Hewlett-Packard ApS

Engholm Parkvej 8, DK-3450 Allerød

Annual Report for 1 November 2020 - 31 October 2021

CVR No 76 94 59 18

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 24/3 2022

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 2020 - 31 October 2021.

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 2021 of the Company and of the results of the Company operations for 2020/21.

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, 24 March 2022

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 of November 2020 to 31 of October 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 of October 2021 and of the results of the Company's operations for the financial year 1 of November 2020 to 31 of October 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of 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 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 eco-

nomic 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.

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.

Independent Auditor's Report

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, 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.

Vejle, 24 March 2022
EY
Godkendt Revisionspartnerselskab
CVR No 30 70 02 28

Heidi Brander
State Authorised Public Accountant
mne33253

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:

	2020/21	2019/20	2018/19	2017/18	2016/17
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	1.259.612	1.162.108	1.277.428	1.421.028	1.341.203
Profit/loss before financial income and expenses	11.086	-316	7.571	-13.532	92.011
Net financials	483	-2.117	407	-7.772	-7.747
Net profit/loss for the year	13.268	-2.383	10.487	-20.713	76.228
Balance sheet					
Balance sheet total	703.181	698.751	609.769	689.382	696.278
Equity	177.954	164.686	167.069	156.582	251.435
Investment in property, plant and equipment	608	237	1.806	5.861	686
Number of employees	146	150	146	164	205
Ratios					
Return on assets	1,6%	0,0%	1,2%	-2,0%	13,2%
Solvency ratio	25,3%	23,6%	27,4%	22,7%	36,1%
Return on equity	7,7%	-1,4%	6,5%	-10,2%	26,4%

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.

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.

In 2020/21 Hewlett Packard Enterprise was providing solutions and services within following main business segments: Compute, High Performance Compute and Mission Critical Systems ("HPC & MCS"), Storage, Intelligent Edge, Financial Services ("FS") and Corporate Investments and Other and served all those business segments on the Danish market.

The Compute business 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. HPE GreenLake for Compute provides flexible Compute as-a-service ("aaS") IT infrastructure on a consumption basis.

The HPC & MCS business offers standard and custom hardware and software solutions designed to support specific use cases. The HPC portfolio includes supercomputing systems to support data-intensive workloads for high performance computing, data 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 and solutions delivered as-a-service through HPE GreenLake cloud services.

The Storage business includes primary storage (including cloud-native data infrastructure), software-powered hyper-converged infrastructure, disaster recovery and ransomware recovery, backup as-a-service and big data solutions. Storage also provides solutions for secondary workloads and traditional tape, storage networking and disk products. Storage data infrastructure portfolio, operational and support services and solutions are made available as-a-service through HPE GreenLake.

The Intelligent Edge business offers a portfolio of secure edge-to-cloud solutions operating under the HPE Aruba brand that include wired and wireless local area network, campus and data center switching, software-defined wide area networking, network security, and associated services to enable secure connectivity for businesses of any size. The primary business drivers for Intelligent Edge solutions are work from anywhere environment, mobility and Internet of Things. 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 through HPE GreenLake for the Intelligent Edge portfolio of products.

Management's Review

The Financial Services business 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.

Corporate Investments and Other includes the Advisory and Professional Services ("A&PS") business which offers consultative-led services, technology expertise and advice, implementation services as well as complex solution engagement capabilities; the Communications and Media Solutions ("CMS") business which offers software and related services to the telecommunications industry; the Software business covering HPE Ezmeral portfolio.

Business Review

Revenue for 2020/21 came in at tDKK 1.259.612 and has increased by 8% compared to prior fiscal year. The Company's income statement for fiscal year 2020/21 shows a profit before tax of tDKK 11.569 and the balance sheet per October 31, 2021 shows equity of tDKK 177.954.

The revenue level and its increase are considered as satisfactory. The Company kept executing the strategy to pivot towards more profitable products, solutions and as-a-service offerings and succeeded in maintaining the market position within key strategy areas despite the COVID-19 pandemic ("COVID-19" or "pandemic"). In 2020/21 the pandemic and efforts to control its spread have significantly curtailed the movement of goods and services worldwide, and due to an unprecedented demand for electronic devices, which, coupled with industry-wide supply constraints, has led to a challenging supply chain environment. As a result of ongoing delays to the global logistics environment, especially in the second half of 2020/21, HPE experienced logistics timing issues which resulted in higher levels of order backlog. In that light the Company is satisfied with the revenue increase and net result reported in this still economically difficult year.

