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 2019 – 31 January 2020

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 7/9 2020

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 2019 - 31 January 2020.

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 2020 of the Company and of the results of the Company's operations for the Financial Year 1 February 2019 - 31 January 2020.

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 30 July 2020

Executive Board

Sophie Ronnertz

Board of Directors

Nicolai Johan Moresco *Chairman*	Sophie Ronnertz	Robert Linn Potts

Anna Anja Monrad

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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 2019 - 31 January 2020.

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Board of Directors

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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 2020, and of the results of the Company's operations for the financial year 1 February 2019 - 31 January 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Dell A/S for the financial year 1 February 2019 – 31 January 2020, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes ("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.

København, 30 July 2020
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Carsten Nielsen
State Authorised Public Accountant
mne30212

Company Information

The company	Dell A/S Arne Jacobsens Allé 17 DK-2300 København S Denmark *Telephone*: +45 32 87 12 00 *Facsimile: +45 32 87 12 01* *Website*: www.dell.dk *CVR-No.*: 18 29 67 99 *Municipality of reg. office: Copenhagen*
Board of Directors	Nicolai Johan Moresco *(Chairman)* Sophie Ronnertz Robert Linn Potts Anna Anja Monrad
Executive Board	Sophie Ronnertz
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	*2019/2020	2018/2019	2017/2018	2016/2017	2015/2016
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Profit/(loss) for the year					
Net turnover	1 605 130	1 741 499	1 265 916	446 202	413 764
Gross profit/(loss)	337 484	334 819	303 732	361 170	307 855
Profit/(loss) before financial items	28 503	26 713	19 979	21 720	19 231
Net financials	-2 704	-1 471	-3 409	-70	-170
Profit/(loss) before tax	25 799	25 242	16 570	21 650	19 061
Profit/(loss) for the year	18 175	19 625	12 742	16 530	14 292
Balance sheet					
Balance sheet total	888 891	720 178	611 605	298 779	313 792
Equity	110 330	87 128	67 504	54 761	38 231
Investments in tangible fixed assets	2 308	1 814	1 848	966	2 767
Number of staff	265	249	251	272	283
Ratios %					
Gross margin	21.0	19.2	24.0	80.9	74.4
Profit margin	1.8	1.5	1.6	4.9	4.6
Return on net assets	3.2	3.7	3.3	7.3	6.1
Solvency ratio	12.4	12.1	11.0	18.3	12.2
Return on equity	18.4	25.4	20.8	35.6	29.0

**On 28 September 2019, the company has been merged with EMC Computer Systems Danmark A/S. The merge has retrospective approach effective since 1 February 2019. Financial Highlights have been prepared as if the company would always be merged. The ratios have been prepared in accordance with the recommendations and guidelines issued by the Dannish 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 and new revenue streams relating to product revenue. On 28 September 2019, the company has been merged with EMC Computer Systems Denmark A/S the company's main activity has consisted of sale on a commission basis of data and other equipment, which is considered to be related by the Board of Directors. The merge has retrospective approach effective since 1 February 2019.

Development in the financial year

The company has a profit after tax of DKK 18,175,206 compared to a result of DKK 19,624,592 last year.

Dell's focus on delivering complete infrastructure solutions for government agencies and small and medium businesses has been positively received by our customers. We expect a continued focus on sales of this type of IT solutions and services and thus strengthen our position in the Danish market in the coming years.

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://corporate.delltechnologies.com/content/dam/delltechnologies/assets/corporate/pdf/progress-made-real-reports/delltechnologies-fy20-progress-made-real-report.pdf

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 24% women and 76% 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.

Further, we refer to the Dell Group's policy for empowering gender:
https://corporate.delltechnologies.com/en-us/social-impact/cultivating-inclusion/gender-empowerment.htm

Research and Development

During the year ended 31 of January 2020, 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

Management expects that a stronger focus on expanding partner strategy, the improved presence in the market and introduction of new products and services in the coming year will strengthen Dell's position as a provider of complete infrastructure and will enable the Company to maintain a stable level of performance.

General risk assessment

In December 2019, COVID-19 was reported to have been detected in Wuhan, China, and since then has spread to many other countries. The extent to which COVID-19 may affect our business, financial position, and results of operations depends on future developments, which are highly uncertain and cannot be predicted. The spread of COVID-19 may create global economic uncertainty, which may cause partners, suppliers, and potential customers to restrict spending or delay nonessential purchases.

Future prospects

The Company's outlook for the future could be negatively affected by the COVID-19 outbreak and the measures taken by governments in most of the world to mitigate the impacts of the outbreak.

Company Management has tried to estimate the effect of COVID-19 on the expected revenue and net profit of the Company. It is, however, too early yet to give an opinion as to the extent of the negative implications.

