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 2022 – 31 January 2023

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 18/7/2023

Tina Øster Larsen
Chairman

Contents

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 2022 - 31 January 2023.

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 2023 of the Company and of the results of the Company's operations for the Financial Year 1 February 2022 - 31 January 2023.

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 17 July 2023

Executive Board

Marianne Lindhard Moe

Marianne Lindhard Moe

Board of Directors

Nicolai Moresco

Nicolai Johan Moresco
Chairman

Marianne Lindhard Moe

Marianne Lindhard Moe

Ann Sophie Elisabeth Rönnertz
Palebo

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 2023, and of the results of the Company's operations for the financial year 1 February 2022 - 31 January 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Dell A/S for the financial year 1 February 2022 – 31 January 2023, 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, 17 July 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Martin Lunden
State Authorised Public Accountant
mne 32209

Company Information

The company	Dell A/S Arne Jacobsens Allé 17 DK-2300 København S Denmark *Telephone*: *+45 32 87 50 00* *Facsimile: +45 32 87 50 01* *Website*: www.dell.dk CVR-nr. 18 29 67 99 *Municipality of* *reg. office: Copenhagen*
Board of Directors	Nicolai Johan Moresco (Chairman) Marianne Lindhard Moe Ann Sophie Elisabeth Rönnertz Palebo
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	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Profit/(loss) for the year					
Net turnover	2,491,361	2,026,173	1,708,116	1,605,130	1,741,499
Gross profit/(loss)	403,066	327,895	333,348	337,484	334,819
Profit/(loss) before financial items	95,616	35,569	14,333	28,503	26,713
Net Financials	(23,092)	(1,821)	14,701	(2,704)	(1,471)
Profit/(loss) before tax	72,524	33,747	29,034	25,799	25,242
Profit/(loss) for the year	57,102	26,121	21,089	18,175	19,625
Balance sheet					
Balance sheet total	1,264,327	1,196,172	1,147,811	888,891	720,178
Equity	117,119	187,293	143,184	110,330	87,128
Investments in tangible fixed assets	4,477	815	833	2,308	1,814
Number of staff	223	225	248	265	249
Ratios %					
Gross margin	16.2	16.2	19.5	21.0	19.2
Profit margin	3.8	1.8	0.8	1.8	1.5
Return on net assets	7.6	3.0	1.2	3.2	3.7
Solvency ratio	9.3	15.7	12.5	12.4	12.1
Return on equity	37.5	15.8	16.6	18.4	25.4

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 57,102,094 compared to a result of DKK 26,121,345 last year.

As a global company with customers operating in a broad range of businesses and industries, our performance is affected by global economic conditions and the demand for technology products and services in international markets. Adverse economic conditions may negatively affect customer demand, and could result in postponed or decreased spending amid customer concerns over unemployment or slowing demand for their products, reduced asset values, volatile energy costs, geopolitical issues, the availability and cost of credit, and the stability and solvency of financial institutions, financial markets, businesses, local and state governments, and sovereign nations.

Despite of the global situation the Company successfully continued in transforming customer needs from home office to collaboration from anywhere. During the fiscal 2023 the company has achieved the results within the expected range from prior year. As a result, the Management finds the results satisfactory. The company growth in Customer Solutions Group (CSG) was achieved by +13% YoY, where increase was primarily driven by revenue distributor ALSO A/S. It is a partner of Dell A/S focusing on wholesale of computers, computer peripherals, equipment and software. Within Infrastructure Solutions Group (ISG) the Company has achieved +24% YoY increase driven by strong performance in Public, Corporate and Medium Business. (MB). Overall, the company during fiscal 2023 had the strongest revenue and growth higher than 40% over 3 years on 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.

