HEWLETT-PACKARD ApS

Engholm Parkvej 8, DK-3450 Allerød

Annual Report for
1 November 2022 - 31 October 2023

CVR No. 76 94 59 18

The Annual Report was presented and adopted at the Annual General Meeting of the company on 19/4 2024

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 2022 - 31 October 2023.

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 2023 of the Company and of the results of the Company operations for 2022/23.

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, 19 April 2024

Executive Board

Carsten Regner Nielsen

Board of Directors

Louise Karlskov Kaasgaard Chairman	Carsten Regner Nielsen	Michael Wiuff Hansen Employee representative

Kim Agertoft
Employee 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 2022 - 31 October 2023, 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 2023 and of the results of the Company´s operations for the financial year 1 November 2022 - 31 October 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Management’s responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company´s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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.

Independent Auditor's report

- 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.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Vejle, 19 April 2024

EY Godkendt Revisionspartnerselskab

CVR No 30 70 02 28

Lene Kamper Jørgensen
State Authorised Public Accountant
mne34456

Company information

The Company	HEWLETT-PACKARD ApS Engholm Parkvej 8 DK-3450 Allerød CVR No: 76 94 59 18 Financial period: 1 November 2022 - 31 October 2023 Municipality of reg. office: Allerød
Board of Directors	Louise Karlskov Kaasgaard, chairman Carsten Regner Nielsen Michael Wiuff Hansen, employee representative Kim Agertoft, employee representative
Executive Board	Carsten Regner Nielsen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36 2000 Frederiksberg

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2022/23	2021/22	2020/21	2019/20	2018/19
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	1,349,219	1,553,612	1,259,612	1,162,108	1,277,428
Profit/loss of ordinary primary operations	21,041	27,965	11,086	-316	7,571
Profit/loss of financial income and expenses	16,893	9,111	483	-2,117	407
Net profit/loss	38,885	43,161	13,268	-2,383	10,487
Balance sheet					
Balance sheet total	730,244	838,007	703,181	698,751	609,769
Investment in property, plant and equipment	0	172	608	237	1,806
Equity	260,000	221,115	177,954	164,686	167,069
Number of employees	138	136	146	150	146
Ratios					
Return on assets	2.9%	3.3%	1.6%	0.0%	1.2%
Solvency ratio	35.6%	26.4%	25.3%	23.6%	27.4%
Return on equity	16.2%	21.6%	7.7%	-1.4%	6.5%

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 29 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 and public institutions 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 2022/23 Hewlett Packard Enterprise was providing products, solutions and services within following main business segments: Compute, High Performance Compute and Artificial Intelligence ("HPC & AI", previously "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 to deliver the best performance and value for demanding applications. Compute offerings also include operational and support services and HPE GreenLake for Compute, which provides flexible Compute as-a-service ("aaS") IT infrastructure on a consumption basis.

The HPC & AI business offers integrated systems comprised of software and hardware designed to address High-Performance Computing, Artificial Intelligence, Data Analytics and Transaction Processing workloads. HPC & AI offerings also include operational and support services, whether sold with our systems or as standalone services, and most of our solutions are offered as-a-service through the HPE GreenLake edge-to-cloud platform.

The Storage business includes primary storage product and service offerings, which includes software-powered storage, cloud native primary storage, storage as-a-service, 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 offerings also include operational and support services, software subscription services, and data infrastructure portfolio and solutions delivered as-a-service through the HPE GreenLake edge-to-cloud platform.

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 ("LAN"), campus and data center switching, software-defined wide area networking, network security, and associated services to enable secure connectivity. The primary business drivers for Intelligent Edge solutions are work from anywhere environment, mobility and internet of things ("IoT"). The HPE Aruba product portfolio includes hardware products, such as Wi-Fi access points, switches, and gateways while the HPE Aruba software and services portfolio 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 the HPE GreenLake edge-to-cloud platform.

The Financial Services business provides flexible investment solutions, such as leasing, financing, IT consumption, 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 HPE. 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, and complex solution engagement capabilities; the Communications and Media Solutions ("CMS") business which offers software and related services to the telecommunications industry; the HPE Software business covering HPE Ezmeral portfolio.

