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# ***VMware Denmark ApS***

Frydenlundsvej 30, DK-2950 Vedbæk

## **Annual Report for 1 February 2021 - 31 January 2022**

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CVR No 30 58 27 05

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
23/06 2022

Thomas Gjør-Trønning  
Chairman of the General  
Meeting

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## **Management's Statement**

The Executive Board has today considered and adopted the Annual Report of VMware Denmark ApS for the financial year 1 February 2021 - 31 January 2022.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 January 2022 of the Company and of the results of the Company operations for 2021/22.

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.

Vedbæk, 23 June 2022

### **Executive Board**

Lars-Bo Klausen

Craig Douglas Norris

Kieran Barry-Murphy

# Independent Auditor's Report

To the Shareholder of VMware Denmark ApS

## Opinion

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

We have audited the Financial Statements of VMware Denmark ApS for the financial year 1 February 2021 - 31 January 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Financials 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.

# Independent Auditor's Report

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 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 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.

# Independent Auditor's Report

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, 23 June 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Josephine Kilsgaard Holm

statsautoriseret revisor

mne44114

## Company Information

### **The Company**

VMware Denmark ApS  
Frydenlundsvej 30  
DK-2950 Vedbæk

Telephone: + 45 70 10 68 88

CVR No: 30 58 27 05

Financial period: 1 February - 31 January

Incorporated: 8 May 2007

Financial year: 16th financial year

Municipality of reg. office: Rudersdal

### **Executive Board**

Lars-Bo Klausen  
Craig Douglas Norris  
Kieran Barry-Murphy

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

### **Lawyers**

Bech-Bruun  
Langelinie Alle 35  
DK-2100 København Ø

### **Bankers**

Citibank  
H. C. Andersens Boulevard 12  
DK-1553 København V

# **Management's Review**

## **Key activities**

The principal activities of the company are, firstly to provide marketing support to its shareholder, VMware International Unlimited Company, in the Danish territory. Support includes the provision of marketing and promotional services in relation to the VMware software technology. Secondly, to conduct research and development services for the benefit of VMware International Unlimited Company.

## **Development in the year**

The income statement of the Company for 2021/22 shows a profit of DKK 3,421,390, and at 31 January 2022 the balance sheet of the Company shows equity of DKK 29,333,761.

## **Subsequent events**

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



## Income Statement 1 February - 31 January

	Note	2021/22	2020/21
		DKK	DKK
<b>Revenue</b>		<b>98.520.608</b>	<b>84.924.774</b>
Other external expenses		-3.727.288	-4.535.661
<b>Gross profit/loss</b>		<b>94.793.320</b>	<b>80.389.113</b>
Staff expenses	1	-89.804.427	-76.297.349
Depreciation and impairment of property, plant and equipment		-173.018	-177.959
<b>Profit/loss before financial income and expenses</b>		<b>4.815.875</b>	<b>3.913.805</b>
Financial income		20.355	151.026
Financial expenses		-391.251	-271.403
<b>Profit/loss before tax</b>		<b>4.444.979</b>	<b>3.793.428</b>
Tax on profit/loss for the year	2	-1.023.589	-856.571
<b>Net profit/loss for the year</b>		<b>3.421.390</b>	<b>2.936.857</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings	3.421.390	2.936.857
	<b>3.421.390</b>	<b>2.936.857</b>

## Balance Sheet 31 January

### Assets

	Note	2022 DKK	2021 DKK
Other fixtures and fittings, tools and equipment		156.937	250.010
<b>Property, plant and equipment</b>	3	<b>156.937</b>	<b>250.010</b>
Deposits		36.000	36.000
<b>Fixed asset investments</b>		<b>36.000</b>	<b>36.000</b>
<b>Fixed assets</b>		<b>192.937</b>	<b>286.010</b>
Receivables from group enterprises		15.187.195	8.697.437
Other receivables		703.598	798.286
Deferred tax asset	4	51.857	39.096
Corporation tax		160.130	200.480
Prepayments		436.735	377.944
<b>Receivables</b>		<b>16.539.515</b>	<b>10.113.243</b>
<b>Cash at bank and in hand</b>		<b>34.558.967</b>	<b>44.414.408</b>
<b>Currents assets</b>		<b>51.098.482</b>	<b>54.527.651</b>
<b>Assets</b>		<b>51.291.419</b>	<b>54.813.661</b>

# Balance Sheet 31 January

## Liabilities and equity

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Share capital	5	125.000	125.000
Retained earnings		<u>29.208.761</u>	<u>25.787.371</u>
<b>Equity</b>		<b><u>29.333.761</u></b>	<b><u>25.912.371</u></b>
Trade payables		94.951	46.740
Other payables		<u>21.862.707</u>	<u>28.854.550</u>
<b>Short-term debt</b>		<b><u>21.957.658</u></b>	<b><u>28.901.290</u></b>
<b>Debt</b>		<b><u>21.957.658</u></b>	<b><u>28.901.290</u></b>
<b>Liabilities and equity</b>		<b><u>51.291.419</u></b>	<b><u>54.813.661</u></b>
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## Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 February	125.000	25.787.371	25.912.371
Net profit/loss for the year	0	3.421.390	3.421.390
<b>Equity at 31 January</b>	<b>125.000</b>	<b>29.208.761</b>	<b>29.333.761</b>

