



NetApp Denmark ApS

Oslo Plads 2
2100 Copenhagen E
CVR No. 25238044

Annual report 01.05.2020 - 30.04.2021

The Annual General Meeting adopted the
annual report on 15.10.2021

Robert Alan Parks

Robert Alan Parks (Oct 27, 2021 08:57 EDT)

Robert Alan Parks
Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2020/21	9
Balance sheet at 30.04.2021	10
Statement of changes in equity for 2020/21	12
Notes	13
Accounting policies	15

Entity details

Entity

NetApp Denmark ApS

Oslo Plads 2

2100 Copenhagen E

Business Registration No.: 25238044

Registered office: Copenhagen E

Financial year: 01.05.2020 - 30.04.2021

Executive Board

Robert Alan Parks, direktør

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of NetApp Denmark ApS for the financial year 01.05.2020 - 30.04.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.04.2021 and of the results of its operations for the financial year 01.05.2020 - 30.04.2021.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 15.10.2021

Executive Board

Robert Alan Parks

Robert Alan Parks (Oct 27, 2021 08:57 EDT)

Robert Alan Parks
direktør

Independent auditor's report

To the shareholder of NetApp Denmark ApS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of NetApp Denmark ApS for the financial year 01.05.2020 - 30.04.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.04.2021 and of the results of its operations for the financial year 01.05.2020 - 30.04.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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.

Emphasis of matter

We draw attention to note 1, which describes the material uncertainty associated with the outcome of a lawsuit brought by the Danish Tax Authorities against the Company. Our Conclusion has not been modified in relation to this.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement and maintain professional scepticism 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Report on other legal and regulatory requirements and other reporting responsibilities

Violation of accounting legislation, including the Danish Bookkeeping Act

The company has kept accounting material in the Netherlands, which is against Danish law on storing of accounting records, whereby the Management can incur liability. However, the Management has commenced mitigating actions to rectify the violation, and the Company is expected to be compliant with the Danish Bookkeeping Act no later than 31 October 2021.

Copenhagen, 15.10.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556



Flemming Larsen

State Authorised Public Accountant
Identification No (MNE) mne27790

Management commentary

Primary activities

The company provides solutions enabling storage and management of network data to a broad range of industries.

Development in activities and finances

Management finds the performance for the year in line with expectations.

In September 2010, the Danish Tax Authorities (DTA) issued a decision concluding, that dividend distributions declared in 2005 and 2006 by the Company were subject to Danish at-source withholding tax. The Management do not believe that the Company is liable for such withholding tax and filed an appeal with the Danish Tax Tribunal.

In December 2011, the Danish Tax Tribunal issued a ruling in favor of the Company. The Danish tax examination agency appealed this decision at the Danish High Court (DHC) in March 2012.

In February 2016, the DHC requested a preliminary ruling from the Court of Justice of the European Union (CJEU). Parties were heard before the court in October 2017. In March 2018, the Advocate General issued an opinion which was largely in favor of the Company. The CJEU was not bound by the opinion of the Advocate General, and issued its preliminary ruling in February 2019. The CJEU ruling did not preclude the DTA from imposing withholding tax on dividend distributions based on the benefits of certain European Union directives.

Throughout January and February 2021, NetApp's case was heard before the DHC, who issued its ruling on 3 May 2021. The conclusion reached by the DHC differed between the two years 2005 and 2006.

With respect to the DKK 566 million dividend distribution made on 28 September 2005 the DHC found, that the dividend distribution was not subject to Danish withholding tax. For this dividend the base withholding tax claim as per 3 May 2021 is DKK 158.5 million and the accrued interest is DKK 254.8 million totaling to DKK 413.3 million.

Conversely, with respect to the DKK 92 million dividend distribution made on 13 October 2006 the DHC found, that the dividend distribution was subject to Danish withholding tax. The DHC emphasized, that the difference in the conclusion reached was due to the fact, that the Company did not provide sufficient documentation for the DKK 92 million dividend distribution being part of the dividend, that was distributed from Network Appliance Global Ltd. (Bermuda) to NetApp Appliance Inc. (US) as claimed by the company. For this dividend the base withholding tax claim as per 3 May 2021 is DKK 25.8 million and the accrued interest is DKK 41.4 million totaling to DKK 67.2 million.

As of 30 April 2021, the total tax claim may result in a liability of DKK 485.4 million, which comprise of the withholding tax claim of DKK 186.1 million and accrued interest of DKK 299.3 million.

