

**CA Software ApS**  
**CVR-nr. 75137613**

**Annual Report 2018/2019**

Lautruphøj 1 – 2750 Ballerup

The Annual General Meeting adopted the annual report on 26 September 2019

Chairman of the General Meeting

DocuSigned by:



#B21E60FB024BA

---

Name: Deborah Streeter

## Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Accounting policies	7
Income statement for 2018/19	12
Balance sheet at 31.03.2019	13
Statement of the changes in equity for 2018/2019	15
Notes	16

## Entity details

### Entity

CA Software ApS  
Lautruphøj 1  
2750 Ballerup

Central Business Registration No: 75 13 76 13  
Founded: 22.11.1984  
Registered in: Ballerup  
Financial year: 01.04.2018 – 31.03.2019  
Phone: +45 45 47 41 41  
Internet: [www.ca.com](http://www.ca.com)

### Board of Directors

Deborah Streeter, Chairman  
Thomas H. Krause  
Robert Molnár

### Managing Director

Deborah Streeter

### 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 01.04.2018– 31.03.2019.

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 31.03.2019 and of the results of its operations for the financial year 01.04.2018 – 31.03.2019.

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.

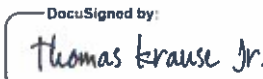
Ballerup, 26 September 2019

Managing Director:

DocuSigned by:  
  
4D217E50FB3240A  
Deborah Streeter

Board of Directors:

DocuSigned by:  
  
4D217E50FB3240A  
Deborah Streeter  
Chairman

DocuSigned by:  
  
0E80E25F850E47A  
Thomas H Krause

DocuSigned by:  
  
9D440898A867455  
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 2018–31 March 2019, 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 2018 – 31 March 2019 and of the results of the Company's operations for the financial year 1 April 2018 – 31 March 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.

## 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.

26 September 2019

### KPMG

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98



Morten Høj-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 6,9 m. The profitability before taxes in the current fiscal year (DKK 6,8 m) is comparable to prior fiscal year (DKK 10,1 m).

Gross profit decreased from DKK 54,1 m to DKK 41,3 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 Broadcom, Inc., which can be obtained at:

Broadcom, Inc.  
1320 Ridder Park Drive  
San Jose, California  
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 equity 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 2018/19**

	Notes	2018/2019 DKK '000	2017/2018 DKK '000
<b>Gross profit</b>		<b>41,245</b>	<b>54,153</b>
Staff costs	1	-30,396	-43,023
Amortisation, depreciation, and impairment losses	2	-5,845	-567
<b>Operating profit</b>		<b>5,004</b>	<b>10,563</b>
Other financial income		1,870	-
Other financial expenses		-65	-446
<b>Financial profit</b>		<b>1,805</b>	<b>-446</b>
<b>Profit/loss from ordinary activities before tax</b>		<b>6,809</b>	<b>10,117</b>
Tax on profit/loss from ordinary activities		-1,540	-2,420
<b>Profit/loss for the year</b>		<b>5,269</b>	<b>7,697</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		5,269	7,697
		<b>5,269</b>	<b>7,697</b>

**Balance Sheet at 31.03.2019****ASSETS**

	Notes	2018/19 DKK '000	2017/18 DKK '000
Other fixtures and fittings, tools and equipment		148	1,047
Leasehold improvements		-	4,795
<b>Property, plant and equipment</b>	<b>2</b>	<b>148</b>	<b>5,842</b>
Investments in group enterprises	3	590,528	590,526
Non- current income tax receivable	4	233,767	233,767
<b>Financial asset</b>		<b>824,295</b>	<b>824,293</b>
<b>Fixed assets</b>		<b>824,443</b>	<b>830,135</b>
Trade receivables		54,256	55,419
Receivables from group enterprises		4,430	894
Other receivables		2,916	1,999
Deferred tax asset		-	-
Income tax receivable		-	561
Prepayments		-	31
<b>Receivables</b>		<b>61,602</b>	<b>58,904</b>
<b>Cash</b>		<b>239,207</b>	<b>257,246</b>
<b>Current assets</b>		<b>300,809</b>	<b>316,150</b>
<b>Assets</b>		<b>1,125,252</b>	<b>1,146,285</b>