Subsequent events

In December 2019, a pandemic (COVID - 19) spread from Wuhan, Hubei Province in China, worldwide. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 January 2020), and therefore will not have any effect on the Financial Statements for 2019/20 (a non-adjusting event).

Our business operations could be adversely affected by uncertainty and disruption resulting from the global spread of the coronavirus disease 2019 (COVID-19). While we are currently seeing heightened interest in work from home solutions and continuing execution in our global supply chain, we are unable to predict the extent to which the global COVID-19 pandemic may adversely impact our business operations, financial performance and results of operations for the Financial year 2020/21. We have taken precautionary measures to increase our cash position and preserve financial flexibility and Management assesses that the financial resources available are adequate for the Company to continue as a going concern. We will continue to monitor global events and respond accordingly to any potential business disruptions that may occur.

Significant events

The company did not have during the financial year ended 31 January 2020 any events considered as significant by their substance.

Accounting Policies

Basis of accounting

The Annual Report of Dell A/S for 2019/2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting Class C.

With reference to § 86.4 in the Danish Financial Statements Act a cash flow statement has not been prepared and the Company refers to the cash flow statement for the intermediate parent company Dell Technologies Inc..

Changes in accounting policies

IFRS 16 Leases was implemented as from 1 February 2019. The standard has been implemented applying the modified retrospective approach under which lease assets correspond to lease liabilities. Consequently, the comparative figures have not been restated.

The implementation of IFRS 16 implies that almost all leases, including operating leases, are to be recognised in the balance sheet. This means that a lease liability stated at the net present value of future lease payments and a lease asset adjusted for payments made prior to the commencement of the lease are recognised.

The following exemptions have been applied in connection with the implementation of IFRS 16:

- Leases with a term of less than 12 months and low-value assets are not recognised;
- The discount rate is determined for groups of leases of a uniform nature.

The implementation of IFRS 16 has implied the recognition of lease assets of DKK 18.7 million and lease liabilities of a corresponding amount at 1 February 2019. The implementation has not had any effect on equity.

An average discount rate of 3.27% has been applied for the calculation of the lease liability.

Going forward, the capitalisation of leases implies that lease payments are classified as depreciation and interest, respectively, in the income statement and not as operating expenses. In the cash flow statement, the payments are classified as cash flows from financing activities and not as cash flows from operating activities.

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.

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.

The accounting policies have been changed following the implementation of IFRS 16. We refer to the description below of accounting policies for leases.

Except for this, the accounting policies remain unchanged compared to previous years.

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.

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:

$$\text{Gross margin} = \frac{\textit{Gross profit x 100}}{\textit{Revenue}}$$

$$\text{Profit margin} = \frac{\textit{Profit before financials x 100}}{\textit{Revenue}}$$

$$\text{Return on net assets} = \frac{\textit{Profit before financials x 100}}{\textit{Total assets}}$$

$$\text{Solvency ratio} = \frac{\textit{Equity at year end x 100}}{\textit{Total assets}}$$

$$\text{Return on equity} = \frac{\textit{Net profit for the year x 100}}{\textit{Average equity}}$$

Income Statement 1 February 2019 - 31 January 2020

	Notes	2019/2020	2018/2019
		DKK	DKK
Revenue	1	1 605 130 448	1 741 498 617
Cost of goods sold		1 174 891 998	1 298 378 047
Other external expenses		92 754 636	108 301 443
Gross profit/(loss)		**337 483 814**	**334 819 127**
Staff expenses	2	307 130 605	306 301 571
Depreciation and impairment loss	3	1 849 949	1 804 902
Profit/(loss) before financial income and expenses		**28 503 260**	**26 712 654**
Financial income	4	9 937 891	2 459 257
Financial expenses	5	12 641 952	3 930 067
Profit/(loss) before tax		**25 799 200**	**25 241 844**
Tax on profit/(loss) for the year	6	(7 623 994)	(5 617 252)
Net profit/(loss) for the year	7	**18 175 206**	**19 624 592**

Balance Sheet 31 January 2020

Assets

	Notes	2019/2020 DKK	2018/2019 DKK
Other fixtures, fittings and equipment	8	3 106 265	3 219 049
Leasehold improvements	8	507 271	666 889
Right-of-use asset	14	12 662 768	0
Tangible fixed assets		**16 276 304**	**3 885 938**
Fixed assets		**16 276 304**	**3 885 938**
Inventories		**300 554**	**4 203 691**
Trade receivables		283 116 822	223 992 166
Receivables from group enterprises		496 152 667	458 397 112
Other receivables		75 867 426	8 755 872
Corporation tax	6	0	597 316
Deferred tax asset	9	1 545 290	805 379
Prepayments		438 644	13 247 012
Shortterm Deferred Cost		0	0
Receivables		**857 120 849**	**705 794 857**
Cash at bank and in hand		**15 193 096**	**6 293 403**
Current assets		**872 614 499**	**716 291 951**
Assets		**888 890 803**	**720 177 889**