Environmental, Social, and Governance – sections 99a and 99d of Danish Financial Statement Act

Dell Technologies is committed to driving human progress by putting our technology and expertise to work where it can do the most good for both people and the planet. We recognize

that all of our stakeholders — shareholders, customers, suppliers, employees, and communities — as well as the environment and society, are essential to our business.
Dell Technologies is committed to progressing towards the goals set forth in our plan for 2030 and beyond (our "2030 Goals"). Our 2030 Goals represent an extension of our purpose as a company — to create technologies that drive human progress. We are using these goals to build our impact strategies over the next decade. Our 2030 Goals have four critical areas of focus:

- Advancing Sustainability — We believe we have a responsibility to protect and enrich our planet together with our customers, suppliers, and communities. We continue to prioritize sustainability across our business ecosystem, valuing natural resources and seeking to minimize our impact. With the power of our global supply chain, Dell Technologies pursues the highest standards of sustainability and ethical practices.
- Cultivating Inclusion — We view diversity and inclusion as a business imperative that will enable us to build and empower our future workforce and we strive to cultivate inclusion for our team members, customers, and communities. It is essential that our workforce be fully representative of the diversity in our global customer base. Further, we believe that diversity of leadership increases innovation and ensures that company decisions reflect a wide variety of perspectives.
- Transforming Lives — We believe our scale, support, and the innovative application of our portfolio can play an important role in advancing fundamental human rights and addressing complex societal challenges, including improving health, education, and economic opportunities for the underserved. We endeavor to harness the power of technology to create a future that is capable of realizing human potential.
- Upholding Trust — Trust is at the root of all we do. Security, privacy, and ethics are core to establishing and maintaining trusted relationships. We are committed to keeping our customers' data safe and earning their trust through transparency. We respect the privacy of our employees, customers and partners and we require our third-party partners to acknowledge their commitment to the same. We are committed to ensuring that all team members align to our culture of integrity and ethical behavior. Sustaining, improving, and increasing the level of trust for our team members, customers and partners is essential in everything Dell Technologies does. We are working to earn confidence and to uphold trust in everything we do.

Dell Technologies measures progress against our 2030 Goals in our annually released reports available on our website at FY23 ESG report under following link:
https://www.dell.com/en-us/dt/corporate/social-impact/esg-resources/reports/fy23-esg-report.htm?hve=read+report#scroll=off&pdf-overlay=//www.delltechnologies.com/asset/en-us/solutions/business-solutions/briefs-summaries/delltechnologies-fy23-esg-report.pdf

In its operations, the Company considers the legislative and regulatory framework of the country on all matters, including Environmental, Social and Governance. 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.

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 meets the requirement to have a balanced representation of men and women in the Board of Directors.

Managerial positions were covered by 45% women and 55% men.

Dell Technologies is dedicated to attracting and developing people who identify as women across our global operations – and especially in technical positions and leadership roles, where they remain underrepresented throughout our industry. We foster a place where people want to work, and team members feel they belong, and our inclusive values reflect those of our customers and our communities. One of the main goal of Dell Technologies is that by 2030, 50% of our global workforce and 40% of our global people leaders will be team members who identify as women.

FY23 ESG report is available on the Ultimate Parent company Dell Technologies Inc. website: https://www.dell.com/en-us

Research and Development

During the year ended 31 January 2023, 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.

The expectation of the future growth continues being conservative. The company outlooks slowdown in the market with longer approval times and budget restrains with our customers for fiscal 2024. Due to such implications on the market, the expectations for the course of sales for the next financial year ranges from DKK 2,118M to DKK 2,591M with slower growth trend in market share +3%. Profit Before Tax is estimated for the next fiscal year to be within the range from DKK 35M to DKK 50M.

General risk assessment

Weak or unstable global economic conditions, including those attributable to international conflicts, such as the War 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 effects of the ongoing war in Ukraine. When Russia invaded Ukraine, DELL TECHNOLOGIES INC. ("DELL") made the decision to not sell, service, or support products in Russia, Belarus, and restricted regions of Ukraine. During Fiscal 2023, DELL has resumed product sales to non-sanctioned areas in Ukraine, focusing on providing products and support to Ukrainian customers as they rebuild infrastructure and restore businesses and the financial sector.

