Aaen & Co.
STATSAUTORISEREDE REVISORER

# CAE Development ApS

Registered Office: Bistrupvej 22, 3460 Birkerød

CVR-number 21 11 21 00

## Annual Report 2019

Financial year: 01.01.2019 – 31.12.2019

Approved at the annual general meeting of shareholders 30 April 2020

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Alain Joseph Di Crescenzo
chairman

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# Company Information

| | |
|---|---|
| The Company | CAE Development ApS<br>Bistrupvej 22<br>3460 Birkerød |
| Executive Board | Morten Vange<br>Dan Søborg |
| Supervisory board | Charles Eric Baudron<br>Robert Guy Hubertq Grezes<br>Alain Joseph Di Crescenzo<br>Morten Vange<br>Dan Søborg |
| Auditors | Aaen & Co Statsautoriserede revisorer P/S |
| Financial year | 1 January - 31 December |

# Management's Review

## The Company´s business review

The Company´s objective is to trade and development of CAD systems.

## Significant changes in the company's activities and financial affairs

There has been no significant changes in the activities and financial position during the financial year.

## Event after the balance sheet date

COVID-19 is expected to have a negative effect in the short-term and cause a high degree of uncertainty and unpredictability in the market. The scale of short-term negative effects for the year is manageable and based on the assumption that economic activity will normalize during the second half of the year. If this does not happen, there can be a significant downward risk to our income platform.

# Management's Statement on the Annual Report

The Board of Supervisors and the Executive Board have today discussed and approved the Annual Report 2019 of CAE Development ApS.

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

In our opinion, the Annual Report gives a true and fair view of the Company's financial position at 31 December 2019 and the results of operations for the financial year 1 January - 31 December 2019 of the Company.

In our opinion, the Management's review includes a fair review of the matters discussed in the Management review.

We recommend that the Annual Report be approved at the annual general meeting.

Birkerød 30 April 2020.

Executive Board

Morten Vange Dan Søborg

Supervisory board

Charles Eric Baudron Robert Guy Hubertq Grezes Alain Joseph Di Crescenzo

Morten Vange Dan Søborg

# Independent auditors' report

To the shareholders of CAE Development ApS:

## Opinion

We have audited the Financial Statements of CAE Development ApS for the financial year 1 January – 31 December 2019, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies, for the Company. 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 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 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 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 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 of accounting information 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 judgment and maintain professional skepticism throughout the audit. We also:

- 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.

# Independent auditors' report

Auditor's Responsibilities for the Audit of the Financial Statements, continued

- 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

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

Elsinore 30 April 2020
Aaen & Co. statsautoriserede revisorer p/s
Kongevejen 3, 3000 Helsingør - CVR nummer 33 24 17 63

Søren Appelrod
State Authorised Public Accountant
mne23301

Søren Mark Thorbjørnsen
State Authorised Public Accountant
MNE19687

# Accounting Policies

## Basis of accounting

The Annual Report of CAE Development ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B. Management has chosen to follow certain rules from reporting class C.

The company is included in the consolidated financial statement for IGE+XAO s.a., France.

The accounting policies applied are unchanged compared to the last year.

The Annual Report is presented in DKK.

## Recognition and measurement

Revenues are recognised in the income statement as earned, which includes recognition of value adjustments of financial assets and liabilities. Furthermore, all expenses incurred, including depreciation, amortisation and impairment losses, are recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any deductions and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report, which confirm or invalidate affairs and conditions existing at the balance sheet date.

## Translation policies

Transactions in foreign currencies are translated at the exchanges rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment, are recognised in financial income and expenses in the income statement. If foreign exchange positions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. The difference between the exchange rate at the balance sheet date and the rate at the time of origin of the receivable or debt is recognised in financial income and expenses in the income statement.

Fixed assets purchased in foreign currencies are measured at the rate of exchange at the date of transaction.

# Accounting Policies

## Income statement

### Gross profit
With reference to section 32 of the Danish financial statements act, the items “Revenue”, “Other external expenses” and “Other operating income” are consolidated into one item designated “Gross profit”.

### Revenue
Income from the rendering of services is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (percentage-of-completion method). Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

### Direct cost
Direct cost comprise costs incurred to achieve the revenue for the year.

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

### Employee expenses
Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity´s employees. The items is net of refunds made by public authorities.

### Other operating income
Other operating income comprise items of a secondary nature compared to the core activities of the Company, such as profit from the sale of fixed assets and received contribution to expenses for exploration.

### Financial income and expenses
Financial income and expenses are recognised in the income statement with the amounts relating to the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised exchange gains and losses concerning debt and transactions in foreign currencies as well as extra payments and repayment under the on-account taxation scheme.

### Corporation 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.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

# Accounting Policies

## Property, plant and equipment

Other fixtures, fittings, tools and equipment are measured at cost less accumulated depreciation and amortization.

Depreciation is based on cost reduced by any expected residual value after the period of use.

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

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets, which are:

| | | |
|---|---|---|
| Other fixtures, fittings, tools and equipment | 3-10 | Years |

Gains or losses on sale of property, plant and equipment are calculated as the difference between the sales price less sales expenses and the carrying amount at the time of the sale.

## Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts because of objective evidence that a receivable or a group of receivables are impaired. Write-downs are made to the lower of the net realisable value and the carrying amount. Investments comprise rent deposits, which is measured at cost.

## Accruals, assets

Accruals recognised under “Assets” comprise prepaid expenses regarding subsequent financial reporting years.

## Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities, which are subject to an insignificant risk of chances in value.

## Corporation tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the balance sheet as calculated tax on the taxable income for the year adjusted for tax on previous years’ taxable income as well as for taxes paid on account.

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. In cases, of concerning shares, where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured based on the intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be either realised, by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallised as current tax.

# Accounting Policies

### Debt
Other liabilities are measured at net realisable value.

### Accruals, liabilities
Accruals recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

# Profit and loss account 1 January - 31 December

| Note | | 2019 | 2017/18<br>16 months |
|---|---|---|---|
| | Gross profit | 7.830.995 | 8.099.390 |
| 2 | Staff costs | 3.358.501 | 4.618.036 |
| | Depreciation, amortisation and impairment losses of property, plant and equipment | 9.336 | 10.768 |
| | Profit (loss) from ordinary operating activities | 4.463.158 | 3.470.586 |
| | Financial income | 24.548 | 306 |
| | Financial expenses | 54.364 | 67.717 |
| | Profit (loss) from ordinary activities before tax | 4.433.342 | 3.403.175 |
| 3 | Tax expense on ordinary activities | 1.221.152 | 897.803 |
| | Profit (loss) | 3.212.190 | 2.505.372 |
| | Proposed distribution of results: | | |
| | Proposed dividend recognised in equity | 0 | 3.000.000 |
| | Retained earnings | 3.212.190 | -494.628 |
| | Profit for the year distributed | 3.212.190 | 2.505.372 |

# Balance sheet 31 December

## Assets

| Note | | 2019 | 2018 |
|---|---|---|---|
| 4 | Fixtures, fittings, tools and equipment | 7.900 | 17.236 |
| | Property, plant and equipment | 7.900 | 17.236 |
| | Non-current assets | 7.900 | 17.236 |
| | Receivables from group enterprises | 392.659 | 399.097 |
| | Deferred tax assets | 2.843 | 2.843 |
| | Other receivables | 1.062.073 | 946.232 |
| | Receivables | 1.457.575 | 1.348.172 |
| | Cash and cash equivalents | 5.218.870 | 4.989.189 |
| | Current assets | 6.676.445 | 6.337.361 |
| | Total assets | 6.684.345 | 6.354.597 |

# Balance sheet 31 December

## Liabilities

| Note | | 2019 | 2018 |
|---|---|---|---|
| | Share capital | 125.000 | 125.000 |
| | Retained earnings | 4.246.356 | 1.034.166 |
| | Proposed dividend | 0 | 3.000.000 |
| 5 | Equity | 4.371.356 | 4.159.166 |
| | Trade payables | 60.205 | 59.776 |
| | Payables to group enterprises | 577.799 | 1.333.012 |
| | Corporation tax | 1.264.910 | 459.277 |
| | Other payables | 410.075 | 343.366 |
| | Short-term debt | 2.312.989 | 2.195.431 |
| | Total debt | 2.312.989 | 2.195.431 |
| | Total liabilities and equity | 6.684.345 | 6.354.597 |

1 Going concern

6 Contractual obligation

7 Contingent liabilities

# Notes to the annual accounts

| | 2019 | 2017/18<br>16 months |
|---|---|---|

## 1 Going concern

COVID-19 is expected to have a negative effect in the short-term and cause a high degree of uncertainty and unpredictability in the market. The scale of short-term negative effects for the year is manageable and based on the assumption that economic activity will normalize during the second half of the year. If this does not happen, there can be a significant downward risk to our income platform.

## 2 Staff costs

| | | |
|---|---|---|
| Wages/saleries | 3.306.379 | 4.564.950 |
| Pensions | 43.637 | 47.679 |
| Other social security costs | 8.485 | 5.407 |
| | 3.358.501 | 4.618.036 |
| Average number of employees | 3 | 3 |

## 3 Tax expense on ordinary activities

| | | |
|---|---|---|
| Tax on the taxable income of the year | 975.351 | 897.959 |
| Adjustment of deffered tax | 0 | -156 |
| Adjustment of tax previous years | 245.801 | 0 |
| | 1.221.152 | 897.803 |

# Notes to the annual accounts

## 4 Property, plant and equipment

| | Fixtures and fittings, tools and equipment |
|---|---|
| Cost at 1 January | 128.107 |
| Additions in the year | 0 |
| Desposals in the year | 0 |
| Cost at 31 January | 128.107 |
| Impairment losses and depreciation at 1 January | 110.871 |
| Depreciation in the year | 9.336 |
| Reversal of amortisation/depreciation and impariment of disposals | 0 |
| Impairment losses and depreciation at 31 December | 120.207 |
| Carrying amout at 31 December | 7.900 |

## 5 Equity

| | Share capital | Retained earnings | Dividend |
|---|---|---|---|
| Equity capital 1 January | 125.000 | 1.034.166 | 3.000.000 |
| Paid dividend | 0 | 0 | -3.000.000 |
| Profit of the year | 0 | 3.212.190 | 0 |
| Equity capital 31 December | 125.000 | 4.246.356 | 0 |

## 6 Contractual obligation

Rent and lease liabilities include a rent obligation totalling t.DKK 50 until 30.06.2020

## 7 Contingent liabilities

The company is jointly taxed with another group owned company, Schneider Electric Danmark A/S, which acts as management company. The company is jointly and severally liable with the other jointly taxed Group companies for payment of withholding taxes payable and for corporate taxes.