Hewlett-Packard ApS

Engholm Parkvej 8, DK-3450 Allerød

Annual Report for 1 November 2019 - 31 October 2020

CVR No 76 94 59 18

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 25/3 2021

Jovana Vukovic-Lütken
Chairman of the General Meeting

Contents

Management’s Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Hewlett-Packard ApS for the financial year 1 November 2019 - 31 October 2020.

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 October 2020 of the Company and of the results of the Company operations for 2019/20.

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.

Allerød, 25 March 2021

Executive Board

Tine Sonne Kops

Board of Directors

Louise Karlskov Kaasgaard Chairman	Tine Sonne Kops	Marten Thorhauge Staff Representative

Kim Agertoft
Staff Representative

Independent Auditor’s Report

To the Shareholder of Hewlett-Packard ApS

Opinion
We have audited the Financial Statements of Hewlett-Packard ApS for the financial year 1 November 2019 - 31 October 2020, which comprise 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 financial position of the Company at 31 October 2020 and of the results of the Company’s operations for the financial year 1 November 2019 - 31 October 2020 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 note 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.

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 the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the

Independent Auditor's Report

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, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 25 March 2021
EY
Godkendt Revisionspartnerselskab
CVR No 30 70 02 28

Alex Petersen
State Authorised Public Accountant
mne28604

Company Information

The Company	Hewlett-Packard ApS Engholm Parkvej 8 DK-3450 Allerød CVR No: 76 94 59 18 Financial period: 1 November - 31 October Municipality of reg. office: Allerød
Board of Directors	Louise Karlskov Kaasgaard, Chairman Tine Sonne Kops Marten Thorhauge Kim Agertoft
Executive Board	Tine Sonne Kops
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36 DK-2000 Frederiksberg

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2019/20	2018/19	2017/18	2016/17	2015/16
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	1.162.108	1.277.428	1.421.028	1.341.203	1.401.698
Profit/loss before financial income and expenses	-316	7.571	-13.532	92.011	-16.299
Net financials	-2.117	407	-7.772	-7.747	17.942
Net profit/loss for the year	-2.383	10.487	-20.713	76.228	1.213
Balance sheet					
Balance sheet total	698.751	609.769	689.382	696.278	907.964
Equity	164.686	167.069	156.582	251.435	325.207
Investment in property, plant and equipment	237	1.806	5.861	686	449
Number of employees	150	146	164	205	259
Ratios					
Return on assets	0,0%	1,2%	-2,0%	13,2%	-1,8%
Solvency ratio	23,6%	27,4%	22,7%	36,1%	35,8%
Return on equity	-1,4%	6,5%	-10,2%	26,4%	0,4%

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

The key figures for 2015/16 are not comparable to the periods for 2019/20 - 2016/17 as the figures comprises business divisions that were spun off: HP Inc (2015/16), Enterprise Services (2016/2017) and Software (2016/2017).

Management's Review

Main business activities

Formed in Denmark in 1967, Hewlett Packard ApS (the Company or HPE) is a wholly owned subsidiary of Hewlett Packard Enterprise Company, one of the world's largest IT companies with a yearly revenue of USD 27 billion in the latest fiscal year. The Danish subsidiary imports, markets and sells a broad range of IT products, solutions and services for enterprise businesses, public institutions and private customers in the Danish market.

Hewlett Packard Enterprise is a global technology leader focused on developing intelligent solutions that allow customers to capture, analyze and act upon data seamlessly from edge to cloud. HPE enables customers to accelerate business outcomes by driving new business models, creating new customer and employee experiences, and increasing operational efficiency today and into the future.

Starting from 2019/20 Hewlett Packard Enterprise is providing solutions and services within following business segments: Compute, High Performance Compute and Mission Critical Systems ("HPC & MCS"), Storage, Advisory and Professional Services ("A&PS"), Intelligent Edge and Financial Services ("FS") and serve all those business segments on the Danish market.

Compute portfolio offers both general purpose servers for multi-workload computing and workload-optimized servers which offer the best performance and value for demanding applications. Compute offerings also include operational and support services. The Compute support team is also a provider of on-premises flexible consumption models, such as HPE GreenLake.

HPC & MCS portfolio offers specialized compute servers designed to support specific use cases. The HPC portfolio includes supercomputing systems to support data-intensive workloads for high performance computing, data analytics and artificial intelligence applications. The MCS portfolio includes product lines for critical applications such as payments and transaction processing that require high availability, fault-tolerant computing infrastructure. HPC & MCS offerings also include operational and support services. HPC & MCS products can also be purchased through on-premises flexible consumption models, such as HPE GreenLake.

Storage provides workload-optimized products and service offerings that are AI-driven and built for cloud environments with flexible consumption models from HPE GreenLake and flexible investment options. HPE solutions deliver an intelligent data platform that enables customers to unleash the power of their data. The portfolio also includes comprehensive data protection solutions and big data solutions servers. Storage offerings also include operational and support services.

A&PS business provides consultative-led services, HPE and partner technology expertise and advice, implementation services and complex solution engagement capabilities. A&PS is also a provider of on-premises flexible consumption models that enable IT agility, simplify operations, and align cost to value. A&PS is of strategic importance to HPE as it drives large value sales of HPE infrastructure products and services such as HPE GreenLake, HPE Ezmeral, HPC & MCS and other Compute & Storage infrastructure products.

Management's Review

The Intelligent Edge business is comprised of a portfolio of secure edge-to-cloud solutions operating under the HPE Aruba brand. The primary business drivers for Intelligent Edge solutions are mobility and Internet of Things (IoT). The HPE Aruba software and services portfolio of products includes cloud-based management, network management, network access control, analytics and assurance, location services software and professional and support services, as well as as-a-Service and consumption models for the Intelligent Edge portfolio of products.

Financial Services provides flexible investment solutions, such as leasing, financing, IT consumption, and utility programs and asset management services, for customers that facilitate unique technology deployment models and the acquisition of complete IT solutions, including hardware, software and services from Hewlett Packard Enterprise and others. FS also supports financial solutions for on-premise flexible consumption models, such as HPE GreenLake.

Business Review

Revenue for 2019/20 came in at t. DKK 1.162.108 and has decreased by 9% compared to prior fiscal year. The Company's income statement for fiscal year 2019/20 shows a loss before tax of t. DKK 2.433 and the balance sheet per October 31, 2020 shows equity of t. DKK 164.686.