The war and the related economic sanctions are impacting markets worldwide. Our business may be adversely affected by effects of the war and such sanctions, including supply chain disruptions, product shipping delays, macroeconomic impacts resulting from the exclusion of Russian financial institutions from the global banking system, volatility in foreign exchange rates and interest rates, inflationary pressures, and heightened cybersecurity and data theft threats. The full impact of the war on our business operations and financial performance will depend on future developments. We will continue to monitor 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 2023 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 2022/2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting Class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022/2023 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.

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.

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.

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:

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

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

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

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

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

Income Statement 1 February - 31 January

	Notes	2022/2023	2021/2022
		DKK	DKK
Revenue	1	2,491,361,341	2,026,172,672
Cost of goods sold		2,014,656,095	1,630,626,300
Other external expenses		73,639,591	67,651,554
Gross profit/(loss)		**403,065,655**	**327,894,818**
Staff expenses	2	300,410,347	284,393,453
Depreciation and impairment loss	3	7,039,612	7,932,655
Profit/(loss) before financial income and expenses		**95,615,696**	**35,568,711**
Financial income	4	49,880,082	8,898,770
Financial expenses	5	72,972,190	10,720,094
Profit/(loss) before tax		**72,523,588**	**33,747,387**
Tax on profit/(loss) for the year	6	(15,421,494)	(7,626,042)
Net profit/(loss) for the year	7	**57,102,094**	**26,121,345**

Balance Sheet 31 January

Assets

	Notes	JANUARY 2023	JANUARY 2022
		DKK	DKK
Other fixtures, fittings and equipment	8	4,739,757	1,664,722
Leasehold improvements	8	372,603	448,687
Right-of-use asset	14	7,877,057	12,972,667
Long-term Other receivables		233,543,262	179,711,968
Non-current assets		**246,532,679**	**194,798,044**
Inventories		**6,618,355**	**130,001**
Trade receivables		296,560,027	295,374,371
Receivables from group enterprises		518,464,020	552,813,231
Other receivables		178,315,347	126,690,747
Deferred tax asset	9	12,374,632	7,043,115
Prepayments		232,387	342,373
Receivables		**1,005,946,413**	**982,263,837**
Cash at bank and in hand		**5,229,663**	**18,980,066**
Current assets		**1,017,794,431**	**1,001,373,904**
Assets		**1,264,327,110**	**1,196,171,948**

Balance Sheet 31 January

Liabilities and equity

	Notes	JANUARY 2023	JANUARY 2022
		DKK	DKK
Share capital	10	501,000	501,000
Other Reserves		57,503,539	34,779,931
Proposed dividend for the year		55,000,000	150,000,000
Retained profit/(loss)		4,114,263	2,012,169
Equity		**117,118,802**	**187,293,100**
Provisions	11	**22,505,310**	**17,797,869**
Long-term Deferred Revenue	12	411,020,240	387,821,512
Long-term Lease Liability	14	2,400,363	6,892,672
Long-term debt		**413,420,603**	**394,714,184**
Trade payables		22,613,196	28,616,300
Payables to group enterprises		182,835,437	206,397,875
Corporation tax	6	6,766,907	3,769,423
Other payables		82,289,614	67,557,551
Short-term Deferred Revenue	12	411,639,084	284,417,909
Short-term Lease Liability	14	5,138,157	5,607,737
Short-term debt		**711,282,395**	**596,366,795**
Debt		**1,124,702,998**	**991,080,979**
Liabilities and equity		**1,264,327,110**	**1,196,171,948**
Fee to auditors appointed at the general meeting	13		
Leasing	14		
Related parties and ownership	15		
Subsequent events	16		

