

CA Software ApS
CVR-nr. 75137613

Annual Report 2017/2018

Borupvang 3 - 2750 Ballerup

The Annual General Meeting adopted the annual report on 22 August 2018

Chairman of the General Meeting



Name: Alexander Gordon Gunn

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Entity details

Entity

CA Software ApS
Borupvang 3
2750 Ballerup

Central Business Registration No: 75 13 76 13
Founded: 22.11.1984
Registered in: Ballerup
Financial year: 01.04.2017 – 31.03.2018
Phone: +45 45 47 41 41
Internet: www.ca.com

Board of Directors

Alexander Gordon Gunn, Chairman
Tommy Højegaard
Robert Molnár

Managing Director

Alexander Gordon Gunn

Auditors

KPMG P/S
Dampfærgevej 28
2100 København K

Statement by Management on the annual report

The Board of Directors and the Managing Director have today considered and approved the annual report of CA Software ApS for the financial year 01.04.2017– 31.03.2018.

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 31.03.2018 and of the results of its operations for the financial year 01.04.2017 – 31.03.2018.

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.

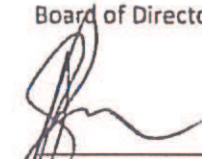
Ballerup, 22 August 2018

Managing Director:

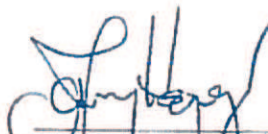


Alexander Gordon Gunn

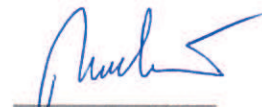
Board of Directors:



Alexander Gordon Gunn
Chairman



Tommy Højegaard



Robert Molnár

Independent auditor's report

To the shareholders of CA Software ApS

Opinion

We have audited the financial statements of CA Software ApS for the financial year 1 April 2017–31 March 2018, comprising income statement, balance sheet 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 1 April 2017 – 31 March 2018 and of the results of the Company's operations for the financial year 1 April 2017 – 31 March 2018 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.

Independent auditor's report

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 financial statement 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 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

Independent auditor's report

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 Statement Act. We did not identify any material misstatement of the Management's review.

22 August 2018

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

Management commentary

Primary activities

CA Software ApS ("the Company") is a part of the US-based IT group CA Technologies. CA Technologies is one of the world's largest IT management software providers. Our software and expertise unify and simplify complex IT environments.

During the year the company has continued working on positioning CA's solutions in the Danish market. No major, significant events have occurred.

Development in activities and finance

During the current fiscal year operating costs have decreased by DKK 0.9 m. The profitability before taxes in the current fiscal year (DKK 10.1 m) is comparable to prior fiscal year (DKK 7.7 m).

Gross profit increased from DKK 53.4 m to DKK 54.1 m.

The company is under transfer pricing audit by the Danish tax authority. For further disclosure on this matter we refer to note 4.

Management has assessed that the value of investment in group enterprises is fairly presented.

Events after the balance sheet date

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

Expectations for the future

We believe that we are well positioned in our market and believe that we will continue to gain market share.

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.

Changes in accounting policies

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. CA Software ApS is included in the consolidated financial statements of CA, Inc., which can be obtained at:

CA, Inc.
520 Madison Ave
New York, NY 10022
USA

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 expense. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Accounting policies (continued)

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.

Income statement

Revenue

Net revenue and commissionaire revenue from sale of software licences is recognised in the income statement when the license is used. The invoiced amounts are thus fully accrued over the part of the contract period that relates to the invoiced amounts. Net revenue is recognized exclusive of VAT, duties and less discounts related to the sale.

Net revenue from sale of services is recognized in the income statement when the service is delivered.

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has chosen to aggregate the items revenue and other external expenses in the item gross profit/gross loss.

Revenue comprises net revenue and commissionaire revenue from sale of software licences. Income is accrued over the periods to which it relates and is included in the income statement at the amounts relating to the accounting period concerned.

Other expenses comprise expenses for sale, write-down of loan receivables, office premises and administration.

Other external expenses

Other external costs expenses include costs relating to distribution, sale, advertising, administration, premises, loss on bad debts, operating lease expenses and similar expenses.

Accounting policies (continued)

Staff costs

Staff costs include costs to salaries and wages, commission, pensions and other costs to staff, board of executives and board of directors.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to 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 property, plant and equipment.

Other financial income

Other financial income comprises interest income, realised and unrealised gains arising from current investments debt and transactions in foreign currencies as well as allowances under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

Tax for the year, which consists of the 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 and recognised directly in equity by the portion attributable to entries directly in equity.

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the fiscal year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Accounting policies (continued)

Balance Sheet

Property, plant and equipment

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 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 fitting, tools and equipment	3-5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further amortisation charges are recognised. In case of changes in the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

Investments in group enterprises

Investments in group enterprises are measured at cost and are written down to the lower of recoverable amount and carrying amount. Dividends exceeding the accumulated earnings in the group enterprises during the ownership period is treated as a reduction of the cost price.

Receivables

Receivable 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 recognized 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.

Accounting policies (continued)

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

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

Deferred tax assets, including the tax base of tax loss carry forwards, 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 but only to the extent that it is probable that future taxable profits will be available for set-off or compensation.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

The total liability of the company relating to operating leases and rental agreements is disclosed as contingencies.