The revenue decrease is not considered as satisfactory. The Company kept executing the strategy to pivot towards more profitable products, solutions and as-a-service offerings, but the outbreak of COVID-19, which resulted in a global slowdown of economic activity, disruption and shutdown of businesses and greater uncertainty in global financial markets, had an impact on the Company's financial performance. The pandemic affected customers' ability or willingness to purchase HPE products and services, delayed customers' purchasing decisions, delayed the provisioning of HPE products and services, lengthen payment terms, reduced demand for HPE enterprise technology solutions. Nevertheless, the Company succeeded in maintaining the market position within key strategy areas, and while the impact of COVID-19 was showing on the core business, it was accelerating the adoption of HPE GreenLake (as-a-Service) offering.

In 2019/20 the Danish server market experienced double-digit decline YoY. HPE is by far the biggest supplier of server solutions to the Danish market, hence the Company suffered from the economic slowdown, market uncertainty and customers lower ability to incur large capital expenses. The Company expects however to stabilize results in 2020/21 and continues to see a high demand for business-critical server solutions due to the successful collaboration with SAP on HANA, as well as software defined storage solutions and hybrid cloud implementations.

The network business (Aruba Networks) suffered from economic slowdown as well and reported decline, however it was able to maintain its position on the Danish network market. It is expected in 2020/21 to return to revenue growth, grow the business and increase the market coverage and share, especially in the enterprise and mid-market space.

Despite the economic slowdown, the Company maintained its position within the storage segment, mainly due to YoY increase in new Data Management platform called Primera and Nimble services. Orders intake was above expectations, especially in 2nd half of 2019/20 where HPE strengthened its market position with increasing market share. Focus on data mobility, security, AI managed and cloud connected solutions are key for many customers, and an important driver for the increase market share (+20%) in the Danish market.

HPE Pointnext is the service business organization, starting from 2019/20 reported within other business segments. Fiscal year 2019/20 was a good year, showing 26% growth overall, and with revenue and margin kept in line with expectations. HPE continued its focus on consumption-based offerings (GreenLake) with a triple digit growth, which are a key in the HPE "Edge to cloud platform as a service" strategy to make all HPE products and solutions available as as-a-service.

More than 70% of HPE's products and solutions are delivered to the market in cooperation with our partners and distributors. It is important to HPE to be a trustworthy and profitable supplier that actively and visibly develops the market. The Partner Ready program, supporting the development and maintenance of sales, architecture and delivery competencies with our resellers and distributors, facilitates that HPE's customers receive competent services and attain the business targets driving.

The Company keeps supporting the channel with new services, as the market demands as-a-service offerings alongside conventional on-premise solutions and in line with HPE strategy.

Operating risks

The Company relies on the parent company's business strategy, continuous development and manufacture of the products demanded by the Danish market.

The COVID-19 pandemic and efforts to control its spread have significantly curtailed the movement of people, goods and services worldwide, including in most or all of the regions in which HPE sells products and services and conduct business operations. The pandemic has resulted in a global slowdown of economic activity, including travel restrictions, prohibitions of non-essential activities in some cases, disruption and shutdown of businesses and greater uncertainty in global financial markets. The Company's operations have been affected by a range of external factors related to the COVID-19 pandemic that are not within its control, including the various restrictions imposed by countries on HPE employees, customers, partners and suppliers designed to limit the spread of COVID-19. The pandemic could continue to adversely affect HPE business, by negatively impacting the demand for products and services; restricting operations and sales, marketing and distribution efforts; disrupting the supply chains of hardware products; and disrupting research and development capabilities, engineering, design and manufacturing processes and other important business activities. It is expected that the conditions caused by the COVID-19 pandemic could affect the rate of IT spending, impact customers' ability or willingness to purchase HPE products and services, delay prospective customers' purchasing decisions, delay the provisioning of HPE products and services, lengthen payment terms, reduce the value or duration of subscription contracts or affect attrition rates, all of which could adversely affect sales, operating results and financial performance. To the extent the COVID-19 pandemic adversely affects business and financial results, it may also have the effect of heightening many of the other risks. The long-term magnitude and duration of the disruption and resulting decline in business activity is still highly uncertain and cannot currently be predicted.

Management's Review

The Company's operations and supply chain could be disrupted by natural or human induced disasters including, but not limited to, floods; fires; other extreme weather conditions; power or water shortages; telecommunications failures; materials scarcity and price volatility; terrorist acts, conflicts or wars; and medical epidemics or pandemics. HPE is predominantly self-insured to mitigate the impact of most catastrophic events. Although it is impossible to completely predict the occurrences or consequences of any such events, forecasting disruptive events and building additional resiliency into operations accordingly became an increasing business imperative. The occurrence of business disruptions could result in significant losses, seriously harm revenue, profitability and financial condition, adversely affect competitive position, increase costs and expenses, decrease in demand for HPE products, make it difficult or impossible to provide services or deliver products to customers or to receive components from suppliers, create delays and inefficiencies in supply chain, require substantial expenditures and recovery time in order to fully resume operations.

HPE is currently transitioning to an as-a-Service company, providing entire portfolio through a range of subscription-based, pay-per-use and as-a-Service offerings. The Company will continue to provide hardware and software in a capital expenditure and license-based model, ultimately giving customers choice in consuming products and services in a traditional or as-a-Service offering. Such business model changes bear significant risks and uncertainties, as HPE may be unable to complete the transition to a subscription-based business model or manage the transition successfully and in a timely manner.

The Company's operations depend on the ability to anticipate needs for components, products and services, as well as suppliers' ability to deliver sufficient quantities of quality components, products and services at reasonable prices and in time for HPE to meet critical schedules for the delivery of products and services. Given the wide variety of solutions that HPE offers, the large and diverse distribution of suppliers and contract manufacturers, and the long lead times required to manufacture, assemble and deliver certain solutions, problems could arise in production, planning and inventory management that could ultimately seriously harm the Company's business. Furthermore, certain of suppliers could face component shortages, excess supply, and contractual, relational and labor risks or simply may decide to discontinue conducting business with HPE.

HPE, as a leading technology company, is exposed to attacks from criminals and hackers who may be able to circumvent or bypass cyber security measures and misappropriate, maliciously alter or destroy confidential information or that of third parties, create system disruptions or cause shutdowns. Malicious parties also may be able to develop and deploy viruses, worms, ransomware and other malicious software programs that attack HPE products or otherwise exploit any security vulnerabilities of those products. The costs to eliminate or alleviate cyber or other security problems, including bugs, viruses, worms, malicious software programs and other security vulnerabilities, could be significant, and HPE efforts to address these problems may not be successful and could result in interruptions, delays, cessation of service and loss of existing or potential customers that may impede sales, manufacturing, distribution or other critical functions.

HPE encounters aggressive competition from numerous and varied competitors in all areas of business, and competitors have targeted and are expected to continue targeting key market segments. The Company competes primarily on technology, innovation, performance, price, quality, reliability, brand, reputation, distribution, product range and ease of use, account relationships, customer training, service and support, and security of offerings. If the Company's products, services, support and cost structure do not enable us to compete successfully based on any of those criteria, results of operations and business prospects could be harmed.

