

CA Software ApS

Lautruphøj 1, 2750 Ballerup

Company reg. no. 75 13 76 13

Annual report

1 April - 31 October 2019

The annual report was submitted and approved by the general meeting on the 29 June 2020.

Deborah Lynn Streeter
Chairman of the meeting

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Management's report

Today, the board of directors and the managing director have presented the annual report of CA Software ApS for the financial year 1 April - 31 October 2019 of CA Software ApS.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 October 2019 and of the company's results of activities in the financial year 1 April – 31 October 2019.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Ballerup, 29 June 2020

Managing Director

Deborah Lynn Streeter

Board of directors

Deborah Lynn Streeter
Chairman

Mark David Brazeal

Thomas Harry Krause Jr

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 - 31 October 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 31 October 2019 and of the results of the Company's operations for the financial year 1 April – 31 October 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing 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 provide a 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.

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.

Independent auditor's report

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.

Copenhagen, 29 June 2020

KPMG

State Authorised Public Accountants
Company reg. no. 25 57 81 98

Morten Høgh-Petersen
State Authorised Public Accountant
mne34283

Company information

The company

CA Software ApS
Lautruphøj 1
2750 Ballerup

Phone +45 45 47 41 41

Web site www.broadcom.com

Company reg. no. 75 13 76 13

Established: 22 November 1984

Financial year: 1 April - 31 October

Board of directors

Deborah Lynn Streeter, Chairman
Mark David Brazeal
Thomas Harry Krause Jr

Managing Director

Deborah Lynn Streeter

Auditors

KPMG Statsautoriseret Revisionsaktieselskab
Dampfærgevej 28
2100 København Ø

Subsidiaries

CA Software, Finland
CA Norway AS, Norway
CA Software Sweden AB, Sweden

Management commentary

The principal activities of the company

CA Software ApS ("the Company") is a part of Broadcom Inc. The Company is primarily engaged in the distribution of computer software programs manufactured and provides technical support, training and consultancy services in the use and application of the aforementioned products.

During the year, the Company has continued working on positioning CA's solutions in Danish market. Effective from 3 June 2019, the Company is providing the selling and marketing, administrative support and research and development services to CA Europe S.r.l.

Development in activities and financial matters

The gross profit for the year totals DKK 17,9m against DKK 41,2m last year. Income or loss from ordinary activities after tax totals DKK 8,7m against DKK 5,3m last year. Management considers the net profit or loss for the year satisfactory.

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.

Expected developments

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

Events occurring after the end of the financial year

Currently the impact of the COVID-19 Pandemic to the company's activities is not known. It is management's best estimate that there may be an impact in the coming financial year, however this is not quantifiable at this time, and not deemed as critical to the company.

Accounting policies

The annual report for CA Software ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The decimal points have not been presented in the usual English way within the annual report. This means that for instance DKK 146.940 is normally presented as DKK 146,940 and that 23,5 % is normally presented as 23.5 %.

Changes in the accounting policies

The item "Staff costs" has been reclassified so that certain types of expenses previously recognised under "Staff costs" will, in the future, be recognised under the item "Other external charges".

The change in classification has no effect on the net profit or loss for the year, nor on the statement of financial position, neither for the current financial year, nor the previous financial year. The comparative figures have been adjusted in accordance with the reclassification.

Except for the above, the accounting policies for the financial statements remain unchanged from last year.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Accounting policies

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets and other nonmonetary assets acquired in foreign currency and not considered to be investment assets are measured using the exchange rate at the transaction date.

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

Income statement

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 and commissionaire revenue from sale of software licenses 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 relate to the invoiced amounts. Net revenue is recognized exclusive of VAT, duties and less discounts related to the sale.

Effective from 3 June 2019, the Company recognised turnover from intercompany sales of selling and marketing, administrative support, and research and development services on a cost plus basis when the service is provided.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Accounting policies

Staff costs

Staff costs include salaries and wages, commission, holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately when the useful lives of each individual components differ.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Accounting policies

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible assets as well as equity investments in subsidiaries and associates are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation, respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow derived from the use of the asset or group of assets.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Equity investments in group enterprises

Equity investments in group enterprises are measured at cost. If the recoverable amount is lower than the cost, writedown for impairment is done to match this lower value.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Accounting policies

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax assets, including the tax value of tax losses eligible for carryforward, are recognised at their expected realisable value, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisation value.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities other than provisions

Other liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Income statement

DKK thousand.

