

Dell A/S

Arne Jacobsens Allé 17
DK-2300 København S
Denmark

CVR-nr. 18 29 67 99

*Annual Report for the Financial Year 1 February 2021 –
31 January 2022*

*The Annual Report was presented and adopted
at the Annual General Meeting of the Company
on 6 / 7 2022*


Tina Øster Larsen
Chairman

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Management's Statement on the Annual Report

The Board of Directors and Executive Board have today considered and adopted the annual report of Dell A/S for the Financial Year 1 February 2021 - 31 January 2022.

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


In our opinion, the Financial Statements give a true and fair view of the financial position at 31 January 2022 of the Company and of the results of the Company's operations for the Financial Year 1 February 2021 - 31 January 2022.

In our opinion, Management's review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, on 6 July 2022


Executive Board

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Marianne Lindhard Moe

Board of Directors

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Nicolai Johan Moresco
Chairman

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Marianne Lindhard Moe

Robert Linn Potts

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Anna Anja Monrad

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Copenhagen, on 6 July 2022

Executive Board

Marianne Lindhard Moe

Board of Directors

Nicolai Johan Moresco
Chairman

Marianne Lindhard Moe



Robert Linn Potts

Anna Anja Monrad

Independent Auditor's Report

To the Shareholders of Dell A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 January 2022, and of the results of the Company's operations for the financial year 1 February 2021 - 31 January 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Dell A/S for the financial year 1 February 2021 – 31 January 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (“the Financial Statements”).

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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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 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.
- 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.

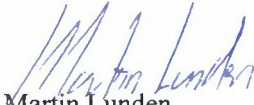
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 6 July 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Martin Lunden

State Authorised Public Accountant

mne 32209



Josephine Kilsgaard Holm

State Authorised Public Accountant

mne 44114

Company Information

The company

Dell A/S
Arne Jacobsens Allé 17
DK-2300 København S
Denmark

Telephone: +45 32 87 50 00

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Website: www.dell.dk

CVR-No.: 18 29 67 99

*Municipality of
reg. office: Copenhagen*

Board of Directors

Nicolai Johan Moresco (*Chairman*)
Marianne Lindhard Moe
Robert Linn Potts
Anna Anja Monrad

Executive Board

Marianne Lindhard Moe

Lawyers

Bech-Bruun
Langelinie Allé 35
2100 København Ø
Denmark

Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
Denmark

Banks

Citibank
SEB

Financial Highlights

Seen over a five-year period the development can be described by the following financial highlights:

Key figures	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Profit/(loss) for the year					
<i>Net turnover</i>	2 026 173	1 708 116	1 605 130	1 741 499	1 265 916
<i>Gross profit/(loss)</i>	327 895	333 348	337 484	334 819	303 732
<i>Profit/(loss) before financial items</i>	35 569	14 333	28 503	26 713	19 979
<i>Net financials</i>	-1 821	14 701	-2 704	-1 471	-3 409
<i>Profit/(loss) before tax</i>	33 747	29 034	25 799	25 242	16 570
<i>Profit/(loss) for the year</i>	26 121	21 089	18 175	19 625	12 742
Balance sheet					
<i>Balance sheet total</i>	1 196 172	1 147 811	888 891	720 178	611 605
<i>Equity</i>	187 293	143 184	110 330	87 128	67 504
<i>Investments in tangible fixed assets</i>	815	833	2 308	1 814	1 848
Number of staff	225	248	265	249	251
Ratios %					
<i>Gross margin</i>	16.2	19.5	21.0	19.2	24.0
<i>Profit margin</i>	1.8	0.8	1.8	1.5	1.6
<i>Return on net assets</i>	3.0	1.2	3.2	3.7	3.3
<i>Solvency ratio</i>	15.7	12.5	12.4	12.1	11.0
<i>Return on equity</i>	15.8	16.6	18.4	25.4	20.8

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysis. For definitions, see under accounting policies.

Management's Review

The objects of the Company

As in previous year the business model is limited risk distributor resulting in increased turnover.