Statement of Changes in Equity

	Share capital	Retained earnings	Proposed dividend for the year	Reserve for compensations plans	Total
	DKK	DKK	DKK	DKK	DKK
Equity at February 1, 2022	501,000	2,012,169	150,000,000	34,779,931	187,293,100
Dividends paid during the year	0	0	(150,000,000)	0	(150,000,000)
Net profit/(loss) for the year	0	2,102,094	55,000,000	0	57,102,094
Restricted Stock Unit (RSU)	0	0	0	22,723,608	22,723,608
Equity at January 31, 2023	501,000	4,114,263	55,000,000	57,503,539	117,118,802

Notes to the Financial Statements

1 Revenue

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

	Sale to country	2022/2023	2021/2022
		DKK	DKK
Sales of products	Denmark	2,311,054,978	1,826,611,900
	Norway	22,205,630	26,363,260
	Sweden	105,710,725	111,257,659
Third party maintenance recharge, other	Ireland	48,418,302	52,750,572
	Norway	576,027	598,247
	Sweden	2,729,578	7,504,279
Services provided	Denmark	652,081	312,702
	Sweden	0	8,322
	United States	14,020	765,732
		2,491,361,341	**2,026,172,672**

2 Staff expenses

	2022/2023	2021/2022
	DKK	DKK
Staff expenses is specified as follows:		
Wages and salaries	275,731,204	260,140,681
Pensions	23,272,100	22,862,632
Other social security expenses	1,407,043	1,390,140
	300,410,347	**284,393,453**

Expenses related to compensation plan are included in "Staff expenses" by 22.7M DKK (2021/2022: 18M 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.

Remuneration to the Executive Board and Board of Directors have not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

The Board of Directors are not remunerated for their function as Board of Directors.

	Number of units 2022/2023	Number of units 2021/2022
Non-vested restricted stock units at the beginning of the financial year	199,893	97,413
Transferred during the financial year	1,510	0
Granted during the financial year	76,748	235,905
Vested during the financial year	86,433	28,804
Forfeited during the financial year	2,459	104,621
Non-vested restricted stock units at the end of the financial year	186,239	199,893
Close price at period end per 1 RSU:	$42.24	$56.24

At the end of the financial year, there were 186,239 (2021/2022: 199,893) Dell Tech non-vested restricted stock units.

Average number of employees	**223**	**225**

3 Depreciation and impairment loss

	2022/2023	2021/2022
	DKK	DKK
Depreciation and impairment loss is specified as follows:		
Depreciation on tangible fixed assets	1,446,452	1,405,590
Depreciation on right-of-use assets	5,593,160	6,527,065
	7,039,612	**7,932,655**

4 Financial income

Financial income is specified as follows:

	2022/2023	2021/2022
	DKK	DKK
Interest received from group enterprises	3,744,732	3,349,823
Exchange rate differences	13,017,363	5,316,667
Other financial income	33,117,987	232,280
	49,880,082	**8,898,770**

5 Financial expenses

Financial expenses are specified as follows:

	2022/2023	2021/2022
	DKK	DKK
Other financial expenses	414,662	398,947
Exchange rate differences	72,557,528	10,284,775
Interest paid to group enterprises	0	36,372
	72,972,190	**10,720,094**

6 Tax on profit/(loss) for the year

The corporation tax expensed is specified as follows:

	2022/2023	2021/2022
	DKK	DKK
Current tax for the year	20,588,707	11,393,902
Deferred tax for the year	(5,331,517)	(3,901,183)
Current tax Adjustment concerning previous years	164,304	133,323
Total tax for the year	**15,421,494**	**7,626,042**

During the year DKK 13,821,802 has been prepaid as tax on account related to current year.