Outlook

The Company believes that the global pandemic has served as a catalyst making digital transformation a strategic imperative for enterprises and forcing fundamental changes in businesses and communities that are aligned with the Company's edge-to-cloud platform delivered as-a-service strategy. Enterprises now require more resilient IT to ensure continuity in their operations. They also need to deliver secure connectivity, remote work solutions, data analytics capabilities and mobile-first, cloud-like experiences to their employees and customers, while preserving liquidity to navigate the macro economic uncertainty and to adapt to the new world. The Company is answering the call for transformation with edge-to-cloud strategy and solutions aligned to the evolving needs of customers. HPE helps enterprises transform and digitize their businesses, so that they may accelerate their business outcomes by delivering new digital experiences and unlocking insights from their data. HPE believes that the foundation of every business would be edge-to-cloud and in response brings industry-leading IT infrastructure, software, services, financing resources and as-a-service capabilities to meet this demand. The Company believes that it possesses a number of competitive advantages that distinguish HPE from competitors.

The outbreak of COVID-19 in early 2020 resulted in a global slowdown of economic activity and greater uncertainty in global financial markets. As pandemic endures and continues to have an impact on global economic activity, the extent to which COVID-19 adversely impacts the Company's future business operations, financial performance and results of operations is uncertain and will depend on many factors outside the Company control, including the timing, extent, trajectory and duration of the pandemic, the availability of effective treatments and vaccines, the imposition of protective public safety measures, and the impact of the pandemic on the global economy and demand for our enterprise technology solutions. It's therefore reasonable not to state any expectations for the business in 2020/21.

Statutory CSR report under section 99a of the Danish Financial Statements Act

HPE LIVING PROGRESS

Living Progress is our plan to apply the innovation engine of Hewlett Packard Enterprise (HPE) to create sustainable IT solutions. This commitment to environmental, social, governance (ESG) matters is integrated into our business strategy, increasing the competitiveness and resilience of our business.

Our customers consider HPE's sustainable and efficient IT solutions to be a strategic differentiator, helping to meet both their financial and sustainability goals. Through innovative product designs and solutions, HPE enables our customers to maximize the efficiency of IT infrastructure, achieving more work for less cost and lower environmental impact.

Building the operational and reputational resilience of our value chain is also key to meeting and exceeding the expectations of our stakeholders. HPE's proactive approach to managing ESG factors mitigates risks to our company, such as fluctuating commodity prices or tightening regulations, while creating new financial opportunities.

Management's Review

Our leadership has earned HPE recognition on global rankings including the Dow Jones Sustainability Index, EcoVadis Platinum, and CDP Climate A List. This leadership fosters employee pride both in our company and in the important role HPE solutions play in solving the world's biggest social and environmental challenges.

OUR MATERIAL ISSUES

Materiality guides our Living Progress plan, helping to meet the expectations of our stakeholders, integrate sustainability across our business, and ensure overall accountability. We believe that a stakeholder-centric approach will help HPE achieve these objectives.

Every two years we conduct a global materiality assessment to help ensure our strategy is focused in the right areas. Our most recent materiality assessment was completed in December 2019, taking into account changes to HPE's business strategy as well as emerging priorities in the external sustainability agenda. Conducted by external consultant BSR, our materiality assessment engaged customers, industry analysts, nongovernmental organizations, and HPE management to identify priority issues. This was paired with the use of artificial intelligence software to analyse online and social media conversations that may indicate current or potential sustainability risks. Our assessment was refreshed in 2020 to account for the impacts of the COVID-19 pandemic on our business and our stakeholders.

For more information on HPE's latest materiality assessment, please refer to our global Living Progress Report.

REPORTING SCOPE

Hewlett-Packard ApS is part of the Hewlett Packard Enterprise Group (HPE), established in Denmark in 1967. The Danish subsidiary imports, markets and sells a broad range of IT products, solutions and services for enterprise businesses, public institutions and private customers in the Danish market. As such, this report covers only issues with material impacts specific to HPE Denmark, primarily regarding our local workforce and business conduct. Issues material to HPE's global supply chain and products and services are covered in the annual global HPE Living Progress Report.

Material issues addressed in this report include: Corporate governance, Ethical behaviour and business partnerships; Employee health and safety; Employee development, engagement, and well-being; and Inclusion and diversity. This report outlines HPE's global management approach to these material issues, supported by non-financial KPIs specific to HPE Denmark where applicable. The report also covers non-material issues including environment and climate impacts, which are critical to reporting compliance.

For more information on HPE's approach to ESG issue management, including issues relevant to our supply chain and products and solutions, please visit HPE Living Progress.

Management's Review

CORPORATE GOVERNANCE

HPE's CEO and Board of Directors oversee global environmental, social, and governance (ESG) issues and are committed to operating HPE in a responsible manner. The HPE Board participates in five standing committees:

• Audit
• Finance and Investment
• Human Resources (HR) and Compensation
• Nominating, Governance, and Social Responsibility (NGSR)
• Technology

HPE Living Progress is overseen by the NGSR Committee which reviews, assesses, reports and provides guidance to management and the Board regarding HPE's policies and programs relating to ESG. Living Progress engages at least annually with the Board and Executive Committee as a matter of best practice to drive ESG strategies for continued business success.

All finance- and risk management in the company is handled centrally within HPE's global functions. The central guidance states the responsibilities of the Board of Directors and the Managing Director and limits financial risks for the business to an acceptable level. In addition, HPE Denmark has four board members, two of whom are shareholder elected and two are employee elected. Matter requiring signatures from the board should be signed by all four members. In case of a voting tie, the chairperson will be given a double vote, hence giving shareholder elected board members control.

HPE Denmark contributes to the local economy, providing high-quality employment for 150 workers in 1 office located at Engholm Parkvej 8, 3450 Allerød, Denmark. We fulfil taxation responsibilities in every country we operate.

Global Policies:
- HPE Corporate Governance Guidelines

HPE Denmark KPIs:
- Number of HPE Denmark Board Members: 4
- Number of employees: 150

ETHICAL BEHAVIOR AND BUSINESS PARTNERSHIPS

We do not tolerate corrupt behaviour, including bribery or kickbacks. We comply with relevant laws in every country in which we do business, and we set and share our expectations with employees through our anti-corruption program.

We expect everyone involved in our business to behave responsibly and ethically, setting expectations and holding people accountable via relevant policies and procedures. We require compliance with the law and with our Standards of Business Conduct (SBC), and we set specific requirements for suppliers, business partners, and contingent workers. All employees must complete SBC training, which covers key policies, procedures, and high-risk issues. New hires complete an SBC course within 30 days of joining

Management’s Review

HPE.