Development in the financial year

The company has a profit after tax of DKK 26,121,345 compared to a result of DKK 21,088,720 last year.

During Fiscal 2022, the COVID-19 pandemic continued to present global challenges that directly impacted Dell companies, most notably in relation to supply chain impacts. As a result of the global economic recovery coupled with industry-wide constraints on the supply of limited-source components, we experienced demand which outpaced supply across many of our product offerings. The supply chain impacts led to an increase in orders pending fulfilment and extended lead times for our customers. We continue to closely monitor the impacts of COVID-19 and keep the health of our employees, customers, business partners, and communities as our primary focus.

Despite constraints resulting to product backlog as mentioned above, the company was successful with transforming the customer needs from home office working to collaboration from any anywhere. The company growth in Customer Solutions Group (CSG) was achieved by +34% YoY increase which was 12% over the forecast with significant share of DKK 57.4M driven by revenue distributor ALSO. Overall, the company during fiscal 2022 had the strongest revenue performance since Fiscal 2020 within its Product Business Units (PBUs): CSG, Storage, Server, VMware.

The Company's impact on external environment

In its overall operations, the company takes into account laws relating to the protection of the environment (environmental laws). The Company considers that it meets the requirements of such laws and that it carries out procedures designed to encourage compliance and ensure that such requirements are met.

The company has adopted the necessary measures with respect to the protection and improvement of the environment and the minimisation, if applicable, of environmental impact, meeting the requirements of current environmental legislation.

Corporate Social Responsibility cf. section 99a of the Danish Financial Statement Act

The company participates in Dell group's global guidelines. Dell strive to be a global leader in every aspect of our business and to do so with the utmost integrity and ethics. We are proud to share our progress in the following link, where we demonstrate how we're innovating at Dell to put our technology and expertise to work, creating new possibilities for our customers, partners, neighbors, team and planet: <https://www.dell.com/en-us/dt/corporate/social-impact/esg-resources/reports/fy22-esg-report.htm#pdf-overlay=//www.delltechnologies.com/asset/en-us/solutions/business-solutions/briefs-summaries/delltechnologies-fy22-esg-report.pdf>

FY22 Progress Made Real report is available on the Ultimate Parent company Dell Technologies Inc. website: <https://www.dell.com/en-us>

Gender composition in Management, both in the executive board and in other management levels of The Danish Financial Statements Act § 99b

It is the company's objective that the Board of Directors and management represent different educational backgrounds as well as both genders.

The company fulfils the requirement for not having an under-represented gender in the Board.

In the process of recruiting employees, priorities are professional and personal competences in relation to the right candidate for the position. If candidates have a similar level of competences, the candidate whose gender is under-represented in the management group will be preferred.

The company has a great focus on diversity hiring. Managerial positions were covered by 39% women and 61% men. We will continue our focus on diversity hiring in next financial years.

It is our policy to increase the number of women in other management levels and we will strive for a more positive attitude towards promoting/hiring women.

The company is committed to developing women across its global operations. We offer formal training, networking, mentoring and other resources to effectively advance our women around the globe. Professional development is important to our team members, which makes it a priority for us. That's why we're focused on preparing our female employees at all levels with the skills they need to advance in the workplace through mentoring, training, networking and more.

Data Ethics cf. section 99d of the Danish Financial Statement Act

Ethics and privacy are essential to building trust, upholding integrity and establishing a foundation for positive social impact. We embed our ethical culture and values in the way we conduct business not because it is required, but because it's the right thing to do.

Full statement on the policy for data ethics is available in Progress Made Real report on the following link:

<https://www.dell.com/en-us/dt/corporate/social-impact/esg-resources/reports/fy22-esg-report.htm#pdf-overlay=//www.delltechnologies.com/asset/en-us/solutions/business-solutions/briefs-summaries/delltechnologies-fy22-esg-report.pdf>

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Research and Development

During the year ended 31 of January 2022, the company has not carried out any Research & Development activity. Those R&D activities are carried out at international manufacturing facilities of Dell Technologies Group.