On 28 May 2021 the DTA appealed the ruling of the DHC, and stated, that the DKK 566 million dividend distribution should also be subject to Danish withholding tax. Due to the appeal of the DTA it is expected that the ruling of the Danish Supreme Court (DSC) will be provided in 2 years. As a result, the interest is expected to increase with DKK 88.5 million from DKK 299.3 million on 30 April 2021 to DKK 387.8 million on 2 years when the ruling is expected to be issued. This is based on the period of 2 years, and that the tax interest rate stays at the

current level of 0.7 %.

Based on the assessment made by the Company's Management in conjunction with the opinion from the Company's legal counsel, it is considered more likely than not that the case will be found in the Company's favor, and the Management will continue to support this position in the appeals process with the DSC.

In June 2019 the Company revised its go-to-market strategy. NetApp B.V. will service the Danish market through its Channel partners going forward. As a result of the strategic change the Company's office was closed on April 30, 2019. From Mid-June 2019, the channel partners has sourced all orders from NetApp B.V. NetApp B.V. will continue to support NetApp Denmark ApS and will honor the commissionaire agreement that is in place for the next fiscal year.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020/21

	Notes	2020/21 DKK	2019/20 DKK
Gross profit/loss		2,315,220	6,698,727
Staff costs	2	(2,251,385)	(6,469,510)
Operating profit/loss		63,835	229,217
Other financial expenses		(63,835)	(161,368)
Profit/loss before tax		0	67,849
Tax on profit/loss for the year	3	(4,030,548)	(31,483)
Profit/loss for the year		(4,030,548)	36,366
Proposed distribution of profit and loss			
Retained earnings		(4,030,548)	36,366
Proposed distribution of profit and loss		(4,030,548)	36,366

Balance sheet at 30.04.2021

Assets

	Notes	2020/21 DKK	2019/20 DKK
Other receivables		2,550,865	2,678,150
Financial assets		2,550,865	2,678,150
Fixed assets		2,550,865	2,678,150
Receivables from group enterprises		42,839,507	24,403,809
Other receivables		100,352	0
Receivables		42,939,859	24,403,809
Cash		4,424,158	6,516,151
Current assets		47,364,017	30,919,960
Assets		49,914,882	33,598,110

Equity and liabilities

	Notes	2020/21 DKK	2019/20 DKK
Contributed capital		10,000,000	10,000,000
Retained earnings		16,721,476	20,752,024
Equity		26,721,476	30,752,024
Other payables		0	298,601
Non-current liabilities other than provisions		0	298,601
Trade payables		3,814,281	0
Income tax payable		4,364,406	16,555
Other payables	4	15,014,719	2,530,930
Current liabilities other than provisions		23,193,406	2,547,485
Liabilities other than provisions		23,193,406	2,846,086
Equity and liabilities		49,914,882	33,598,110
Uncertainty relating to recognition and measurement	1		
Contingent liabilities	5		
Group relations	6		

Statement of changes in equity for 2020/21

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	10,000,000	20,752,024	30,752,024
Profit/loss for the year	0	(4,030,548)	(4,030,548)
Equity end of year	10,000,000	16,721,476	26,721,476

Notes

1 Uncertainty relating to recognition and measurement

In September 2010, the Danish Tax Authorities (DTA) issued a decision concluding, that dividend distributions declared in 2005 and 2006 by the Company were subject to Danish at-source withholding tax. The Management do not believe that the Company is liable for such withholding tax and filed an appeal with the Danish Tax Tribunal.

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2 Staff costs

	2020/21	2019/20
	DKK	DKK
Wages and salaries	2,072,743	5,905,189
Pension costs	177,851	529,829
Other social security costs	791	34,492
	2,251,385	6,469,510
Average number of full-time employees	1	2

3 Tax on profit/loss for the year

	2020/21	2019/20
	DKK	DKK
Current tax	4,030,548	31,483
	4,030,548	31,483

4 Other payables

	2020/21	2019/20
	DKK	DKK
VAT and duties	0	161,119
Wages and salaries, personal income taxes, social security costs, etc payable	200,707	1,090,585
Holiday pay obligation	902,313	492,957
Other costs payable	13,911,699	786,269
	15,014,719	2,530,930

5 Contingent liabilities

The Company is part in pending tax claims, which may result in a liability of DKK 186,135 thousand. The interest accrued on the tax claim is as of April 30, 2021 DKK 299,253 thousand. Based on the assessment made by the Company's Management in conjunction with the opinion from the Company's legal counsel, it is considered more probably than not that the case will be found in the Company's favor.

6 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
NetApp Inc., 495 East Java Drive, Sunnyvale, CA 94089, USA

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other external expenses and other operating income.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.