Our Ethics and Compliance Committee and our Audit Committee oversee our approach to ethical conduct, with the HPE Board of Directors taking ultimate responsibility.

Although we implement policies, procedures and training designed to facilitate compliance with responsible business practices and laws against corruption or malpractice, our employees, contractors and agents, as well as those of the companies to which we outsource certain of our business operations, may take actions in violation of our policies. Any such violation, even if prohibited by our policies, could have an adverse effect on our business and reputation. We encourage anyone with a concern or question about business conduct to raise it via one of our reporting channels, without fear of reprisal. Reports are confidential and can be made anonymously where local law allows. For each report made, we conduct any required investigations appropriately, carrying out disciplinary or remedial action when needed. If a violation occurs, we hold employees accountable.

Our anti-corruption program includes:
• Policies that provide clear guidance, including the HPE Anti-Corruption Policy and the HPE Global Business Amenities Policy. These documents are available in more than 20 languages.
• Tools and training to help team members identify and avoid potential issues, including the Amenities Approval Tool.
• Process controls to review higher-risk transactions and screen third-party partners. We identify countries at high risk for corruption based in part on Transparency International’s Corruption Perceptions Index.
• Support and advice from specialized anti?corruption attorneys and other compliance professionals.
• A transparent, systematic process for investigating and addressing potential concerns.
• A dedicated anti-corruption audit program, including innovative uses of data analytics, to test anti-corruption controls and identify compliance gaps.

Global Policies:
- HPE Standards of Business Conduct- HPE Supplier Code of Conduct
- HPE Partner Code of Conduct- HPE Contingent Worker Code of Conduct
- HPE Supply Chain Social and Environmental Responsibility Policy
- HPE Anti-Corruption Policy
- HPE Global Business Amenities Policy
- HPE Supplier SER Requirements

HPE Denmark KPIs:
- Percentage of active employees who completed annual SBC training: 100%
- Breaches of ethical behaviour (% of worldwide): 0%

EMPLOYEE HEALTH AND SAFETY

Since the onset of the COVID-19 pandemic, the health and safety of our team members has been our top priority. HPE activated local HPE crisis management teams in every country in which we operate. Each team worked quickly to keep employees safe and comply with rapidly changing protocols and regulations.

Management's Review

In response to the COVID-19 pandemic and to ensure the safety of our employees, we have implemented a global work-from-home policy that applies to a significant majority of our employees, with the exception of those performing essential activities. Our employees may elect to return to the office in jurisdictions where both local requirements and our own health and safety standards have been met. To support the transition to working from home, we established an online COVID-19 Resource Center with links to FAQs, parenting tips, ergonomics, IT support, and more.

HPE Denmark followed all corporate guidelines throughout the pandemic, including:
• All team members should work from home, with the exception of those performing essential activities that cannot be done from home (phase 0).
• Up to 20% of site capacity available in phase 1, only "green-desk" to use.
• Entering the building in phase 1 only through pre-registration.
• The "Welcome Health Kit" (multiple one-time face covers, instructions and Covid-19 prevention best practices) for employees allowed to attend the site.
• Hand sanitizers dispensers in lobby/workspaces/exits.
• Face coverings required at all times on site.
• At least 2m of distance, no shared work or IT accessories.
• Signage with reminders about handwashing and social distancing.
• Small meeting rooms closed, large meeting rooms seating reduced.
• Visitor protocols in place i.e. screening questionnaires and pre-registration forms.
• Office deep-sanitized in advance of phase 1, additional cleaning protocols in high-traffic areas, enhanced hygiene measures in place.
• Canteen closed, lunch only at the desk.
• Fitness center, massage and hair-dresser closed until later phases.

We take a holistic approach to health and safety. Our Environmental, Health, and Safety (EHS) program promotes practices for an injury-free workplace and provides the tools and resources necessary for sites to comply with our Environmental, Health and Safety Policy. This policy guides our team members and subcontractors on the practices and protocols for upholding a safe work environment. We engage team members often on health and safety through our EHS programs, mandatory training during on-boarding, and company-wide campaigns. In 2020, HPE Denmark's lost time case rate was 0% and our lost day case rate was 0%, well-below industry standards.

We use EHS Management Systems (MS) and Global Standards to structure our approach to EHS priorities, meet HPE and external requirements, control risk, and improve performance. The EHS MS requires sites to monitor performance, conduct audits and management reviews, and to implement corrective actions.

HPE Denmark is compliant with EU labour laws regarding working conditions, including provisions on working time, part-time, and fixed-term work, temporary workers, and the positioning of workers. We also rely on third-party suppliers for the provision of contingent workers, and our failure to manage our use of such workers effectively could adversely affect our results of operations. We have been exposed to various legal claims relating to the status of contingent workers in the past and could face similar claims in the future. We may be subject to shortages, oversupply or fixed contractual terms relating to contingent workers. Our ability to manage the size of, and costs associated with, the contingent workforce may be subject to additional constraints imposed by local laws.

We use our internal EHS risk reporting tool to track relevant regulations and compliance mechanisms across our global sites. This tool gives our EHS team greater visibility into site-specific risks and how they are being addressed. As part of this tool, our EHS team conducts on-site safety assessments. These assessments were postponed in 2020 due to COVID-19 but will be reinstated when team members return to the office. For regulatory updates, we receive periodic information from a third-party EHS management consulting company.

Global Policies:
- HPE Environmental, Health and Safety Policy

HPE Denmark KPIs:
- Number of cases with lost time: 0
- Number of cases with lost days 0

EMPLOYEE ENGAGEMENT, DEVELOPMENT, AND WELL-BEING

In order to be successful, we must attract, retain, train, motivate, develop and transition qualified executives and other key employees, including those in managerial, technical, development, sales, marketing and IT support positions. In order to attract and retain executives and other key employees in a competitive marketplace, we must provide a competitive compensation package, including cash- and equity-based compensation. Our equity-based incentive awards may contain conditions relating to our stock price performance and our long-term financial performance that make the future value of those awards uncertain. If the anticipated value of such equity-based incentive awards does not materialize, if our equity-based compensation otherwise ceases to be viewed as a valuable benefit, if our total compensation package is not viewed as being competitive, or if we do not obtain the stockholder approval needed to continue granting equity-based incentive awards in the amounts we believe are necessary, our ability to attract, retain, and motivate executives and key employees could be weakened.

Our failure to successfully hire executives and key employees or the loss of any executives and key employees could have a significant impact on our operations. Further, changes in our management team may be disruptive to our business, and any failure to successfully transition and assimilate key new hires or promoted employees could adversely affect our business and results of operations.