Knowledge resources

People and teams and talent management are an integral part of the company's business and are key to continuing progress. Competition for talent is significant both within the industry and beyond it. The company attracts and retains its people through provision of on-going opportunity for career progression, training initiatives and continually identifying emerging managers and leaders within the company including talent management and graduate recruitment programs.

Principal risks and uncertainties

There are number of risks and uncertainties that can impact the performance of the company, some of which are beyond the control of the company and its directors.

Market risk – Risks are resulting from the competitive nature of the IT hardware business, the shift from desktops and notebooks to tablets and smartphones as well as the continuing adoption of public cloud offerings. The development towards an IT solution company with the expansion of the product portfolio especially in the area of storage, services and software will address those market developments.

Currency risk – The objective of company in managing its exposures to foreign currency exchange rate fluctuations is to reduce the impact of adverse fluctuations associated with foreign currency exchange rate changes on earnings and cash flows. The company closely monitors its foreign currency exchange exposures to ensure the overall effectiveness of its foreign currency hedge positions.

Compliance risk – The Company has implemented a comprehensive compliance management system to ensure regulatory compliance.

Credit risk – It is the Company’s policy that all the customers who wish to trade on credit terms are subject to credit verification procedures. The company only offers these terms to recognized, creditworthy third parties. In addition, receivables balances are monitored on an ongoing basis with the result that the Company’s history of bad debt losses is not significant.

The company uses a range of information technology and decision support systems for provision of key services, control procedures and financial management. These systems are constantly reviewed and updated to meet the needs of the company.

The expected development

The company’s vision is to become the most essential technology company for the data era. We seek to address our customers’ evolving needs and their broader digital transformation objectives as they embrace today’s hybrid multi-cloud environment. We intend to execute on our vision by focusing on two overarching strategic priorities:

- Grow and modernize our core offerings in the markets in which we predominantly compete
- Pursue attractive new growth opportunities such as Edge, Telecom, data management, and as-a-Service consumption models

We believe that we are uniquely positioned in the data and multi-cloud era and that our results will benefit from our competitive advantages. We intend to continue to execute our business model to position our company for long-term success while balancing liquidity, profitability, and growth.

We are seeing an accelerated rate of change in the IT industry and increased demand for simpler, more agile IT as companies leverage multiple clouds in their IT environments. COVID-19 has accelerated the introduction and adoption of new technologies to ensure productivity and collaboration from anywhere.

The expectation of the future growth is conservative. The company outlooks slowdown in the market for fiscal 2023, but keeping overall rising trend in CSG, Server, Storage. If the company keeps market share at the same level as during fiscal 2022, the IDC predicts revenue slowdown for all PBUs to DKK 2,108M. Provided, the company increases its market share, the forecasted revenue will move to DKK 2,728M.

General risk assessment

Weak or unstable global economic conditions, including those attributable to international conflicts, such as the conflict in Ukraine, international trade protection measures and disputes, such as those between the United States and China, or public health issues, such as the outbreak of COVID-19, also could harm our business by contributing to product shortages or delays, supply chain disruptions, insolvency of key suppliers, customer and counterparty insolvencies, increased product costs and associated price increases, reduced global sales, and other adverse effects on our operations. Any such effects could have a negative impact on our net revenue and profitability.

Future prospects

We are monitoring and responding to the escalating conflict in Ukraine and the associated sanctions and other restrictions. As of the date of this report, as a result of the conflict, we are not selling, servicing or supporting products in Russia, Belarus, and the Donetsk and Luhansk regions of Ukraine. The full impact of the conflict on our business operations and financial performance remains uncertain and will depend on future developments, including the severity and duration of the conflict and its impact on regional and global economic conditions.

We will continue to monitor the conflict and assess the related restrictions and other effects and pursue prudent decisions for our team members, customers, and business.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Significant events

The company did not have during the financial year ended 31 January 2022 any events considered as significant by their substance.

Uncertainty regarding measurement and recognition

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Accounting Policies

Basis of accounting

The Annual Report of Dell A/S for 2021/2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting Class C.