In 2020/21 the Danish server market has been slowly recovering and positioning for growth in 2021/22 due to demand increase and aging installed based ready for refresh. HPE is by far the biggest supplier of server solutions to the Danish market, and the Company suffered from the economic slowdown and supply chain constraints. The Company however was able to stabilize results in 2020/21 and continues to see a high demand for business-critical server solutions, as well as software defined storage solutions and hybrid cloud implementations.

The network business (Aruba Networks) quickly recovered from economic slowdown, reported a significant increase compared to 2019/20 and maintained its position on the Danish network market with main growth drivers being deals with public sector. It is expected to keep the momentum in 2021/22, grow the business and increase the market coverage and share in all sectors.

The Storage business reported revenue decrease but maintained its market position within the segment. Decrease caused mainly by lower demand for traditional storage solutions, was compensated by increase in Big Data platforms (mainly Apollo) and Nimble services. Focus on big data, data mobility, security, AI-

Management's Review

managed and cloud connected solutions are key for many customers and a key driver for HPE market share increase.

HPE Pointnext is the service business organization, which is reported within other business segments. Fiscal year 2020/21 was satisfactory for services in all business lines, showing 5% of overall growth and with revenue and margins kept in line with expectations. HPE continued its laser focus on consumption-based offerings (GreenLake) with a double-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 two-thirds 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. Therefore, the principal risks and uncertainties facing the Company are directly tied to those of the HPE group. The following risks factors reflect only the principal risks and uncertainties HPE is facing.

The pandemic and efforts to control its spread have significantly curtailed the movement of people, goods and services worldwide, including most of the regions in which HPE sells products and services and conducts 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 pandemic that were 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 has adversely affected, and 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. There have been, and will continue to be, delays of hardware product shipments from our vendors and out of our manufacturing operations worldwide as a result of capacity issues. We also expect product shipment delays as a result of shortages and capacity issues that continue to impact logistics operations. It is also expected that the delays or reductions in IT spending by our customers or potential customers, caused by the pandemic conditions, could have a material adverse effect on demand for our products and services. To the extent the 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 assessed.

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 expenses, decrease demand for HPE products, make it difficult to provide services or deliver products to customers or to receive components from suppliers, create delays 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/consumption-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 entail significant risks and uncertainties, as HPE may be unable to complete the transition to a subscription/consumption-based business model or manage the transition successfully and in a timely manner.

Outlook

The pace of technology disruption continues to increase, and the pandemic has accelerated several megatrends. First, data at the edge is increasing exponentially and secure connectivity is essential to enable the digital experiences we rely on these days, and power new, engaging digital experiences in the future. Second, enterprises need a cloud experience everywhere to manage data and workloads wherever they live across a distributed enterprise. Third, data growth is creating countless new opportunities. Enterprises need ways to generate insights from this data to build new business models. Across these trends is the shift in how enterprises are consuming their technology. Increasingly, customers want to digitally transform while preserving capital and eliminating operating expense by paying only for the IT they use.

Data insights are critical to deliver business outcomes but extracting value from data is challenging. Data is growing and evolving rapidly. Its characteristics are shifting, as it becomes more unstructured, more time-sensitive and more distributed. Many organizations cannot adequately extract insights from their data at the edge or face cloud migration challenges because of their legacy applications. Customers need a data-first modernization approach across edge to data center to cloud.

HPE declared its vision to be the "edge-to-cloud company". Our HPE GreenLake platform accelerates multi-generation IT transformation through a unified cloud services experience that enables customers to access, control and maximize the value of all their workloads and data. Our solutions across connectivity, cloud and data – which are increasingly being delivered as-a-service through HPE GreenLake – are complemented by HPE Pointnext services that provide unique transformation capabilities, as well as HPE Financial Services, which helps customers unlock financial capacity.