Management´s Review

Business review

Revenue for 2022/23 came in at tDKK 1,349,219, a decrease of 13% compared to the prior fiscal year. The Company's income statement for the fiscal year 2022/23 shows a profit before tax of tDKK 37,934, and the balance sheet as of October 31, 2023, shows equity of tDKK 260,000.

Both the revenue and profit before tax levels are considered satisfactory. Revenue for the year remained within the prior year's outlook of 1,200,000 – 1,400,000 tDKK. Profit before tax ended at tDKK 37,934 compared to tDKK 37,076 in the prior year, while it was forecasted in the range of tDKK 15,000 – tDKK 20,000. The higher-than-expected profit is a result of transfer pricing funding received from the Group (similarly as in the prior year) to bring the operating profit towards targets expected by the tax office. The elevated order book levels we experienced in fiscal 2022 have generally declined throughout fiscal 2023, as expected, as supply chain constraints eased (though challenges remain) and demand softened unevenly across our portfolio.

The Company succeeded in maintaining the market position within key strategy areas despite economic instability (including inflation, recession, interest rate fluctuations) and the ongoing conflict between Russia and Ukraine. The extraordinary situation of the Russian aggression against Ukraine and the uncertain business environment did not reveal any specific implications on the entity yet but there could be additional adverse impacts to our net revenues and results should the situation continue or escalate geopolitical tensions and the impacts of recession, inflation, and supply chain pressures, both regionally and globally.

In 2022/23 the Danish server market slowed down. We have continued to experience elongated sales cycles. This is due to customers working through prior orders and adopting a more conservative approach to spending in a mixed macroeconomic environment. This trend is particularly noticeable in certain hardware businesses, where customers are directing investments towards modernizing infrastructure, such as migrating to cloud-based offerings. We expect this mixed macroeconomic environment to continue moderating our revenue growth in the near term.

The Intelligent Edge (HPE Aruba) quickly recovered from economic slowdown already in 2021/22, maintained its position on the Danish network market and reported in 2022/23 a solid growth compared to prior year, led by the wireless local area network ("WLAN") and higher attached support services and as-a-service offerings.

The Storage business reported revenue decrease and struggled to maintain its market position within the segment. The decrease was caused mainly by lower demand for traditional storage solutions, transition to new generation of product platforms and supply chain constraints. Focus on continued transition to more service-intensive, and software-rich offerings, is a key driver for HPE market share increase.

HPE continued its laser focus on acclaimed consumption-based offering HPE GreenLake, which is a key in the HPE's "edge-to-cloud platform as a service" strategy to make all 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 channel 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 partners 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 elevated order book levels we experienced in fiscal 2022 have generally declined throughout fiscal 2023 as supply chain constraints eased (though challenges still remain) and demand softened unevenly across our portfolio. This shift is a result of improving supply chain dynamics, and customers digesting their prior larger orders. Meanwhile, there has been an increase in demand for and adoption of new technologies, such as AI, hybrid cloud, and edge computing. We have observed, and anticipate continuing to see, customers of various segments and sizes pursuing these new technologies.

We have continued to experience elongated sales cycles. This is due to customers working through prior orders and adopting a more conservative approach to spending in a mixed macroeconomic environment. This trend is particularly noticeable in certain hardware businesses, where customers are directing investments towards modernizing infrastructure, such as migrating to cloud-based offerings. We expect this mixed macroeconomic environment to continue moderating our revenue growth in the near term.

In reference to the earlier point, mild improvements in industry-wide supply constraints have helped alleviate certain supply chain challenges encountered in the recent past. This includes increased availability of supply and lower material and logistics costs. Material cost trends are contingent on the strength or weakness of actual end-user demand and supply dynamics, which will continue to evolve and ultimately impact the translation of the cost environment to our pricing actions and, consequently, our operating results.

Furthermore, logistics costs have continued to decrease from previously elevated levels. This is a result of declines in both expedited shipments and overall rate costs in the freight network.

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

We've observed a shift in market trends and increased demand for AI, hybrid cloud, edge computing, and data security capabilities. The growing volume of data at the edge, propelled by the proliferation of devices, necessitates enhanced security measures at the edge. The call for a unified cloud experience across all environments has also intensified to effectively manage the expanding data at the edge. With a wealth of data available, there are opportunities to develop powerful AI tools capable of extracting insights and value from the captured data. We anticipate these market dynamics and trends to persist in the long term.