Except for reclassifications of other receivables short-term and other receivables long-term for the comparative figures, the accounting policies applied remain unchanged from last year. The Financial Statements for 2021/2022 are presented in DKK.

Accounting policies, leases

A lease asset and a corresponding lease liability are recognised in the balance sheet when a lease has been concluded and the lease asset has been made available.

The lease asset is initially measured at cost equivalent to the value of the lease liability added any prepaid lease payments. The lease liability is initially measured at the net present value of future lease payments discounted at the Company's marginal borrowing rate.

Subsequently, the asset is measured at cost less accumulated depreciation and impairment losses. The lease asset is depreciated over the lease term. Depreciation is recognised on a straight-line basis in the income statement.

Stock compensation plan

The Company's ultimate holding corporation, Dell Technologies Inc. ("Dell Tech"), operates an equity-settled, share-based compensation plan and granted restricted stock units ("RSUs") to the Company's employees via the "Dell Technologies Inc. 2013 Stock Incentive Plan (As Amended and Restated as of July 9, 2019)". The value of the employee services received in exchange for the grant RSUs is recognised on a graded acceleration basis net of estimated forfeitures as an expense with a corresponding increase in the share capital over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the RSUs granted on grant date. Non-market vesting conditions are included in the estimation of the number of RSUs that are expected to become exercisable on the vesting date.

Short-term leases and leases of low-value assets

Leases with terms of less than 12 months are not recognised in the balance sheet. This also applies to leases of low-value assets. Lease payments are instead recognised in the income statement on a straight-line basis over the lease term.

Variable payments

Lease contracts contain variable payment terms that are linked to expenses related to maintenance of the rented properties (electricity, heating, etc.) which are measured based on actual expenditure. Variable lease payments that depend on actual expenditure are recognized in profit or loss in the period in which the condition that triggers those payments occurs. Variable lease payment terms are used for a variety of reasons, and the primary reason is to reflect the actual usage of the underlying asset.

Lease term and extension

When assessing the expected lease term, the non-cancellable lease term is identified. If the lease includes an extension option which Management is reasonably certain to exercise, this is added to the non-cancellable lease term.

Management has assessed that the expected lease term equals the non-cancellable lease term and that no leases have been concluded in respect of which a potential extension option is expected to be exercised.

Discount rate

When discounting lease payments to net present value, Management has chosen to apply the alternative borrowing rate, which is the cost of raising external financing for a similar asset with terms and conditions similar to those applying to the lease asset.

Recognition and measurement

The net turnover is recognised in the profit and loss account when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services.

The company allocates the contract value within the arrangement to the identified performance obligations based on its standalone selling price and recognizes revenue for the performance obligation when the customers obtains control of the promised asset at a point in time.

Assets are recognized 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 recognized 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 of foreign currencies

During the year transactions in foreign currencies are translated at the rate of exchange as at the transaction date. Realised and unrealised exchange rate adjustments are included in the income statement under financial items.

Debtors, liabilities and other items in foreign currencies which are unsettled on the balance sheet date are translated at the exchange rate as at the balance sheet date. Realised and unrealised exchange rate adjustments are included in the income statement under financial items.

Corporation tax and deferred tax

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity entries is recognised directly in equity. Any share of the tax reported in the income statement arising from profit/loss on extraordinary activities for the year is attributed to such activities, whereas the remaining share is attributed to profit/loss on ordinary activities for the year.

Current tax liabilities and current tax receivable are recognised in receivables in the balance sheet in the event of overpayment of tax on account, and in debt in the event of underpayment of tax 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. However, deferred tax is not recognised in respect of temporary differences concerning items where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of 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 realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax is measured on the basis of 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 crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Income Statement

Revenue

The net turnover is recognized in the profit and loss account when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services in accordance with IFRS 15 Revenue from Contracts with Customer. The following applies to the elements included in revenue.

- **Installation HW Deferrals**

Installation hardware is recognized in accordance with IFRS 15 for those contracts where collection requirements or business practices are capable of being distinct and for which the control over the goods has been transferred to the customer.