Balance Sheet 31 January 2020

Liabilities and equity

	Notes	2019/2020 DKK	2018/2019 DKK
Share capital		501 000	1 000 000
Paid-in Capital		5 027 137	0
Retained profit/(loss)		104 802 104	86 127 869
Equity	10	**110 330 241**	**87 127 869**
Provisions	11	**14 800 752**	**13 002 507**
Longterm Deferred Revenue	12	146 678 637	198 008 406
Longterm Lease Liability	14	6 827 782	0
Long-term debt		**153 506 419**	**198 008 406**
Trade payables		21 736 044	26 405 965
Payables to group enterprises		174 788 118	116 059 188
Corporation tax	6	1 951 349	0
Other payables		130 528 060	113 117 888
Shortterm Deferred Revenue	12	274 242 719	166 456 066
Shorterm Lease Liability	14	7 007 100	0
Short-term debt		**610 253 390**	**422 039 107**
Debt		**763 759 809**	**620 047 513**
Liabilities and equity		**888 890 803**	**720 177 889**
Fee to auditors appointed at the general meeting	13		
Leasing	14		
Related parties and ownership	15		
Subsequent events	16		

Statement of Changes in Equity
For the year ended 31 January 2020

	Share capital	Retained earnings	Additional Paid in capital	Total
	DKK	DKK	DKK	DKK
Equity at 1 February 2019	**500 000**	**66 567 131**	**0**	**67 067 131**
Net effect from fusion	500 000	19 560 738	0	20 060 738
Net effect from change of accounting policy	0	0	0	0
Adjusted equity at 1 February 2019	**1 000 000**	**86 127 869**	**0**	**87 127 869**
Net profit/(loss) for the year	0	18 175 206	0	18 175 206
Net effect from fusion	(499 000)	499 029	0	29
Restricted Stock Unit (RSU)	0	0	5 027 137	5 027 137
Equity at 31 January 2020	**501 000**	**104 802 104**	**5 027 137**	**110 330 241**

Notes to the Financial Statements

1 Revenue

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

	Sale to country	2019/2020	2018/2019
		DKK	DKK
Sales of products	Denmark	1 435 347 003	1 561 295 666
	Ireland	0	0
	Norway	27 620 309	34 694 189
	Sweden	68 463 090	60 477 346
Commission	Ireland	0	0
Third party maintenance recharge, other	Denmark	0	11 759 732
	Ireland	71 396 921	71 997 279
	Norway	0	763
	Sweden	0	1 172
	United States	45 493	57 627
Recharge of marketing expenses	Ireland	0	0
Services provided	Denmark	162 453	259 428
	Sweden	1 412	0
	United States	2 093 766	955 417
		1 605 130 448	**1 741 498 617**

2 Staff expenses

Staff expenses is specified as follows:

	2019/2020	2018/2019
Wages and salaries	281 914 125	279 899 696
Pensions	24 096 685	23 890 676
Other social security expenses	1 119 795	2 511 199
	307 130 605	**306 301 571**
including remuneration to the Executive Board of:		
Executive Board	1 454 443	1 526 440
Average number of employees	**265**	**249**

Notes to the Financial Statements

		2019/2020	2018/2019
3	**Depreciation and impairment loss**	DKK	DKK
	Depreciation and impairment loss is specified as follows:		
	Depreciation and impairment loss on tangible fixed assets	1 849 949	1 804 902
		1 849 949	**1 804 902**
4	**Financial income**		
	Financial income is specified as follows:		
	Interest received from group enterprises	1 860 319	1 156 670
	Exchange rate differences	7 843 048	886 513
	Other financial income	234 524	416 074
		9 937 891	**2 459 257**
5	**Financial expenses**		
	Financial expenses are specified as follows:		
	Other financial expenses	1 084 985	843 967
	Exchange rate differences	11 556 967	3 086 100
	Interest paid to group enterprises	0	0
		12 641 952	**3 930 067**
6	**Tax on profit/(loss) for the year**		
	The corporation tax expensed is specified as follows:		
	Current tax for the year	7 626 965	5 632 657
	Deferred tax for the year	(1 530 796)	340 308
	Current tax Adjustment concerning previous years	190 208	(359 537)
	Deferred tax adjustment concerning previous years	1 337 617	3 824
	Total tax for the year	**7 623 994**	**5 617 252**

During the year DKK 6,438,870 has been prepaid as tax on account.
Tax underpayment for current year is in amount of DKK 1,188,095.