In response to these observations, we have expedited our investments and innovations in these areas, recognizing them as crucial to our long-term strategy and growth. This includes a pivot in our go-to-market approach and sales function. Simultaneously, we are reinforcing our core Compute and Storage-oriented offerings while expanding our portfolio on the HPE GreenLake edge-to-cloud platform. This strategic approach aims to facilitate the execution of our as-a-Service (aaS) pivot, positioning us as the edge-to-cloud company for our customers and partners. For the coming year, we expect our revenue to fall between tDKK 1,200,000 and tDKK 1,400,000, with profit before tax in the range of tDKK 35,000 and tDKK 40,000.

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 under section 99a and the gender composition of management under 99b, please refer to the full non-financial disclosure report available at: https://www.hpe.com/psnow/doc/a00138003enw.

Management´s Review

HPE LIVING PROGRESS

Living Progress is HPE's business strategy for creating sustainable and responsible technology solutions that meet the demands of the future, while advancing the way people live and work. Because our commitment to responsible business leadership extends to (and is integrated into) many aspects of our operations, HPE's competitiveness, resilience, and relationships with a broad array of stakeholders are enhanced in countless ways.

Our edge-to-cloud strategy helps our customers transform and digitize their business while helping to reduce the environmental footprint of HPE and our customers. A legacy of responsible business leadership increases our competitiveness and differentiates us in the marketplace by helping our customers achieve not only their business objectives, but also their sustainability goals. We continue to set and pursue ambitious ESG goals built upon the foundation of our unwavering commitment to sustainable and responsible business practices.

Our leadership has earned HPE recognition on global ratings and rankings including an MSCI AAA rating, 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 NONFINANCIAL 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.

We regularly conduct a global nonfinancial materiality assessment to help ensure our strategy is focused in the right areas. Our most recent assessment was completed in fiscal year 2022, taking into account the evolution of our business, changes in the global corporate sustainability reporting landscape, evolving investor and stakeholder ESG information needs, and the continuing evolution of best-practice techniques informed by organizations such as the Global Reporting Index (GRI) and the SASB Standards. As a result, our latest assessment adopts a double materiality definition. Conducted by external consultant BSR, our nonfinancial materiality assessment engaged customers, industry analysts, suppliers, and HPE management to identify priority issues.

For more information on HPE's latest nonfinancial 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 operational impacts including our local workforce and business conduct. Issues material to HPE's global environmental footprint, supply chain and products and services are covered in the annual global HPE Living Progress Report.

Management´s Review

HPE GLOBAL NONFINANCIAL MATERIAL ISSUES	
Operations	
Corporate Governance*	Ethical behavior, integrity, and business partnerships*
Employee health and safety*	Diversity, equity, and inclusion*
Employee development, engagement, and well-being*	Energy use and GHG emissions in our operations
Community investment	Water in our operations
Supply Chain	
Supply chain resilience	Substances of concern in products
Energy use and GHG emissions in the supply chain	Ethical sourcing and human rights in the supply chain
Water in our supply chain	Water and hazardous materials in our operations and supply chain
Products and Solutions	
Data security	Efficiency of IT solutions
Privacy	Product lifecycle management
Technology for social impact	IT products and services and human rights
STEM education and future of work	Public policy engagement
*Issues covered in this report The report will also cover environment & climate issues	

Material issues addressed in this report include Corporate governance, Ethical behavior, integrity, and business partnerships; Employee health and safety; Employee development, engagement, and well-being; and Diversity, Equity and Inclusion (workforce). 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 material 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

DIVERSITY, EQUITY, INCLUSION AND GENDER DISTRIBUTION IN MANAGEMENT

Our workforce is strengthened by people from different ethnicities, abilities, education levels, gender identities, sexual orientation, and cognitive styles. We foster diversity, equity, and inclusion (DEI) within and beyond our walls. Our strategic approach empowers HPE team members to contribute a breadth of perspectives, ideas, and experiences that fuel innovation and drive change.

Management´s Review

Of the 13 global HPE Board members, 6 are women and 2 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 2 individuals, excluding 2 employee-elected members, out of which 1 of the 2 is female. Currently, women make up 27.5% of the HPE Denmark workforce and 32% of our senior management positions.