- **Software and Peripherals (S&P)**

3rd party licenses and PCS are separate performance obligations and have separate values. 3rd party licenses are recognized at the point of sale. PCS (Post Contract Support) is recognized over time.

- **Returns Provisions**

Returns Provisions is recognized and presented in provisions.

- **Services – Extended Warranty Discount Allocation**

Discounts are allocated across all performance obligations of the contract.

- **Costs to obtain**

Incremental costs of obtaining a contract, such as sales commissions, are capitalized if they are expected to be recovered and amortized over a period of time. For those obligations with revenue that are recognized over 12 months or more commissions are recognized as deferred costs. For those obligations with revenue that are recognized 12 months or less commissions are recognized upfront.

- **Rebates**

Rebates attributable to revenue recognized over more than 12 months are recognized as deferred costs.

Cost of goods sold

Costs of goods sold comprise the procured products consumed to achieve the revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, marketing expenses, travel as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Depreciation and impairment losses

Depreciation and impairment losses comprise depreciation and impairment of tangible assets as well as gains and losses from current replacement of fixed assets.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments, as well as extra payments and repayment under the on-account taxation scheme.

Balance sheet

Tangible fixed assets

Other fixtures, fittings and equipment are valued at cost less accumulated depreciation.

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 based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures, fitting and equipment	2-5 years
Leasehold improvements	5 years

Depreciation period and residual value are reassessed annually.

Gains and losses on current replacement of property, plant and equipment are recognised in “Depreciation and impairment loss”.

Impairment of fixed assets

The carrying amounts of tangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation. If so, the asset is written down to its lower recoverable amount. The recoverable amount of the asset is calculated as the higher of net selling price and value in use.

Inventories

Inventories are measured at the lower of cost under FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

Receivables

Receivables are recognised in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Prepayments

Prepayments include expenses incurred in respect of subsequent financial years. Such expenses are typically prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend is recognised as a liability at the time of adoption at the Annual General Meeting. Dividend expected to be distributed for the year is disclosed as a separate equity item.

Debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Statement of changes in equity

Statement of changes in equity details the change in owners' equity over an accounting period by presenting the movement in reserves comprising the shareholders' equity. Movement in shareholders' equity comprises the following elements:

- Net profit or loss during the accounting period attributable to shareholders
- Increase or decrease in share capital reserves
- Dividend payments to shareholders
- Gains and losses recognized directly in equity
- Effect of changes in accounting policies
- Effect of correction of prior period error

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Dell Technologies Inc., the Company has not prepared a cash flow statement.

Financial highlights

The financial highlights have been calculated as follows:

Gross margin	=	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	=	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on net assets	=	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	=	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$
Return on equity	=	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

Income Statement 1 February - 31 January

	Notes	2021/2022	2020/2021
		DKK	DKK
Revenue	1	2 026 172 672	1 708 116 114
<i>Cost of goods sold</i>		1 630 626 300	1 310 112 482
<i>Other external expenses</i>		67 651 554	64 655 423
Gross profit/(loss)		327 894 818	333 348 209
<i>Staff expenses</i>	2	284 393 453	309 673 469
<i>Depreciation and impairment loss</i>	3	7 932 655	9 341 852
Profit/(loss) before financial income and expenses		35 568 711	14 332 889
<i>Financial income</i>	4	8 898 770	20 990 113
<i>Financial expenses</i>	5	10 720 094	6 289 070
Profit/(loss) before tax		33 747 387	29 033 932
<i>Tax on profit/(loss) for the year</i>	6	(7 626 042)	(7 945 212)
Net profit/(loss) for the year	7	26 121 345	21 088 720