# Notes to the Financial Statements

	<u>2021/22</u>	<u>2020/21</u>
	DKK	DKK
<b>1 Staff expenses</b>		
Wages and salaries	82.455.845	69.788.220
Pensions	7.170.241	6.340.830
Other social security expenses	174.160	167.661
Other staff expenses	4.181	638
	<u>89.804.427</u>	<u>76.297.349</u>
<b>Average number of employees</b>	<u>50</u>	<u>49</u>
<b>2 Tax on profit/loss for the year</b>		
Current tax for the year	1.036.350	876.520
Deferred tax for the year	-12.761	-10.921
Adjustment of tax concerning previous years	0	-9.028
	<u>1.023.589</u>	<u>856.571</u>
<b>3 Property, plant and equipment</b>		Other fixtures and fittings, tools and equipment
		DKK
Cost at 1 February		2.459.895
Additions for the year		46.159
Disposals for the year		-56.671
Transfers for the year		43.439
Cost at 31 January		<u>2.492.822</u>
Impairment losses and depreciation at 1 February		2.209.885
Depreciation for the year		173.018
Impairment and depreciation of sold assets for the year		-56.671
Transfers for the year		9.653
Impairment losses and depreciation at 31 January		<u>2.335.885</u>
<b>Carrying amount at 31 January</b>		<u>156.937</u>

## Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>4 Provision for deferred tax</b>		
Property, plant and equipment	-51.857	-39.096
Transferred to deferred tax asset	51.857	39.096
	<u>0</u>	<u>0</u>
<b>Deferred tax asset</b>		
Calculated tax asset	51.857	39.096
<b>Carrying amount</b>	<u>51.857</u>	<u>39.096</u>

### 5 Equity

The share capital consists of 125 shares of a nominal value of DKK 1,000. No shares carry any special rights.

### 6 Contingent assets, liabilities and other financial obligations

There are no security and contingent liabilities at 31 January 2022.

# Notes to the Financial Statements

## 7 Related parties

### Consolidated Financial Statements

The Company is included in the Group Annual Report for the smallest and largest Parent Company:

Name	Place of registered office
VMware Inc	USA
Dell Inc	USA

VMware Inc is the smallest Parent Company which prepares consolidated financial statements. VMware Inc is the largest Parent Company which prepares consolidated financial statements after 1 November 2021.

The Group Annual Report of VMware Inc may be obtained at the following address:

3401 Hillview Avenue  
Palo Alto  
California  
94304, United States

Dell Inc is the largest Parent Company which prepares consolidated financial statements in which VMware Denmark ApS is included for the period 1 February 2021 - 1 November 2021.

The Group Annual Report of Dell Inc may be obtained at the following address:

One Dell Way  
Round Rock  
Texas, 78682  
United States

On 14 April 2021, Dell Technologies Inc. (the ultimate parent entity at 31 January 2021) announced the planned spin-off of its 81% equity ownership interest in VMware Inc. The transaction was concluded on 1 November 2021. Following that transaction, VMware Inc. changed from being the company's intermediate parent undertaking to its ultimate parent undertaking. The ultimate parent company VMware Inc, is a company registered in the USA.

# Notes to the Financial Statements

## 8 Accounting Policies

The Annual Report of VMware Denmark ApS for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021/22 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised 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 recognised 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.

### Leases

Leases are recognised in the balance sheet at the calculated amount of the lease liability. The lease liability is calculated at the present value of the lease payments calculated by applying the interest rate implicit in the lease or VMware Denmark ApS's incremental borrowing rate as discount rate if the interest rate implicit in the lease is not available. Lease assets are depreciated and written down for impairment under the same policy as for VMware Denmark ApS's other fixed assets.

VMware Denmark ApS has chosen to apply the exemptions concerning short-term and low-value leases. Therefore, such lease assets are not recognised as assets and liabilities in the balance sheet. The costs are recognised in the income statement on a straight-line basis over the lease term.

The lease liability is recognised in the balance sheet under debt and is adjusted for prepaid lease payments on a current basis. At the same time, interest is added on the liability. Interest expenses are charged to the income statement on a current basis.



# Notes to the Financial Statements

## 8 Accounting Policies (continued)

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## Income Statement

### Revenue

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Company perform its obligations; (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

Revenue is measured at the fair value of the consideration received or receivable and represents mark-up charged to a related party on all the expenses incurred for operating the Company. The Company recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

### Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

### Staff expenses

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

# Notes to the Financial Statements

## 8 Accounting Policies (continued)

### Depreciation and impairment losses

Depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment for the year.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in 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 transactions is recognised directly in equity.

The Company is jointly taxed with Danish Group companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance Sheet

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

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 and fittings, tools and equipment	3-7	years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

# Notes to the Financial Statements

## 8 Accounting Policies (continued)

### Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

### Fixed asset investments

Fixed asset investments consist of deposits.

### Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

### Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by off-set against deferred tax liabilities within the same legal tax entity.

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 or in equity if the deferred tax relates to items recognised in equity.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

# **Notes to the Financial Statements**

## **8 Accounting Policies** (continued)

### **Financial debts**

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