Our leaders are key to talent retention. Biannually, managers meet with employees to review performance, contributions to business objectives, and set goals. These reviews also provide the opportunity to discuss employee career aspirations and identify the best-suited learning and development programs for each employee.

Celebrating the successes of individual employees is integral to our culture. Through our Recognition@HPE program, employees are acknowledged by peers and leaders via in-person events, online platforms like Connect Now, and monetary bonuses.

We seek employee feedback through our annual Voice of the Workforce survey, as well as monthly pulse surveys to get feedback on specific programs or timely issues. We offer employees a variety of development programs, including job rotations, job shadowing, and mentorship opportunities. In 2020, HPE Denmark achieved a 81% employee engagement score. We also provide training opportunities through learning tools like Accelerating U — our self-directed employee learning platform. It features on-demand, interactive, and mobile access to personalized learning opportunities. 170 HPE Denmark employees completed training courses in 2020. Furthermore, in addition to directly offering training, the Employee Development Grant Program is open to HPE Denmark employees, providing financial assistance for employees in bachelor's, master's and doctorate degrees in a business-relevant subject of study.

Employee Resource Groups (ERGs) provide a place for employees to connect with others who have shared interests. HPE Denmark has 1 ERG, the Young Employee Network, which has 30 actively engaged employees and serves as a community for younger employees within the organization.

The pandemic posed unique challenges to governments, businesses, and individuals alike. Recognizing this, we invested in programs for team member well-being to ensure our team members and their families had the tools necessary to stay well physically and mentally. In 2020, we stepped up our wellness support by offering new and expanded free resources, including:
• Headspace: An app for mindfulness and meditation for stress, anxiety, sleep, focus, and more. In 2020, more than 10,000 team members enrolled in Headspace, completing over 2 million minutes of meditation
• Wellbeats: Video fitness classes that gives team members and families the flexibility to work out anywhere and anytime
• StartOrganic: Bi-monthly interactive gardening webinars to help team members successfully garden, no matter their level of expertise

We also tailored our resources to address the challenges being experienced by various groups such as parents, those that live alone, and those that are caring for aging loved ones.

In addition to the measures already described to face the pandemic and protect our employees, HPE implemented global short-term wage reductions. New hires were also limited until the end of the year, promoting mobility and internal promotion in place of outsourcing.

Giving back to our local communities was more important than ever in the face of the pandemic. We empower our employees to strengthen their communities and leverage our technology and expertise to drive social impact in the digital age. Every employee receives 60 hours of paid time each year to devote to volunteer activities, allowing them to give back locally, enriching their communities and developing their team-building and leadership skills in the process.

Global Policies:
- HPE Standards of Business Conduct
- HPE Open Door Policy
- HPE Harassment
- Free Work Environment Policy
- HPE Nondiscrimination Policy

Management's Review

HPE Denmark KPIs:
- Number of employees actively engaged in Employee Resource Groups: 30
- Number of employees participating in HPE Gives: 8
- Number of learners participating in training: 170
- Employee engagement favourability score: 81%

CLIMATE IMPACTS AND BUSINESS DISRUPTIONS

As climate change laws, regulations, treaties, and similar initiatives and programs are adopted and implemented throughout the world, we will be required to comply or potentially face market access limitations or other sanctions, including fines. However, we believe that technology will be fundamental to finding solutions to achieve compliance with and manage those requirements, and we are collaborating with industry, business groups and governments to find and promote ways that our technology can be used to address climate change and to facilitate compliance with related laws, regulations and treaties.

Our worldwide operations could be disrupted by natural or human induced disasters including, but not limited to, earthquakes, tsunamis, floods, hurricanes, typhoons, fires, extreme weather conditions, power or water shortages, telecommunications failures, materials scarcity and price volatility, and medical epidemics or pandemics. We are predominantly self-insured to mitigate the impact of most catastrophic events. Climate change serves as a risk multiplier increasing both the frequency and severity of natural disasters that may affect our worldwide business operations. Therefore, forecasting disruptive events and building additional resiliency into our operations accordingly will become an increasing business imperative. The occurrence of business disruptions could result in significant losses, seriously harm our revenue, profitability and financial condition, adversely affect our competitive position, increase our costs and expenses, and require substantial expenditures and recovery time in order to fully resume operations.

HPE has a robust climate strategy with science-based emissions reduction targets across our value chain to meet the decarbonization levels of the Paris Agreement. In 2020 we announced our intent to be carbon neutral by 2050, or sooner. HPE climate targets include sourcing 50% renewable power for our operations by 2025 and reducing operational emissions by 55% from 2016 to 2025.

Given that over two-thirds of HPE's global carbon footprint results from the use of our products, primarily related to energy consumption, HPE is focused on innovating sustainable IT solutions and partnering with customers to minimize the footprint of their IT infrastructures. Our goal is to improve the energy performance of our product portfolio 30-fold from 2015 to 2025. In 2020, we increased our product energy performance to 3.2X our 2015 baseline. As the demand for data-intensive workloads explodes, we are innovating hyper-efficient supercomputing solutions. HPE had 78 supercomputers on the November 2020 Green500 list.

HPE's climate risk assessment aligned to the recommendations of the Taskforce on Climate-related Financial Disclosures and additional information regarding our efforts to combat climate change can be found in the HPE Living Progress Report.

Management’s Review

ENVIRONMENTAL REGULATION

HPE is subject to various federal, state, local and foreign laws and regulations such as those concerning environmental protection. For example, we face increasing complexity related to product design, the use of regulated, hazardous and scarce materials, the associated energy consumption and efficiency related to the use of products, the transportation and shipping of products, climate change regulations, and the reuse, recycling and/or disposal of products and their components at end-of-use or useful life as we adjust to new and future requirements relating to our transition to a more circular economy. If we were to violate or become liable under environmental laws or if our products become non-compliant with environmental laws or market access requirements, our customers may refuse to purchase our products and we could incur substantial costs or face other sanctions, such as restrictions on our products entering certain jurisdictions, fines, and/or civil or criminal sanctions.

Environmental regulations may also impact the availability and cost of energy or emissions related to energy consumption which may increase our cost of manufacturing and/or the cost of powering and cooling owned IT infrastructures.

We are committed to maintaining compliance with all environmental laws applicable to our operations, products and services, and to reducing our environmental impact across all aspects of our business. We meet this commitment with a comprehensive environmental, health and safety policy, strict environmental management of our operations and worldwide environmental programs and services.

HPE’s global Product Compliance & Reliability (PCR) team monitors regulatory developments across the EU, as well as at national level, to ensure compliance with applicable environmental and social supply chain requirements. This may also include voluntary requirements, where appropriate.