Balance Sheet 31 January

Assets

	Notes	JANUARY 2022 DKK	JANUARY 2021 DKK
<i>Other fixtures, fittings and equipment</i>	8	1 664 722	2 296 896
<i>Leasehold improvements</i>	8	448 687	406 962
<i>Right-of-use asset</i>	14	12 972 667	7 760 235
<i>Long-term Other receivables</i>		179 711 968	114 692 021
<i>Non-current assets</i>		194 798 044	125 156 114
<i>Inventories</i>		130 001	18 714 705
<i>Trade receivables</i>		295 374 371	248 090 174
<i>Receivables from group enterprises</i>		552 813 231	658 002 152
<i>Other receivables</i>		126 690 747	66 269 039
<i>Deferred tax asset</i>	9	7 043 115	3 141 931
<i>Prepayments</i>		342 373	372 642
<i>Receivables</i>		982 263 837	975 875 939
<i>Cash at bank and in hand</i>		18 980 066	28 064 439
<i>Current assets</i>		1 001 373 904	1 022 655 082
<i>Assets</i>		1 196 171 948	1 147 811 196

Balance Sheet 31 January

Liabilities and equity

	Notes	JANUARY 2022 DKK	JANUARY 2021 DKK
<i>Share capital</i>		501 000	501 000
<i>Other Reserves</i>		34 779 931	16 792 063
<i>Proposed dividend for the year</i>		150 000 000	0
<i>Retained profit/(loss)</i>		2 012 169	125 890 824
Equity	10	187 293 100	143 183 887
Provisions	11	17 797 869	12 763 442
<i>Long-term Deferred Revenue</i>	12	387 821 512	229 165 645
<i>Long-term Lease Liability</i>	14	6 892 672	2 936 110
Long-term debt		394 714 184	232 101 755
<i>Trade payables</i>		28 616 300	23 248 359
<i>Payables to group enterprises</i>		206 397 875	259 505 156
<i>Corporation tax</i>	6	3 769 423	3 217 547
<i>Other payables</i>		67 557 551	152 217 952
<i>Short-term Deferred Revenue</i>	12	284 417 909	316 824 940
<i>Short-term Lease Liability</i>	14	5 607 737	4 748 158
Short-term debt		596 366 795	759 762 112
Debt		991 080 979	991 863 867
Liabilities and equity		1 196 171 948	1 147 811 196
<i>Fee to auditors appointed at the general meeting</i>	13		
<i>Leasing</i>	14		
<i>Related parties and ownership</i>	15		
<i>Subsequent events</i>	16		

Statement of Changes in Equity

	Share capital DKK	Retained earnings DKK	Proposed dividend for the year DKK	Reserve for compensations plans DKK	Total DKK
Equity at 1 February 2021	501 000	125 890 824	0	16 792 063	143 183 887
<i>Net profit/(loss) for the year</i>	0	(123 878 655)	150 000 000	0	26 121 345
<i>Restricted Stock Unit (RSU)</i>	0	0		17 987 868	17 987 868
Equity at 31 January 2022	501 000	2 012 169	150 000 000	34 779 931	187 293 100

Notes to the Financial Statements

1 Revenue

The distribution of revenue on activities with geographical segmentation is specified as follows:

	Sale to country	2021/2022	2020/2021
		DKK	DKK
Sales of products	Denmark	1 826 611 900	1 525 732 170
	Norway	26 363 260	27 434 168
	Sweden	111 257 659	82 303 483
Third party maintenance recharge, other	Ireland	52 750 572	71 563 051
	Norway	598 247	0
	Sweden	7 504 279	0
Services provided	Denmark	312 702	183 773
	Sweden	8 322	0
	United States	765 732	899 468
		2 026 172 672	1 708 116 114

2 Staff expenses

Staff expenses is specified as follows:

Wages and salaries	260 140 681	283 459 588
Pensions	22 862 632	23 945 198
Other social security expenses	1 390 140	2 268 683
	284 393 453	309 673 469

Expenses related to compensation plan are included in "Staff expenses" by 18M DKK (2020/2021: 11.7M DKK). Under compensation plan are the employees, consultants, non-employee directors and other service providers to Dell or its affiliates eligible for share based payment awards in the form of stock options, restricted stock units ("RSUs"), restricted stock awards ("RSAs"), Performance stock units ("PSUs"), stock appreciation rights ("SARs"), Deferred Stock Units ("DSUs") or dividend equivalents.

including remuneration to the Executive Board of:

Executive Board		5 165 150
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Remuneration to the Executive Board has not been disclosed for the financial year 2021/22 in accordance with section 98 B(3) of the Danish Financial Statements Act.