HPE works to ensure that all co-workers in HPE are treated fairly and that no one is discriminated against based on age, sex, nationality, religious beliefs or sexual orientation. As of 2023, 87% of our people leaders completed Inclusive Leadership training, and 69% of remaining HPE employees, completed Inclusion for All training. For four 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 frames our commitment and overall approach to respecting human rights across our operations and value chain, and reinforces 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

Management´s Review

HPE Denmark KPIs	Men	Men %	Women	Women %
Employees (regular full-time) by gender	100	72.5%	38	27.5%
Senior managers by gender	17	68%	8	32%
HPE Denmark Board by gender[1]	1	25%	3	75%

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.

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

DATA ETHICS

HPE currently does not have a standalone data ethic policy, as our Global Privacy Policy outlines the general data-protection principles we follow. The HPE Privacy Statement, available in eight languages, and the Employee Privacy Policy, inform team members, customers, and partners about our privacy practices and explain what personal data we collect, use, disclose, and transfer. HPE maintains an Enterprise System & Data Ownership Policy to define rules that apply to data owners governing data under their purview. To ensure accountability for appropriate data stewardship in line with the Standards of Business Conduct, HPE established the Global Master Records and Information Management Policy.

HPE Denmark's board composition changed past November 2023 to include one female member (shareholder-elected) and three male members (one shareholder-elected and two employee-elected).

Our policies detail the choices individuals can make and rights they can exercise in relation to their personal data. We maintain documented processes for responding to data subjects' rights requests and periodically review and update these processes to align with applicable country laws and the evolving privacy landscape. Our commitment to respect and protect individuals' privacy requires us to diligently address privacy-related legislative and regulatory changes in the countries where we operate.

When we receive data requests from government agencies, they are triaged by determining which region, business channel, and type of data is involved. We assess what triggered the request, consult with our legal group to identify potential challenges, and respond. More details about this process are available in our Privacy Statement.

Unusual events

The ongoing conflict between Russia and Ukraine has impacted businesses in the European Union (the "EU") and several other jurisdictions. The potential implications on the Company out of the Russian aggression against Ukraine were analyzed by the Management Board and the assessment of the Company's situation and uncertain business environment did not reveal any specific threats to the Company's operations and its financial situation. Nevertheless, HPE Group continues to monitor the social, political, regulatory, and economic environment in Russia and Ukraine, and will consider further actions as appropriate.

There were no other significant events in fiscal year 2022/23.

Subsequent events

There were no events, subsequent to the financial year-end, that could materially impact the Company's financial position for 2022/23.

Income statement 1 November 2022 - 31 October 2023

	Note	2022/23	2021/22
		TDKK	TDKK
Revenue	2	1,349,219	1,553,612
Cost of goods sold		-1,072,801	-1,303,817
Other external expenses		-63,106	-49,021
Gross profit		**213,312**	**200,774**
Staff expenses	3	-191,203	-171,736
Depreciation and impairment losses of property, plant and equipment	4	-1,068	-1,073
Profit/loss before financial income and expenses		**21,041**	**27,965**
Financial income	5	17,032	10,350
Financial expenses	6	-139	-1,239
Profit/loss before tax		**37,934**	**37,076**
Tax on profit/loss for the year	7	951	6,085
Net profit/loss for the year	8	**38,885**	**43,161**

Balance sheet 31 October 2023

Assets

	Note	2022/23	2021/22
		TDKK	TDKK
Goodwill		0	0
Intangible assets	9	**0**	**0**
Plant and machinery		0	0
Other fixtures and fittings, tools and equipment		538	662
Leasehold improvements		3,527	4,471
Property, plant and equipment	10	**4,065**	**5,133**
Other receivables	11	46,841	18,181
Fixed asset investments		**46,841**	**18,181**
Fixed assets		**50,906**	**23,314**
Finished goods and goods for resale		67,562	92,315
Inventories		**67,562**	**92,315**
Trade receivables		4,463	208,573
Contract work in progress		7,117	2,342
Receivables from group enterprises		537,141	458,499
Other receivables		9,820	10,887
Deferred tax asset	12	28,900	24,800
Prepayments	13	24,245	11,755
Receivables		**611,686**	**716,856**
Cash at bank and in hand		**90**	**5,522**
Current assets		**679,338**	**814,693**
Assets		**730,244**	**838,007**

