning
Financial year	1 January - 31 December
Board of Directors	Jérôme Claude Sylvain Viala, Chair Holger Max-Lang Olivier Duval du Chesnay Carlo Julien Keersse
Executive Board	Carlo Julien Keersse, CEO
Accountant	EY Godkendt Revisionspartnerselskab Dalgasgade 27, 3. sal, 7400 Herning, Denmark

Management's review

Business review

The company's principal activities comprise trade in CAD/CAM solutions and related services. The Company's product range is directed at textile, clothing, padded furniture and industrial business. Due to its affiliation with the Lectra Group, no research and development takes place in Denmark.

Financial review

The income statement for 2020 shows a profit of DKK 110,250 against a profit of DKK 219,072 last year, and the balance sheet at 31 December 2020 shows equity of DKK 2,524,180.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2020	2019
	Gross profit	1,399,230	822,336
2	Staff costs	-1,244,921	-564,287
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-1,285	-1,285
	Profit before net financials	153,024	256,764
3	Financial income	0	32,001
	Financial expenses	-11,675	-7,903
	Profit before tax	141,349	280,862
4	Tax for the year	-31,099	-61,790
	Profit for the year	110,250	219,072
	Recommended appropriation of profit		
	Retained earnings	110,250	219,072
		110,250	219,072

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2020	2019
	ASSETS		
	Non-current assets		
	Intangible assets		
	Software	2,567	3,852
		<u>2,567</u>	<u>3,852</u>
	Financial assets		
	Deposits, investments	21,758	20,254
		<u>21,758</u>	<u>20,254</u>
	Total non-current assets	<u>24,325</u>	<u>24,106</u>
	Current assets		
	Inventories		
	Raw materials and consumables	8,356	2,814
		<u>8,356</u>	<u>2,814</u>
	Receivables		
	Trade receivables	75,566	230,410
	Receivables from group enterprises	3,491,050	3,017,973
	Prepayments	22,806	142,094
		<u>3,589,422</u>	<u>3,390,477</u>
	Cash	<u>489,014</u>	<u>238,894</u>
	Total current assets	<u>4,086,792</u>	<u>3,632,185</u>
	TOTAL ASSETS	<u>4,111,117</u>	<u>3,656,291</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	500,000	500,000
	Retained earnings	2,024,180	1,913,930
	Total equity	<u>2,524,180</u>	<u>2,413,930</u>
	Liabilities		
	Non-current liabilities		
	Deferred tax	5,582	21,884
	Other payables	115,755	19,994
	Total non-current liabilities	<u>121,337</u>	<u>41,878</u>
	Current liabilities		
	Trade payables	63,596	20,624
	Payables to group enterprises	223,719	0
	Corporation tax payable	47,401	0
	Other payables	521,871	542,065
	Deferred income	609,013	637,794
	Total current liabilities	<u>1,465,600</u>	<u>1,200,483</u>
		<u>1,586,937</u>	<u>1,242,361</u>
	TOTAL EQUITY AND LIABILITIES	<u>4,111,117</u>	<u>3,656,291</u>

- 1 Accounting policies
- 5 Contractual obligations and contingencies, etc.
- 6 Collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2019	500,000	1,694,858	2,194,858
Transfer through appropriation of profit	0	219,072	219,072
Equity at 1 January 2020	500,000	1,913,930	2,413,930
Transfer through appropriation of profit	0	110,250	110,250
Equity at 31 December 2020	500,000	2,024,180	2,524,180

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Lectra Danmark A/S for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

The items revenue, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of non-current assets.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation

The item comprises amortisation of intangible assets.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Software	3-5 years
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Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Financial assets

Financial assets comprise deposits and are measured at amortised cost, which corresponds to nominal value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment of non-current assets

The carrying amount of intangible assets is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

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

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2020	2019
2 Staff costs		
Wages/salaries	1,157,379	513,499
Pensions	79,049	46,525
Other social security costs	8,493	4,263
	<u>1,244,921</u>	<u>564,287</u>
Average number of full-time employees	<u>2</u>	<u>1</u>
3 Financial income		
Interest receivable, group entities	0	32,001
	<u>0</u>	<u>32,001</u>
4 Tax for the year		
Estimated tax charge for the year	47,401	0
Deferred tax adjustments in the year	-16,302	61,790
	<u>31,099</u>	<u>61,790</u>

5 Contractual obligations and contingencies, etc.

Other financial obligations

Rent commitment with a period of notice of 3 months, equivalent to DKK 6 thousand.

Operating lease obligations with a period of notice of 33-40 months, equivalent to DKK 495 thousand.

6 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2020.