<u>Note</u>	1/4 2019 - 31/10 2019	1/4 2018 - 31/3 2019
Gross profit	17.919	41.239
1 Staff costs	-11.536	-30.390
Depreciation and impairment of property, land, and equipment	-45	-5.845
Profit before net financials	6.338	5.004
Other financial income	5.130	1.870
Other financial costs	-137	-65
Pre-tax net profit or loss	11.331	6.809
Tax on net profit or loss for the year	-2.609	-1.540
Net profit or loss for the year	8.722	5.269
Proposed appropriation of net profit:		
Transferred to retained earnings	8.722	5.269
Total allocations and transfers	8.722	5.269

Statement of financial position

DKK thousand.

<u>Note</u>	<u>31/10 2019</u>	<u>31/3 2019</u>
Assets		
Non-current assets		
2 Other fixtures and fittings, tools and equipment	102	148
Total property, plant, and equipment	<u>102</u>	<u>148</u>
3 Equity investments in group enterprises	590.528	590.528
4 Other receivables	<u>233.767</u>	<u>233.767</u>
Total investments	<u>824.295</u>	<u>824.295</u>
Total non-current assets	<u>824.397</u>	<u>824.443</u>
Current assets		
Trade receivables	85.574	54.256
Receivables from group enterprises	155.114	4.430
Other receivables	<u>3</u>	<u>2.916</u>
Total receivables	<u>240.691</u>	<u>61.602</u>
Cash on hand and demand deposits	<u>17.194</u>	<u>239.207</u>
Total current assets	<u>257.885</u>	<u>300.809</u>
Total assets	<u>1.082.282</u>	<u>1.125.252</u>

Statement of financial position

DKK thousand.

Equity and liabilities		
Note	31/10 2019	31/3 2019
Equity		
Contributed capital	1.001	1.001
Retained earnings	1.052.785	1.044.063
Total equity	1.053.786	1.045.064
Liabilities other than provisions		
Trade payables	3.213	12.139
Payables to group enterprises	53	54.963
Income tax payable	2.788	179
Other payables	20.201	8.954
Accruals and deferred income	2.241	3.953
Total short term liabilities other than provisions	28.496	80.188
Total liabilities other than provisions	28.496	80.188
Total equity and liabilities	1.082.282	1.125.252

4 Contingencies

5 Related parties

Statement of changes in equity

DKK thousand.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 April 2019	1.001	1.044.063	1.045.064
Retained earnings for the year	<u>0</u>	<u>8.722</u>	<u>8.722</u>
	<u>1.001</u>	<u>1.052.785</u>	<u>1.053.786</u>

Notes

DKK thousand.

	1/4 2019 - 31/10 2019	1/4 2018 - 31/3 2019
1. Staff costs		
Salaries and wages	11.478	29.092
Pension costs	91	1.116
Other costs for social security	-33	182
	11.536	30.390
Average number of employees	8	23
	31/10 2019	31/3 2019
2. Other fixtures and fittings, tools and equipment		
Cost 1 April 2019	235	2.549
Additions during the year	0	151
Disposals during the year	0	-2.465
Cost 31 October 2019	235	235
Amortisation and writedown 1 April 2019	-87	-1.502
Amortisation and depreciation for the year	-46	-434
Reversal of depreciation, amortisation and impairment loss, assets disposed of	0	1.849
Amortisation and writedown 31 October 2019	-133	-87
Carrying amount, 31 October 2019	102	148

Notes

DKK thousand.

	<u>31/10 2019</u>	<u>31/3 2019</u>
3. Equity investments in group enterprises		
Cost 1 April 2019	590.528	590.528
Carrying amount, 31 October 2019	<u>590.528</u>	<u>590.528</u>

Financial highlights for the enterprises according to the latest approved annual reports

	Registered Corporate		Currency	Equity	Equity as at	Results for
	in	form		interest	31 March	the period 1
					2019	April 2018 to
						31 March
						2019
CA Software	Finland	OY	EUR'000	100 %	14.485	118
CA Norway AS	Norway	AS	NOK'000	100 %	449.514	5.891
CA Software Sweden AB	Sweden	AB	SEK'000	100 %	664.032	815

The above information represents the parents company's ownership share, profit and equity in subsidiary enterprises according to the most recent annual reports relating to the accounting year 2018/2019.

4. Contingencies

Contingent assets

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 provided their comments to the administrative guidance. Company also commented on both the guidance and the reply from the tax authorities. The National Tax Tribunal hearing is expected to be announced later in 2020. It is Management's and the Company's legal and tax advisors' 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.

Notes

DKK thousand.

5. Related parties

Controlling interest

CA Software B.V. (Orteliuslaan 1001, Utrecht, the Netherlands) Majority shareholder

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.

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 annual accounts

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.