Notes to the Financial Statements

7 Proposed distribution of profit/(loss)

	2019/2020	2018/2019
	DKK	DKK
Retained profit/(loss)	18 175 206	19 624 592
	18 175 206	**19 624 592**

8 Tangible fixed assets

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

	Fixtures, fittings and equipment	*Leasehold improvements*	*Total*
	DKK	DKK	DKK
Cost at 1 February (Dell A/S)	7 313 897	1 843 503	9 157 400
Cost at 1 February (EMC CS A/S)	758 018	0	758 018
Additions for the year	2 307 808	27 757	2 335 565
Disposals for the year	0	0	0
Adjustment due to merger	(758 018)	0	(758 018)
Cost at 31 January	9 621 705	1 871 260	11 492 965
Depreciation and impairment loss at 1 February (Dell A/S)	4 522 559	1 176 614	5 699 173
Depreciation and impairment loss at 1 February (EMC CS A/S)	330 307	0	330 307
Depreciation and impairment loss for the year	1 662 574	187 375	1 849 949
Adjustment due to merger	0	0	0
Depreciation and impairment loss at 31 January	6 515 439	1 363 989	7 879 428
Carrying amount at 31 January 2020	**3 106 265**	**507 271**	**3 613 536**

9 Deferred tax

	2019/2020	2018/2019
	DKK	DKK
Beginning of the year	805 379	1 149 511
Amounts recognized in the income statement for the year	739 911	(344 132)
End of the year	**1 545 290**	**805 379**

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.

Upon completion of the merger EMC Ireland Holdings (the "sole shareholder") in the Non-Surviving Company receives consideration in connection with the merger in the form of shares in the Surviving Company. Accordingly, 500 shares each with a nominal value of DKK 1,000 in the Non-Surviving Company will be exchanged into one share with a nominal value of DKK 1,000 in the Surviving Company. The sole shareholder in the Non-Surviving Company thus receives shares in the Surviving Company with a total nominal value of DKK 1,000. The consideration for the shares in the Non-Surviving Company will be issued through a capital increase in the Surviving Company, where the share capital is increased by nominally DKK 1,000 from nominally DKK 500,000 to nominally DKK 501,000.

11 Provisions

	31-Jan-20	31-Jan-19
	DKK	DKK
Rebates	6 418 144	4 328 101
Warranty Provision - Non-Current	3 806 262	3 029 529
Warranty Provision - Current	4 576 346	5 644 877
	14 800 752	**13 002 507**

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	535 035	3 164 879
Due between 1 and 5 years	146 143 602	194 843 527
Deferred revenue - Non Current	146 678 637	198 008 406
Deferred revenue - Current	274 242 719	166 456 066
	420 921 356	**364 464 472**

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

	2019/2020	2018/2019
	TDKK	TDKK
Audit fee to PricewaterhouseCoopers	661	645
Other Services	0	37
	661	682

Notes to the Financial Statements

14 Leasing

The balance sheet shows the following amounts relating to leases:

	IFRS 16 31 January 2020	IFRS 16 1 February 2019
Amounts recognized in the balance sheet: right-of-use assets	DKK	DKK
Properties	8 656 020	13 086 150
Vehicles	4 006 748	5 611 801
Total right-of-use assets	12 662 768	18 697 950

	Buildings	Vehicles and machinery	Total
Opening amount as at 31 January 2019	0	0	0
Adjustment on adoption IFRS 16 (see note 15)	13 086 150	5 611 801	18 697 950
Restated opening amount 1 February 2019	**13 086 150**	**5 611 801**	**18 697 950**
Modifications in lease contracts	(3 947)	248 103	244 156
Accumulated depreciation	(4 426 182)	(1 853 156)	(6 279 338)
Closing balnace as at 31 January 2020	**8 656 020**	**4 006 748**	**12 662 768**

	IFRS 16 31 January 2020	IFRS 16 1 February 2019
Amounts recognized in the balance sheet: lease liabilities	DKK	DKK
Non-current	6 827 782	10 444 985
Current	7 007 100	8 252 965
Total	13 834 882	18 697 950

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

	IFRS 16 31 January 2020	IAS 17 31 January 2019
Amounts recognized in the statement of profit or loss	DKK	DKK
Depreciation of right-of-use assets		
Properties	5 625 313	0
Vehicles	2 698 941	0
Total depreciation of right-of-use assets	8 324 254	0
Interest expense (included in Finance costs)	596 253	0
Expense relating to variable lease payments not included in lease liabilities (included in Administrative expenses)	1 849 250	0
Operating lease expense (IAS 17, for comparatives only)	0	5 124 847
Total expenses related to leases	10 769 757	5 124 847

Notes to the Financial Statements

15 Related parties and ownership

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

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, related parties transactions have not been disclosed in th Annual Report.

16 Subsequent events

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