Our comprehensive Supplier Code of Conduct sets out guidelines to help suppliers reduce the environmental impact of their activities. We ensure that social and environmental responsibility (SER) is factored into our business decisions through our supplier business scorecard. The inclusion of SER indicators in the scorecard links supplier social and environmental performance with our procurement choices. We provide suppliers with a full list of restricted substances and clear guidance on suitable alternatives in our General Specification for the Environment.

We are focused on advancing the circular economy. HPE leads by example, remanufacturing and refurbishing both our customers’ and our own retired IT equipment through our state-of-the-art Technology Renewal Centers (TRCs). In 2020, more than 3 million assets were returned to our TRCs, 87% of which were given new life, while only 13% were sent to recycling. HPE Denmark does not carry out the manufacture and production of equipment locally and therefore it is not material. In addition, HPE Denmark has little impact on biodiversity, the primary impacts of which result from office activities such as the use of paper and generation of waste, which shifted from the workplace to employee homes due to the pandemic. Energy efficiency improvements to our sites were also paused in 2020, however we expect a significantly reduced energy and water footprint from these locations due to the shutdown.

Environmental costs and accruals are presently not material to our operations, cash flows or financial position. Although there is no assurance that existing or future environmental laws applicable to our operations, services or products will not have a material adverse effect on our operations, cash flows or financial condition, we do not currently anticipate material capital expenditures for environmental control facilities. More information regarding environmental programs covering our operations, supply chain, and solutions, can be found in the HPE Living Progress Report.

Global Policies:
- HPE Supplier Code of Conduct
- HPE Supplier SER Requirements
- HPE General Specification for the Environment
- HPE Vendor Requirements Hardware Recycling Standard
- HPE Vendor Requirements Hardware Reuse Standard

Statutory CSR report under section 99b of the Danish Financial Statements Act

INCLUSION AND DIVERSITY

Our workforce is strengthened by people from different ethnicities, abilities, education levels, gender identities, sexual orientation, and cognitive styles. Yet a lack of diversity remains a top issue within our industry. It is a business imperative for us to continue recruiting and promoting employees with varied backgrounds who, when brought together, develop solutions that drive innovation.

All departments at HPE set measurable goals aligned with our Global Diversity and Inclusion strategy and policies, and our people leaders are evaluated based on inclusion training, programs and events.

It is well known that women are underrepresented in the tech industry. This is a reality we are working to reverse. Of the 13 global HPE Board members, five are women and two identify with one or more diverse groups in ethnicity, race, or nationality. 12 members are independent of HPE. In addition, the HPE Denmark Board consists of four individuals: Two are shareholder elected (two of whom is female) and two are employee elected. Currently, women make up 22% of the HPE Denmark workforce and 21.7% of our senior management positions.

The equal opportunities committee at HPE works towards ensuring that all co-workers in HPE are treated fairly and that no one is discriminated against based on age, sex, nationality, religious belief or sexual orientation. In 2020, 98% of our people leaders completed a half-day immersive inclusion training program, and starting in 2021, inclusion training workshops will be rolled out for remaining HPE employees. For two consecutive years, HPE has been listed on the global Bloomberg Gender Equality Index, which tracks the financial performance of public companies committed to supporting gender equality through policy development, representation, and transparency.

We have a zero tolerance policy of discrimination and harassment, as well as an Open Door Policy for employees to express any concerns over experiences at work. We encourage employees to report ethics violations to their human resources department or our Ethics and Compliance Office.

The basic freedoms and standards of treatment to which all people are entitled are universal. Upholding these rights is fundamental to our values. The HPE Global Human Rights Policy is the foundation for our approach, which is rooted in the expectations set out by the UN Guiding Principles on Business and

Management's Review

Human Rights. The HPE Office of Legal and Administrative Affairs guides our approach to human rights, and works across the business to address specific issues as they arise.

Global Policies:

- HPE Global Human Rights Policy
- HPE Open Door Policy
- HPE Harassment-Free Work Environment Policy
- HPE Nondiscrimination Policy
- HPE Standards of Business Conduct
- HPE Accessibility Policy

HPE Denmark KPIs:

- Employees (regular full-time) by gender: Women 33 (22%), Men 117 (78%)
- Senior managers by gender: Women 5 (21.7%), Men 18 (78.3%)
- HPE Denmark Board by gender: Women 2 (50%), Men 2 (50%)

Significant events

The outbreak of COVID-19 in early 2020 resulted in a global slowdown of economic activity including worldwide travel restrictions, prohibitions of non-essential work activities, disruption and shutdown of businesses and greater uncertainty in global financial markets, all of which resulted in COVID-19 having an impact on HPE financial performance in 2019/20. As this pandemic endures and continues to have an impact on global economic activity, the extent to which COVID-19 adversely impacts our future business operations, financial performance and results of operations is uncertain and will depend on many factors outside the Company control.

Above mentioned events introduced a disruption to HPE supply chain at the beginning of the calendar year 2020, resulting in significantly higher levels of backlog - particularly in Compute, HPC & MCS and Storage - as lockdown restrictions imposed across the globe disrupted HPE's order fulfillment process and limited the ability to perform on-site installations and meet customer acceptance requirements. Subsequently, by the latter part of the fiscal period HPE made significant progress in clearing our backlog such that the fiscal year ended with normalized backlog levels.

During the third quarter of fiscal 2019/20, HPE launched a cost optimization and prioritization plan which focuses on realigning the workforce to areas of growth, including a new hybrid workforce model called Edge-to-Office, real estate strategies and simplifying and evolving our product portfolio strategy. The implementation period for the cost optimization and prioritization plan is through fiscal 2023. During this implementation period, HPE expects to incur transformation costs predominantly related to labor restructuring and IT investments.

COVID-19 pandemic continues to have an impact on global economic activity, the extent to which it is adversely impacting HPE future business operations, financial performance and results of operations is uncertain and will depend on many factors outside the Company control. Possible financial impacts may include impairment concerns, supply chain and logistics interruptions, changes in customer buying patterns and volumes and cash flow disruption. As none of these items are known with any certainty at the date of this report, no financial effect of these items or other potential items are contained in this financial report.

There were no other significant events in fiscal year 2019/20.

Subsequent events

There were no events, subsequent to the financial year-end, that could materially impact the Company's financial position for 2019/20.