Management's Review

COVID-19 remains a global challenge. In 2020/21 it caused challenging supply chain environment and we expect these challenging conditions to persist in the near term. Although the risk of further shutdowns and the lack of preparedness that was witnessed in the early periods of the pandemic are unlikely to be repeated (at least not to that degree with vaccines, treatments, protocols and remote work established), the pandemic continues to have an impact on our financial performance and we are currently unable to predict the extent to which it may adversely impact our future business operations, financial performance and results of operations. However, it is expected that the Company will keep the business momentum in 2021/22, grow the revenue and report it within the range of TDKK 1.300.000 – 1.500.000 with profit before tax in line with reported in 2020/21.

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

The Company has availed of the exemption provided in the Danish Financial Statements Act from the requirement to present full content of Statutory CSR report under section 99a of the Danish Financial Statements Act.
For the Company's statutory reporting on corporate social responsibility cf. §99a, please refer to the full non-financial disclosure report available at: https://psnow.ext.hpe.com/doc/a00121693enw

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.

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 fiscal year 2020, 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 also considers 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 our 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.

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 12 global HPE Board members, five are women and two identify with one or more diverse groups in ethnicity, race, or nationality. 11 members are independent of HPE. In addition, the HPE Denmark Board consists of four individuals: Two are shareholder elected and two are employee elected, two of whom are female. Currently, women make up 26% of the HPE Denmark workforce and 28% 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 2021, 70% of our people leaders completed a half-day immersive Inclusion for All training program. In 2021 inclusion training workshops have been rolled out for remaining HPE employees, with the 63% participation rate. For three 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 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 37 (26%), Men 104 (74%)
- Senior managers by gender: Women 7 (28%), Men 18 (72%)
- HPE Denmark Board by gender: Women 2 (50%), Men 2 (50%)

ACCOUNTING PRACTICE

Employees (regular full-time) by gender:
Percentage of female over total is the percentage of women employed based on headcount. Headcount defined as all employees on HPE payroll regardless of the type of contract (regular and temporary) including employees on leave (paid and unpaid); excluded are contractors and third-party workers.

Senior managers by gender:
Women in Management: Percentage of female managers vs total management headcount. Management identified based on job levels including 3 types of leaders: Supervisors, Managers, Executives. Headcount defined as all employees on HPE payroll regardless of the type of contract (regular and temporary) including employees on leave (paid and unpaid); excluded are contractors and third-party workers. The

percentage of men is calculated by deducting the number of females managers from total management headcount.

HPE Denmark Board by gender:
Women in Board percentage of female board members vs total number of board members.

Significant events

While great progress has been made in the fight against COVID-19, pandemic endures and continues to have an impact on global economic activity, having an impact on our financial performance in 2020/21.

Additionally, the pandemic continues to play a role with ongoing delays to the global logistics environment. As a result, in the second half of fiscal 2021, HPE experienced a shortage of electric components and logistics timing issues which resulted in significantly higher levels of order backlog and commodity costs across our hardware segments, and particularly in Compute, Storage and Intelligent Edge. Currently, we expect these challenging supply chain conditions to persist in 2021/22.

HPE continued in 2020/21 the cost optimization and prioritization plan (launched in 2019/20) which focuses on realigning the workforce to areas of growth, including a new hybrid workforce model called Edge-to-Office and simplifying and evolving our product portfolio strategy. The implementation period for the cost optimization and prioritization plan is through fiscal 2023.

There were no other significant events in fiscal year 2020/21.

Subsequent events

The Ukraine/Russia conflict could impact business and financial performance in that region. Hewlett Packard Enterprise Company, being the ultimate parent company of the Company, is closely monitoring the political and economic situation and have taken several measures, including cash repatriation and ruble hedging, to proactively manage the risk. In addition, sanctions imposed on Russia could impact the fulfilment of existing orders, any future revenue streams from impacted customers, and the recoverability of certain financial assets and mitigation activities continue to progress to address the evolving risks. However, these are not expected to materially impact the Company and its operations on the Danish market.

There were no other events, subsequent to the financial year-end, that could materially impact the Company's financial position for 2020/21.