Deferred income

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

Income statement for 2017/18

	Notes	2017/2018 DKK '000	2016/2017 DKK '000
Gross profit		54,153	53,449
Staff costs	1	-43,023	-44,285
Amortisation, depreciation, and impairment losses	2	-567	-213
Operating profit		10,563	8,951
Other financial income		-	3
Other financial expenses		-446	-1,228
Financial profit		-446	-1,225
Profit/loss from ordinary activities before tax		10,117	7,726
Tax on profit/loss from ordinary activities		-2,420	-5,197
Profit/loss for the year		7,697	2,529
Proposed distribution of profit/loss			
Retained earnings		7,697	2,529
		7,697	2,529

Balance Sheet at 31.03.2018

ASSETS

	Notes	2017/18 DKK '000	2016/17 DKK '000
Other fixtures and fittings, tools and equipment		1,047	225
Leasehold Improvements		4,795	192
Property, plant and equipment	2	5,842	417
Investments in group enterprises	3	590,526	590,526
Non- current income tax receivable	4	233,767	233,767
Financial asset		824,293	824,293
Fixed assets		830,135	824,710
Trade receivables		55,419	52,735
Receivables from group enterprises		894	990
Other receivables		1,999	1,707
Deferred tax asset		-	44
Income tax receivable		561	3,630
Prepayments		31	1,093
Receivables		58,904	60,199
Cash		257,246	258,042
Current assets		316,150	318,241
Assets		1,146,285	1,142,951

Balance Sheet at 31.03.2018 (continued)

EQUITY AND LIABILITIES

	Notes	2017/18 DKK '000	2016/17 DKK '000
Contributed capital		1,001	1,001
Retained earnings		1,038,793	1,031,096
Equity		1,039,794	1,032,097
Other payables		149	-
Non-current liabilities other than provisions		149	-
Provisions for deferred tax		120	-
Provisions		120	-
Trade payables		4,840	7,897
Payables to group enterprises		81,759	79,235
Other payables		18,038	19,631
Deferred income		1,585	4,091
Current liabilities other than provisions		106,222	110,854
Equity and liabilities		1,146,285	1,142,951
Contingencies, mortgages and securities	4		
Ownership and related party transactions	5		

Statement of changes in equity for 2017/2018

	Contributed capital DKK '000	Retained earnings DKK '000	Total DKK '000
Equity beginning of the year	1,001	1,031,096	1,032,097
Profit/loss for the year	-	7,697	7,697
Equity end of the year	<u>1,001</u>	<u>1,038,793</u>	<u>1,039,794</u>

Notes

	2017/18 <u>DKK'000</u>	2016/17 <u>DKK'000</u>
1. Staff costs		
Wages and salaries	40,657	41,851
Pensions costs	1,917	2,054
Other social security costs	194	98
Other staff costs	255	282
	43,023	44,285
Average number of full-time employees	32	33

2. Property, plant and equipment

	<i>Other fixtures and fittings, tools and equipment</i>	<i>Leasehold improvements</i>
	<u>DKK '000</u>	<u>DKK '000</u>
Cost beginning of year	4,154	4,540
Additions	1,006	5,058
Disposals	-2,611	-4,226
Cost end of year	2,549	5,372
Depreciation and impairment losses beginning of year	3,929	4,348
Depreciation for the year	184	383
Disposals	-2,611	-4,154
Depreciation and impairment losses end of year	1,502	577
Carrying amount at end of year	1,047	4,795

Notes (continued)

3. Investments in group enterprises

	Investments in group enterprises
	DKK '000
Cost beginning of year	590,526
Carrying amount end of year	590,526

<i>Subsidiary</i>	Registered in	Corporate form	Currency	Equity interest %	Profit/(loss)	Equity
CA Software	Finland	OY	EUR '000	100%	777	13,933
CA Norway AS	Norway	AS	NOK '000	100%	4,242	438,238
CA Software Sweden AB	Sweden	AB	SEK '000	100%	4,640	657,812

The above information represents the parent company's ownership share, profit and equity in subsidiary enterprises according to the most recent, approved annual reports relating to the accounting year 2016/17.

Notes (continued)**4. Contingent liabilities****Contractual Obligations**

The company has entered into agreements regarding rent and lease of cars of total DKK ('000) 8,709 (2016/17 DKK ('000) 17,556) which is due within 5 years.

Contingent tax liability

In the fiscal year ending 31 March 2016, the Danish tax authorities initiated a transfer pricing audit of the Company for periods ending 31 March 2011 through 31 March 2015. Final decision from the tax authorities was issued on 11 January 2017. The Company disagrees with the assessment and appealed against this assessment on 7 April 2017. As a result, the Company has not recorded any provision with respect to this assessment. The Company has also made a tax prepayment in the amount of the tax assessment issued by the Danish Tax authorities of DKK 233.7 million. The Company recorded this payment as tax receivable as it expects it to be repaid by the tax authorities after the completion of the appeal proceeding, as it is Management's expectation that the company will prevail in defending its position.

5. Ownership and Related Party Transactions**Related parties****Control**

CA Software B.V. (Orteliuslaan 1001, Utrecht, the Netherlands) holds the majority of the share capital in the Company.

Other related parties

Other related parties include the members of the Board of Directors and the Executive Board. During the year, no significant transactions with members of the Board of Directors and the Executive Board have taken place, in which members have had a financial interest.

Related party transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the share capital:

100% CA Software B.V. (Orteliuslaan 1001, Utrecht, the Netherlands)

Consolidated financial statements

The largest group in which the results of the Company are consolidated is that headed by CA, Inc., incorporated in the United States of America. No other group financial statements include the results of the Company. The consolidated financial statements are available to the public and may be obtained from The Secretary, CA, Inc. 520 Madison Avenue, New York, NY 10022, USA.