Income Statement 1 November - 31 October

	Note	2019/20	2018/19
		TDKK	TDKK
Revenue	2	**1.162.108**	**1.277.428**
Cost of sales		-929.072	-1.047.828
Other external expenses		-46.201	-58.729
Gross profit/loss		**186.835**	**170.871**
Staff expenses	3	-184.523	-160.837
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	4	-2.628	-2.463
Profit/loss before financial income and expenses		**-316**	**7.571**
Financial income	5	1.281	4.371
Financial expenses	6	-3.398	-3.964
Profit/loss before tax		**-2.433**	**7.978**
Tax on profit/loss for the year	7	50	2.509
Net profit/loss for the year		**-2.383**	**10.487**

Balance Sheet 31 October

Assets

	Note	2019/20	2018/19
		TDKK	TDKK
Goodwill		281	1.969
Intangible assets	8	**281**	**1.969**
Plant and machinery		0	54
Other fixtures and fittings, tools and equipment		714	759
Leasehold improvements		5.633	6.237
Property, plant and equipment in progress		10	10
Property, plant and equipment	9	**6.357**	**7.060**
Prepayments	11	4.775	3.646
Fixed asset investments		**4.775**	**3.646**
Fixed assets		**11.413**	**12.675**
Inventories		**11.429**	**13.024**
Trade receivables		347	2.952
Contract work in progress		1.095	183
Receivables from group enterprises		561.570	408.336
Other receivables		808	606
Deferred tax asset	10	12.100	11.900
Prepayments	11	5.129	3.991
Receivables		**581.049**	**427.968**
Cash at bank and in hand		**94.860**	**156.102**
Currents assets		**687.338**	**597.094**
Assets		**698.751**	**609.769**

Balance Sheet 31 October

Liabilities and equity

	Note	2019/20	2018/19
		TDKK	TDKK
Share capital		31.101	31.101
Retained earnings		133.585	135.968
Equity	12	**164.686**	**167.069**
Other provisions	14	15.682	18.785
Provisions		**15.682**	**18.785**
Other payables		0	2.701
Deferred income		155.170	142.342
Long-term debt	15	**155.170**	**145.043**
Trade payables		21.602	14.429
Contract work in progress, liabilities		1.577	1.320
Payables to group enterprises		105.483	38.545
Other payables	15	108.262	99.985
Deferred income	15,16	126.289	124.593
Short-term debt		**363.213**	**278.872**
Debt		**518.383**	**423.915**
Liabilities and equity		**698.751**	**609.769**

Unusual events - Covid-19	1
Distribution of profit	13
Contingent assets, liabilities and other financial obligations	17
Related parties	18
Fee to auditors appointed at the general meeting	19
Accounting Policies	20

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 November	31.101	135.968	167.069
Net profit/loss for the year	0	-2.383	-2.383
Equity at 31 October	**31.101**	**133.585**	**164.686**

Notes to the Financial Statements

1 Unusual events - Covid-19

The outbreak of COVID-19 in early 2020 resulted in a global slowdown of economic activity including worldwide travel restrictions, prohibitions of non-essential work activities, disruption and shutdown of businesses and greater uncertainty in global financial markets, all of which resulted in COVID-19 having an impact on HPE financial performance in 2019/20. As this pandemic endures and continues to have an impact on global economic activity, the extent to which COVID-19 adversely impacts our future business operations, financial performance and results of operations is uncertain and will depend on many factors outside the Company control.

Above mentioned events introduced a disruption to HPE supply chain at the beginning of the calendar year 2020, resulting in significantly higher levels of backlog - particularly in Compute, HPC & MCS and Storage - as lockdown restrictions imposed across the globe disrupted HPE’s order fulfillment process and limited the ability to perform on-site installations and meet customer acceptance requirements. Subsequently, by the latter part of the fiscal period HPE made significant progress in clearing our backlog such that the fiscal year ended with normalized backlog levels.

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COVID-19 pandemic continues to have an impact on global economic activity, the extent to which it is adversely impacting HPE future business operations, financial performance and results of operations is uncertain and will depend on many factors outside the Company control. Possible financial impacts may include impairment concerns, supply chain and logistics interruptions, changes in customer buying patterns and volumes and cash flow disruption. As none of these items are known with any certainty at the date of this report, no financial effect of these items or other potential items are contained in this financial report.

There were no other significant events in fiscal year 2019/20.

Notes to the Financial Statements

		2019/20	2018/19
		TDKK	TDKK
2	**Revenue**		
	Geographical segments		
	Revenue, Denmark	919.536	1.088.892
	Revenue, exports	242.572	188.536
		1.162.108	**1.277.428**
	Business segments		
	Compute	594.839	692.984
	Storage	269.933	224.638
	Intelligent Edge	219.851	259.343
	HPC & MCS	67.680	90.499
	Other	9.805	9.964
		1.162.108	**1.277.428**

		2019/20	2018/19
3	**Staff expenses**		
	Wages and salaries	170.821	147.826
	Pensions	12.508	11.373
	Other social security expenses	1.194	1.638
		184.523	**160.837**
	Average number of employees	**150**	**146**

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

Notes to the Financial Statements

		2019/20	2018/19
		TDKK	TDKK
4	**Depreciation, amortisation and impairment of property, plant and equipment and intangible assets**		
	Amortisation of intangible assets	1.688	1.688
	Depreciation of property, plant and equipment	940	775
		2.628	**2.463**
	Which is specified as follows:		
	Goodwill	1.688	1.688
	Other fixtures and fittings, tools and equipment	99	101
	Leasehold improvements	841	674
		2.628	**2.463**

		2019/20	2018/19
5	**Financial income**		
	Interest received from group enterprises	458	775
	Other financial income	94	126
	Exchange gains	729	3.470
		1.281	**4.371**

		2019/20	2018/19
6	**Financial expenses**		
	Interest paid to group enterprises	24	1.205
	Other financial expenses	450	553
	Exchange losses	2.924	2.206
		3.398	**3.964**

		2019/20	2018/19
7	**Tax on profit/loss for the year**		
	Current tax for the year	150	191
	Deferred tax for the year	-200	-2.700
		-50	**-2.509**

Notes to the Financial Statements

8 Intangible assets

	Goodwill
	TDKK
Cost at 1 November	22.391
Cost at 31 October	22.391
Impairment losses and amortisation at 1 November	20.422
Amortisation for the year	1.688
Impairment losses and amortisation at 31 October	22.110
Carrying amount at 31 October	**281**

9 Property, plant and equipment

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 November	136	1.368	16.680	10	18.194
Additions for the year	0	0	237	0	237
Disposals for the year	0	-88	0	0	-88
Cost at 31 October	136	1.280	16.917	10	18.343
Impairment losses and depreciation at 1 November	82	609	10.443	0	11.134
Depreciation for the year	0	99	841	0	940
Reversal of impairment and depreciation of sold assets	0	-88	0	0	-88
Transfers for the year	54	-54	0	0	0
Impairment losses and depreciation at 31 October	136	566	11.284	0	11.986
Carrying amount at 31 October	**0**	**714**	**5.633**	**10**	**6.357**

Notes to the Financial Statements

10 Deferred tax asset

	2019/20	2018/19
	TDKK	TDKK
Deferred tax asset at 1 November	11.900	9.200
Amounts recognised in the income statement for the year	200	2.700
Deferred tax asset at 31 October	**12.100**	**11.900**

The recognised tax asset comprises loss carry-forwards expected to be utilised within the next 5 years.