Income Statement 1 November - 31 October

	Note	2020/21	2019/20
		TDKK	TDKK
Revenue	2	**1.259.612**	**1.162.108**
Cost of sales		-1.004.897	-929.072
Other external expenses		-38.413	-46.201
Gross profit/loss		**216.302**	**186.835**
Staff expenses	3	-204.004	-184.523
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	4	-1.212	-2.628
Profit/loss before financial income and expenses		**11.086**	**-316**
Financial income	5	990	1.281
Financial expenses	6	-507	-3.398
Profit/loss before tax		**11.569**	**-2.433**
Tax on profit/loss for the year	7	1.699	50
Net profit/loss for the year		**13.268**	**-2.383**

Balance Sheet 31 October

Assets

	Note	2020/21	2019/20
		TDKK	TDKK
Goodwill		0	281
Intangible assets	8	**0**	**281**
Plant and machinery		0	0
Other fixtures and fittings, tools and equipment		615	714
Leasehold improvements		5.394	5.633
Property, plant and equipment in progress		25	10
Property, plant and equipment	9	**6.034**	**6.357**
Prepayments	11	14.575	4.775
Fixed asset investments		**14.575**	**4.775**
Fixed assets		**20.609**	**11.413**
Inventories		**14.139**	**11.429**
Trade receivables		91.728	347
Contract work in progress		1.600	1.095
Receivables from group enterprises		504.001	561.570
Other receivables		834	808
Deferred tax asset	10	13.900	12.100
Prepayments	11	7.084	5.129
Receivables		**619.147**	**581.049**
Cash at bank and in hand		**49.286**	**94.860**
Currents assets		**682.572**	**687.338**
Assets		**703.181**	**698.751**

Balance Sheet 31 October

Liabilities and equity

	Note	2020/21	2019/20
		TDKK	TDKK
Share capital		31.101	31.101
Retained earnings		146.853	133.585
Equity	12	**177.954**	**164.686**
Other provisions	14	13.604	15.682
Provisions		**13.604**	**15.682**
Deferred income		159.674	155.170
Long-term debt	15	**159.674**	**155.170**
Trade payables		32.120	21.602
Contract work in progress, liabilities		2.444	1.577
Payables to group enterprises		69.243	105.483
Other payables	15	118.563	108.262
Deferred income	16	129.579	126.289
Short-term debt		**351.949**	**363.213**
Debt		**511.623**	**518.383**
Liabilities and equity		**703.181**	**698.751**
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	133.585	164.686
Net profit/loss for the year	0	13.268	13.268
Equity at 31 October	**31.101**	**146.853**	**177.954**

Notes to the Financial Statements

1 Unusual events - Covid-19

While great progress has been made in the fight against the COVID-19 pandemic, it remained a global challenge.

The pandemic and efforts to control its spread have significantly curtailed the movement of people, goods and services worldwide, including most 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. Our operations have been affected by a range of external factors related to the pandemic that are not within our control, including the various restrictions imposed on our employees, customers, partners and suppliers designed to limit the spread of COVID-19.

In 2020/21, due to an unprecedented demand for electronic devices and related industry-wide supply constraints, the global economy encountered a challenging supply chain environment. There have been, and will continue to be, delays of hardware product shipments from our vendors and out of our manufacturing operations worldwide as a result of capacity issues. We experienced product shipment delays as a result of shortages and capacity issues that continue to impact logistics operations.

In response to the pandemic and to ensure the safety of our employees, HPE have implemented a global work-from-home policy until further notice that applies to a significant majority of our employees, with the exception of those performing essential activities. Employees have returned to the office in a phased process and remain subject to safety regimens anchored around vaccination or testing requirements.

There were no other unusual events in fiscal year 2020/21.

Notes to the Financial Statements

		2020/21	2019/20
		TDKK	TDKK
2	**Revenue**		
	Geographical segments		
	Revenue, Denmark	1.245.756	1.145.141
	Revenue, exports	13.856	16.967
		1.259.612	**1.162.108**
	Business segments		
	Compute	657.052	594.839
	Storage	264.752	269.933
	Intelligent Edge	272.703	219.851
	HPC & MCS	47.752	67.680
	Other	17.353	9.805
		1.259.612	**1.162.108**
3	**Staff expenses**		
	Wages and salaries	187.142	170.821
	Pensions	12.633	12.508
	Other social security expenses	4.229	1.194
		204.004	**184.523**
	Average number of employees	**146**	**150**

The Board of Directors did not receive remuneration for provision of board-related services in 2020/21 (2019/20: TDKK 0).