	Number of units 2021/2022	Number of units 2020/2021
Non-vested restricted stock units at the beginning of the financial year	97 413	28 497
Granted during the financial year	235 905	77 921
Vested during the financial year	28 804	7 748
Forfeited during the financial year	104 621	1 257
Non-vested restricted stock units at the end of the financial year	199 893	97 413
Close price at period end per 1 RSU:	\$ 56.24	\$ 72.89

At the end of the financial year, there were 199,893 (2020/2021: 97,413) Dell Tech non-vested restricted stock units.

Average number of employees	225	248
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Notes to the Financial Statements

3 Depreciation and impairment loss	<u>2021/2022</u>	<u>2020/2021</u>
	DKK	DKK
Depreciation and impairment loss is specified as follows:		
Depreciation on tangible fixed assets	1 405 590	1 742 911
Depreciation on right-of-use assets	6 527 065	7 598 941
	<u>7 932 655</u>	<u>9 341 852</u>
4 Financial income		
Financial income is specified as follows:		
Interest received from group enterprises	3 349 823	3 985 469
Exchange rate differences	5 316 667	16 561 307
Other financial income	232 280	443 337
	<u>8 898 770</u>	<u>20 990 113</u>
5 Financial expenses		
Financial expenses are specified as follows:		
Other financial expenses	398 947	1 294 865
Exchange rate differences	10 284 775	4 943 745
Interest paid to group enterprises	36 372	50 460
	<u>10 720 094</u>	<u>6 289 070</u>
6 Tax on profit/(loss) for the year		
The corporation tax expensed is specified as follows:		
Current tax for the year	11 393 902	8 944 539
Deferred tax for the year	(3 901 183)	(2 454 537)
Current tax Adjustment concerning previous years	133 323	597 314
Deferred tax adjustment concerning previous years	0	857 894
Total tax for the year	<u>7 626 042</u>	<u>7 945 212</u>

During the year DKK 8,620,481 has been prepaid as tax on account related to current year.

Notes to the Financial Statements

7 Proposed distribution of profit/(loss)	2021/2022	2020/2021
	DKK	DKK
Retained profit/(loss)	(123 878 655)	21 088 720
Proposed dividend	150 000 000	0
	26 121 345	21 088 720

8 Tangible fixed assets

Investments in and depreciation of tangible fixed assets are specified as follows:

	<i>Fixtures, fittings and equipment</i>	<i>Leasehold improvements</i>	<i>Total</i>
	DKK	DKK	DKK
Cost at 1 February	8 160 795	1 404 814	9 565 609
Additions for the year	689 765	125 376	815 141
Disposals for the year	(2 298 950)	0	(2 298 950)
Cost at 31 January	6 551 610	1 530 190	8 081 800
Depreciation and impairment loss at 1 February	5 863 899	997 852	6 861 751
Depreciation and impairment loss for the year	1 321 939	83 650	1 405 590
Reversal of depreciation and impairment of disposed assets	(2 298 950)	0	(2 298 950)
Depreciation and impairment loss at 31 January	4 886 888	1 081 503	5 968 391
Carrying amount at 31 January 2022	1 664 722	448 687	2 113 409

9 Deferred tax	JANUARY 2022	JANUARY 2021
	DKK	DKK
Beginning of the year	3 141 931	1 545 290
Amounts recognized in the income statement for the year	3 901 183	2 454 536
Prior year deferred tax adjustment	0	(857 894)
End of the year	7 043 115	3 141 931
Deferred tax assets comprises of:		
Fixed Assets	(424 450)	429 385
Lease assets	(2 853 987)	(1 707 252)
Prepayments	(3 611 215)	(2 707 617)
Provisions	11 191 672	6 294 770
Lease liabilities	2 750 090	1 690 539
Other temporary differences	(8 995)	(857 894)
Total	7 043 115	3 141 931

There are no particular factors in relation to the utilization of the deferred tax asset exists.