11 Prepayments

Short-term prepayments consist of prepaid expenses concerning prepaid sales commissions, prepaid subcontractors services, prepaid rent and other prepayments.

Long-term prepayments consist of prepaid expenses concerning prepaid sales commissions and prepaid subcontractors services.

12 Equity

The share capital is broken down as follow:

	Number	Nominal value
		TDKK
A-anparter	30.000	30.000
A-anparter	500	500
A-anparter	1.000	1
B-anparter	500	500
C-anparter	100	100
		31.101

13 Distribution of profit

	2019/20	2018/19
	TDKK	TDKK
Retained earnings	-2.383	10.487
	-2.383	**10.487**

Notes to the Financial Statements

14 Other provisions

	2019/20	2018/19
	TDKK	TDKK
Balance at beginning of year	18.785	18.506
Amounts provided in the year	5.694	9.302
Amounts utilised during the year	-8.797	-9.023
	15.682	**18.785**

Provision is made for expected warranty claims on products with unexpired warranty periods. Standard product warranty terms generally include post-sales support and repairs or replacement of a product at no additional charge for a specified period of time. Estimated warranty obligation is based on contractual warranty terms, repair costs, product call rates, average cost per call, current period product shipments and ongoing product failure rates, as well as specific product class failure outside of baseline experience. It is expected that these costs will have been incurred within 3 years of the balance sheet date in accordance with the respective contractual obligations.

15 Long-term debt

	2019/20	2018/19
	TDKK	TDKK
Other payables		
Between 1 and 5 years	0	2.701
Long-term part	0	2.701
Other short-term payables	108.262	99.985
	108.262	**102.686**
Deferred income		
Between 1 and 5 years	155.170	142.342
Long-term part	155.170	142.342
Other deferred income	126.289	124.593
	281.459	**266.935**

16 Deferred income

Deferred income primarily relates to support contracts booked as income over the terms of the contracts.

Notes to the Financial Statements

17 Contingent assets, liabilities and other financial obligations

Contingent assets

The company has a non-recognised tax asset of DKK 53.7 million in FY19/20. (DKK 55 million in FY18/19)

Rental and lease obligations

	2019/20 TDKK	2018/19 TDKK
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	3.519	3.441
Between 1 and 5 years	4.907	4.710
	8.426	**8.151**

Notes to the Financial Statements

18 Related parties

	Basis
Controlling interest	
Hewlett-Packard The Hague B.V., Amstelveen, The Netherlands	Parent company

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm’s length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

All transactions with related parties are conducted at arm's length.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Companies

Name	Place of registered office
Hewlett Packard Enterprise Company (Ultimate parent)	Texas, USA
Hewlett-Packard The Hague B.V. (parent company)	Amstelvee, The Netherlands

The Group Annual Report of Hewlett Packard Enterprise Company (ultimate parent) & Hewlett-Packard The Hague B.V. (parent company) may be obtained at the following address:

Hewlett Packard Enterprise Company, 11445 Compaq Center West Drive, Houston, Texas, USA
Hewlett-Packard The Hague B.V., Stroombaan 16, 1181 VX, Amstelveen, The Netherlands

19 Fee to auditors appointed at the general meeting

	2019/20 TDKK	2018/19 TDKK
EY		
Audit fee	293	293
	293	**293**

Notes to the Financial Statements

20 Accounting Policies

The Annual Report of Hewlett-Packard ApS for 2019/20 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.

However in 2019/20 the Company identified a group of accounts which, based on those accounts content, were recognized as classified to incorrect categories within the Balance Sheet. The Company has made a decision to change those accounts classification in 2019/20.

In effect a reclassification has been made in the comparative figures for 2018/19: tDKK 183 between 'Contract work in progress, liabilities' and 'Contract work in progress' (Current assets), tDKK 3.646 between ‘Prepayments' (Current assets) and ‘Prepayments' (Fixed assets investments), tDKK 142.342 between 'Deferred income' (Short-term debt) and 'Deferred income' (Long-term debt). Performed reclassifications impacted 2018/19 Balance Sheet total which changed from tDKK 609.586 to tDKK 609.769 but had no effect on reported ‘Net profit for the year’ and financial ratios.

Following the 2019/20 change of Hewlett Packard Enterprise Company’s businesses segmentation, the Company has made respective changes in revenue by business segments presentation (see Note 2). The 2018/19 comparative figures presentation has been reorganized according to the new segmentation with no impact on reported ‘Revenue’, ‘Net profit for the year’ and financial ratios.

The Financial Statements for 2019/20 are presented in TDKK.

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 Hewlett-Packard The Hague B.V. (parent company), the Company has not prepared a cash flow statement.

Leases

In accordance with IAS 17 leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements

20 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.

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.

Revenue

Information on geographical segments based on the Companys risks and returns and its internal financial reporting system. Geographical segments are regarded as the primary segments.

Income Statement

Revenue

Revenue from the sale of goods in accordance with IAS 18 is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Services in accordance with IAS 18 are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Cost of sales

Cost of sales comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Notes to the Financial Statements

20 Accounting Policies (continued)

Staff expenses

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of goodwill and property, plant and equipment.

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.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

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:

Plant and machinery	3-10	years
Other fixtures and fittings, tools and equipment	3-10	years
Leasehold improvements	5-15	years

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

20 Accounting Policies (continued)

Fixed asset investments

Fixed asset investments consist of long-term prepayments which consist of prepaid expenses concerning prepaid sales commissions and prepaid subcontractors services.

Impairment of fixed assets

The carrying amounts of intangible assets and 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.

Inventories

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

The cost of goods for resale equals landed cost as well as other costs directly attributable to the acquisition.

Receivables

Receivables in accordance with IAS 39 are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value.

In accordance with IAS 39, an impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis, in which case the carrying amount is reduced to the net realisable value.

Contract work in progress

Contract work in progress regarding service in accordance with IAS 11 is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Notes to the Financial Statements

20 Accounting Policies (continued)

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning subsequent financial reporting years.

Provisions

Provisions comprise expected expenses relating to guarantee commitments, etc. Provisions are recognised when the company has a legal or constructive obligation as a result of a past event at the balance sheet date and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

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, 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 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.

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.

Other payables

Other payables are measured at net realisation value.

Notes to the Financial Statements

20 Accounting Policies (continued)

Deferred income

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

Financial Highlights

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$