Staff costs include remuneration of the Company's Executive Board of TDKK 2.749. Remuneration of the Executive Board is composed of a base salary and a variable salary dependant on Executive Board performance.
Pursuant to the exemption clause under section 98 B (3) of the Danish Financial Statements Act, the Company has chosen to omit disclosure of Executive Board remuneration for 2019/20 as it would lead to disclosing the remuneration of a single person..

Notes to the Financial Statements

		2020/21	2019/20
		TDKK	TDKK
4	**Depreciation, amortisation and impairment of property, plant and equipment and intangible assets**		
	Amortisation of intangible assets	281	1.688
	Depreciation of property, plant and equipment	931	940
		1.212	**2.628**
	Which is specified as follows:		
	Goodwill	281	1.688
	Other fixtures and fittings, tools and equipment	99	99
	Leasehold improvements	832	841
		1.212	**2.628**
5	**Financial income**		
	Interest received from group enterprises	73	458
	Other financial income	3	94
	Exchange gains	914	729
		990	**1.281**
6	**Financial expenses**		
	Interest paid to group enterprises	0	24
	Other financial expenses	507	450
	Exchange losses	0	2.924
		507	**3.398**
7	**Tax on profit/loss for the year**		
	Current tax for the year	101	150
	Deferred tax for the year	-1.800	-200
		-1.699	**-50**

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	22.110
Amortisation for the year	281
Impairment losses and amortisation at 31 October	22.391
Carrying amount at 31 October	**0**

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	1.280	16.917	10	18.343
Additions for the year	0	0	593	15	608
Disposals for the year	-93	0	-5.688	0	-5.781
Cost at 31 October	43	1.280	11.822	25	13.170
Impairment losses and depreciation at 1 November	136	566	11.284	0	11.986
Depreciation for the year	0	99	832	0	931
Reversal of impairment and depreciation of sold assets	-93	0	-5.688	0	-5.781
Impairment losses and depreciation at 31 October	43	665	6.428	0	7.136
Carrying amount at 31 October	**0**	**615**	**5.394**	**25**	**6.034**

Notes to the Financial Statements

10 Deferred tax asset

	2020/21	2019/20
	TDKK	TDKK
Deferred tax asset at 1 November	12.100	11.900
Amounts recognised in the income statement for the year	1.800	200
Deferred tax asset at 31 October	**13.900**	**12.100**

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-shares	30.000	30.000
A-shares	500	500
A-shares	1.000	1
B-shares	500	500
C-shares	100	100
		31.101

13 Distribution of profit

	2020/21	2019/20
	TDKK	TDKK
Retained earnings	13.268	-2.383
	13.268	**-2.383**

Notes to the Financial Statements

14 Other provisions

	2020/21	2019/20
	TDKK	TDKK
Balance at beginning of year	15.682	18.785
Amounts provided in the year	6.126	5.694
Amounts utilised during the year	-8.204	-8.797
	13.604	**15.682**

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

	2020/21	2019/20
	TDKK	TDKK
Deferred income		
Between 1 and 5 years	159.674	155.170
Long-term part	159.674	155.170
Other deferred income	129.579	126.289
	289.253	**281.459**

16 Deferred income

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

Notes to the Financial Statements

		2020/21	2019/20
		TDKK	TDKK

17 Contingent assets, liabilities and other financial obligations

Contingent assets

The company has a non-recognised tax asset of DKK 42.5 million in FY20/21. (DKK 53.7 million in FY19/20)

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

	2020/21 TDKK	2019/20 TDKK
Within 1 year	3.882	3.519
Between 1 and 5 years	2.382	4.907
	6.264	**8.426**

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)	Amstelveen, 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

	2020/21 TDKK	2019/20 TDKK
EY		
Audit fee	296	293
	296	**293**

Notes to the Financial Statements

20 Accounting Policies

The Annual Report of Hewlett-Packard ApS for 2020/21 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 2020/21 the Company decided to revise geographical segments disclosure and in effect has introduced changes in geographical segments presentation (see Note 2).
2019/20 comparative figures presentation has been recognized according to revised presentation, but has no impact on ‘Revenue’, ‘Net profit for the year’ and financial ratios reported in prior year.

The Financial Statements for 2020/21 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.

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.

Notes to the Financial Statements

20 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

20 Accounting Policies (continued)

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.

Fixed asset investments

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

Notes to the Financial Statements

20 Accounting Policies (continued)

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	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$