**Balance Sheet at 31.03.2019 (continued)****EQUITY AND LIABILITIES**

	Notes	2018/19 DKK '000	2017/18 DKK '000
Contributed capital		1,001	1,001
Retained earnings		1,044,062	1,038,793
<b>Equity</b>		<b>1,045,063</b>	<b>1,039,794</b>
Other payables		-	149
<b>Non-current liabilities other than provisions</b>		<b>-</b>	<b>149</b>
Provisions for deferred tax		-	120
<b>Provisions</b>		<b>-</b>	<b>120</b>
Trade payables		12,199	4,840
Payables to group enterprises		54,963	81,759
Income tax payable		179	-
Other payables		8,895	18,038
Deferred income		3,953	1,585
<b>Current liabilities other than provisions</b>		<b>80,189</b>	<b>106,222</b>
<b>Equity and liabilities</b>		<b>1,125,252</b>	<b>1,146,285</b>
<b>Contingencies, mortgages and securities</b>	4		
<b>Ownership and related party transactions</b>	5		



**Statement of changes in equity for 2018/2019**

	Contributed capital DKK '000	Retained earnings DKK '000	Total DKK '000
Equity beginning of the year	1,001	1,038,793	1,039,794
Profit/loss for the year	-	5,269	5,269
<b>Equity end of the year</b>	<b>1,001</b>	<b>1,044,062</b>	<b>1,045,063</b>

## Notes

	<b>2018/19</b>	<b>2017/18</b>
	DKK'000	DKK'000
<b>1. Staff costs</b>		
Wages and salaries	22,911	40,657
Pensions costs	793	1,917
Other social security costs	224	194
Other staff costs	6,468	255
	<b>30,396</b>	<b>43,023</b>
Average number of full-time employees	<b>23</b>	<b>32</b>
<b>2. Property, plant and equipment</b>		
	<i>Other fixtures and fittings, tools and equipment</i>	<i>Leasehold improvements</i>
	DKK '000	DKK '000
<b>Cost beginning of year</b>	<b>2,549</b>	<b>5,372</b>
Additions	151	-
Disposals	-2,465	-5,372
<b>Cost end of year</b>	<b>235</b>	<b>-</b>
Depreciation and impairment losses beginning of year	<b>1,502</b>	577
Depreciation for the year	434	790
Disposals	-1,849	-1,367
<b>Depreciation and impairment losses end of year</b>	<b>87</b>	<b>-</b>
<b>Carrying amount at end of year</b>	<b>148</b>	<b>-</b>

**Notes (continued)****3. Investments in group enterprises**

	<b>Investments in group enterprises</b>
	<u>DKK '000</u>
Cost beginning of year	590,528
<b>Carrying amount end of year</b>	<b>590,528</b>

<b>Subsidiary</b>	Registered in	Corporate form	Currency	Equity interest %	Profit/(loss)	Equity
CA Software	Finland	OY	EUR '000	100%	442	14,375
CA Norway AS	Norway	AS	NOK '000	100%	5,385	443,623
CA Software Sweden AB	Sweden	AB	SEK '000	100%	5,404	663,217

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 2017/18.

**Notes (continued)****4. Contingent liabilities****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. The appeal was submitted to the National Tax Tribunal at the end of October 2017. The tax authorities have until 1 September 2019 to provide their comments to the administrative guidance. After, CA Software will be given the opportunity to comment on both the guidance and the reply from the tax authorities. This process is not expected to be finalized until the first half of 2020 at the earliest. It is Management's and the Company's legal and tax advisers' view that it is more likely than not that the case will be won by CA Software. 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.

**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 Broadcom, 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, Broadcom, Inc. 1320 Ridder Park Drive, San Jose, California, USA.