7 Proposed distribution of profit/(loss)

	2022/2023	2021/2022
	DKK	DKK
Retained profit/(loss)	2,102,094	(123,878,655)
Proposed dividend	55,000,000	150,000,000
	57,102,094	**26,121,345**

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	6,551,610	1,530,190	8,081,800
Additions for the year	4,476,511	0	4,476,511
Disposals for the year	(1,780,152)	0	(1,780,152)
Cost at 31 January	9,247,969	1,530,190	10,778,159
Depreciation and impairment loss at 1 February	4,886,888	1,081,503	5,968,391
Depreciation and impairment loss for the year	1,370,368	76,084	1,446,452
Reversal of depreciation and impairment of disposed assets	(1,780,152)	0	(1,780,152)
Retirements for the year	31,108	0	31,108
Depreciation and impairment loss at 31 January	4,508,212	1,157,587	5,665,799
Carrying amount at 31 January 2023	**4,739,757**	**372,603**	**5,112,360**

9 Deferred tax

	JANUARY 2023	JANUARY 2022
	DKK	DKK
Beginning of the year	7,043,115	3,141,931
Amounts recognized in the income statement for the year	5,331,517	3,901,183
End of the year	**12,374,632**	**7,043,115**
Deferred tax assets comprises of:		
Fixed Assets	284,729	(424,450)
Lease assets	(1,732,953)	(2,853,987)
Prepayments	(4,655,563)	(3,611,215)
Provisions	16,819,945	11,191,672
Lease liabilities	1,658,474	2,750,090
Other temporary differences	0	(8,995)
Total	**12,374,632**	**7,043,115**

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

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

	JANUARY 2023	JANUARY 2022
	DKK	DKK
Rebates	12,938,051	8,358,456
Warranty Provision - Non-Current	5,400,522	4,421,336
Warranty Provision - Current	4,166,737	5,018,077
	22,505,310	**17,797,869**

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

	JANUARY 2023	JANUARY 2022
	DKK	DKK
Due after 5 years	811,129	683,492
Due between 1 and 5 years	410,209,111	387,138,021
Deferred revenue - Non Current	411,020,240	387,821,512
Deferred revenue - Current	411,639,084	284,417,909
	822,659,324	**672,239,421**

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

	2022/2023	2021/2022
	TDKK	TDKK
Audit fee to PricewaterhouseCoopers	616	530
Other Services	15	10
	631	**540**

14 Leasing

The balance sheet shows the following amounts relating to leases:	IFRS 16 31 January 2023	IFRS 16 31 January 2022
Amounts recognized in the balance sheet: right-of-use assets	DKK	DKK
Properties	6,257,848	10,129,829
Vehicles	1,619,209	2,842,839
Total right-of-use assets	7,877,057	12,972,667

	Buildings	Vehicles and machinery	Total
Opening amount as at 31 January 2022	10,129,829	2,842,839	12,972,667
Modifications in lease contracts	0	527,330	527,330
Other adjustments	0	(29,780)	(29,780)
Depreciation for the year	(3,871,981)	(1,721,179)	(5,593,160)
Closing balance as at 31 January 2023	**6,257,848**	**1,619,209**	**7,877,057**

	IFRS 16 31 January 2023	IFRS 16 31 January 2022
Amounts recognized in the balance sheet: lease liabilities	DKK	DKK
Non-current	2,400,363	6,892,672
Current	5,138,157	5,607,737
Total	7,538,520	12,500,409

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

Amounts recognized in the statement of profit or loss	IFRS 16 31 January 2023 DKK	IFRS 16 31 January 2022 DKK
Depreciation of right-of-use assets		
Properties	3,871,981	4,639,460
Vehicles	1,721,179	1,887,605
Total depreciation of right-of-use assets	5,593,160	6,527,065
Interest expense (included in Finance costs)	142,175	150,063
Expense relating to variable lease payments not included in lease liabilities (included in Administrative expenses)	1,155,731	1,770,994
Total expenses related to leases	6,891,066	8,448,122

15 Related parties and ownership

Controlling interest	Basis
EMC Ireland Holdings Unlimited Company 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, the Company have only disclosed transactions which are not prepared in accordance with the arms-lenght princple. In the financial year there have not been transactions with related parties which have not been entered in accordance with the arms-lenght principle.

16 Subsequent events

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