Notes to the Financial Statements

10 Equity

The share capital consists of 501 shares of a nominal value of DKK 1,000. No shares carry any special rights.

11 Provisions

	<u>JANUARY 2022</u>	<u>JANUARY 2021</u>
	DKK	DKK
Rebates	8 358 456	4 019 538
Warranty Provision - Non-Current	4 421 336	4 171 667
Warranty Provision - Current	5 018 077	4 572 237
	<u>17 797 869</u>	<u>12 763 442</u>

The company records warranty liabilities at the time of sale for the estimated costs that may be incurred under limited warranty. The specific warranty term and conditions vary depending upon the product sold, but generally includes technical support, parts and labor over a period ranging from one to three years. Factors that affect the company's warranty liability include the number of installed units currently under warranty, historical and anticipated rate of warranty claim on these units, and costs per claim to satisfy the company's warranty obligation.

12 Deferred revenue

Due after 5 years	683 492	437 828
Due between 1 and 5 years	387 138 021	228 727 818
Deferred revenue - Non Current	387 821 512	229 165 645
Deferred revenue - Current	284 417 909	316 824 940
	<u>672 239 421</u>	<u>545 990 586</u>

Deferred revenue is derived from sales of warranty contracts and amortised under the straight-line method based in contract lives. Revenue which will be recognized in the next year is stated under current liabilities.

13 Fee to auditors appointed at the general meeting

	<u>2021/2022</u>	<u>2020/2021</u>
	TDDK	TDDK
Audit fee to PricewaterhouseCoopers	530	530
Other Services	10	0
	<u>540</u>	<u>530</u>

Notes to the Financial Statements

14 Leasing

The balance sheet shows the following amounts relating to leases:

	IFRS 16 31 January 2022	IFRS 16 31 January 2021
	DKK	DKK
Amounts recognized in the balance sheet: right-of-use assets		
Properties	10 129 829	2 971 408
Vehicles	2 842 839	4 788 827
Total right-of-use assets	12 972 667	7 760 235

	Buildings	Vehicles and machinery	Total
Opening amount as at 31 January 2021	2 971 408	4 788 827	7 760 235
Modifications in lease contracts	0	270 885	270 885
Other adjustments	11 797 881	(329 269)	11 468 612
Depreciation for the year	(4 639 460)	(1 887 605)	(6 527 065)
Closing balance as at 31 January 2022	10 129 829	2 842 839	12 972 667

	IFRS 16 31 January 2022	IFRS 16 31 January 2021
	DKK	DKK
Amounts recognized in the balance sheet: lease liabilities		
Non-current	6 892 672	2 936 110
Current	5 607 737	4 748 158
Total	12 500 409	7 684 268

The statement of profit or loss shows the following amounts relating to leases:

	IFRS 16 31 January 2022	IFRS 16 31 January 2021
	DKK	DKK
Amounts recognized in the statement of profit or loss		
Depreciation of right-of-use assets		
Properties	4 639 460	5 054 171
Vehicles	1 887 605	2 544 770
Total depreciation of right-of-use assets	6 527 065	7 598 941
Interest expense (included in Finance costs)	150 063	375 412
Expense relating to variable lease payments not included in lease liabilities (included in Administrative expenses)	1 770 994	1 831 406
Total expenses related to leases	8 448 122	9 805 759

Notes to the Financial Statements

15 Related parties and ownership

Controlling interest	Basis
EMC Ireland Holdings Unlimited Company Ovens County Cork Ireland	<i>Immediate Parent</i>
Dell Technologies Inc. 251 Little Falls Drive Wilmington DE 19808-1674 USA	<i>Ultimate Parent Company</i>

Group Annual Report

The Company is included in the Group Annual Report of Dell Technologies Inc.

A copy of the Group Annual Report can be obtained from 251 Little Falls Drive, Wilmington, DE 19808-1674, USA.

Related parties transactions

With reference to section 98C(7) of the Danish Financial Statements Act, the Company have only disclosed transactions which are not prepared in accordance with the arms-length principle.

In the financial year there have not been transactions with related parties which have not been entered in accordance with the arms-length principle.

16 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.