Balance sheet 31 October 2023

Liabilities and equity

	Note	2022/23	2021/22
		TDKK	TDKK
Share capital	14	31,101	31,101
Retained earnings		158,899	190,014
Proposed dividend for the year		70,000	0
Equity		**260,000**	**221,115**
Other provisions	15	13,645	13,541
Provisions		**13,645**	**13,541**
Deferred income		156,713	180,121
Long-term debt	16	**156,713**	**180,121**
Trade payables		23,404	29,707
Contract work in progress		2,067	2,552
Payables to group enterprises		50,355	190,451
Corporation tax		2,557	5,845
Other payables		73,233	54,508
Deferred income	17	148,270	140,167
Short-term debt		**299,886**	**423,230**
Debt		**456,599**	**603,351**
Liabilities and equity		**730,244**	**838,007**

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Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 November	31,101	190,014	0	221,115
Net profit/loss for the year	0	-31,115	70,000	38,885
Equity at 31 October	**31,101**	**158,899**	**70,000**	**260,000**

Notes to the Financial Statements

1. Unusual conditions

The elevated post COVID-19 order book levels we experienced in fiscal 2022 have generally declined throughout fiscal 2023 as supply chain constraints eased (though challenges still remain) and demand softened unevenly across our portfolio. This shift is a result of improving supply chain dynamics, and customers digesting their prior larger orders. Meanwhile, there has been an increase in demand for and adoption of new technologies, such as AI, hybrid cloud, and edge computing. We have observed, and anticipate continuing to see, customers of various segments and sizes pursuing these new technologies.

We have continued to experience elongated sales cycles. This is due to customers working through prior orders and adopting a more conservative approach to spending in a mixed macroeconomic environment. This trend is particularly noticeable in certain hardware businesses, where customers are directing investments towards modernizing infrastructure, such as migrating to cloud-based offerings. We expect this mixed macroeconomic environment to continue moderating our revenue growth in the near term.

The ongoing conflict between Russia and Ukraine has impacted businesses in the European Union (the “EU”) and several other jurisdictions. The potential implications on the Company out of the Russian aggression against Ukraine were analyzed by the Management Board and the assessment of the Company's situation and uncertain business environment did not reveal any specific threats to the Company's operations and its financial situation. Nevertheless, HPE Group continues to monitor the social, political, regulatory, and economic environment in Russia and Ukraine, and will consider further actions as appropriate.

There were no other unusual events in fiscal year 2022/23.

2. Revenue

	2022/23	2021/22
	TDKK	TDKK
Geographical segments		
Revenue, Denmark	1,294,210	1,529,842
Revenue, exports	55,009	23,770
	1,349,219	**1,553,612**
Business segments		
Compute	611,582	934,750
Storage	165,987	220,236
Intelligent Edge	437,988	320,127
HPC & MCS	36,645	39,983
Other	97,017	38,516
	1,349,219	**1,553,612**

Notes to the Financial Statements

3. Staff Expenses

	2022/23 TDKK	2021/22 TDKK
Wages and salaries	178,123	160,180
Pensions	12,609	12,100
Other social security expenses	471	-544
	191,203	**171,736**

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 as it would lead to disclosing the remuneration of a single person.

	2022/23	2021/22
Average number of employees	**138**	**136**

4. Depreciation and impairment losses of property, plant and equipment

	2022/23 TDKK	2021/22 TDKK
Depreciation of property, plant and equipment	1,068	1,073
	1,068	**1,073**
Which is specified as follows:		
Depreciation - Leasehold improvements	944	944
Depreciation - Other fixtures and fittings, tools and equipment	124	129
	1,068	**1,073**

5. Financial income

	2022/23 TDKK	2021/22 TDKK
Interest received from group enterprises	16,770	1,089
Other financial income	69	11
Exchange gains	193	9,250
	17,032	**10,350**

Notes to the Financial Statements

6. Financial expenses

	2022/23	2021/22
	TDKK	TDKK
Interest paid to group enterprises	1	3
Other financial expenses	138	1,236
	139	**1,239**

7. Income tax expense

	2022/23	2021/22
	TDKK	TDKK
Current tax for the year	3,137	1,768
Deferred tax for the year	-4,100	-10,900
Adjustment of tax concerning previous years	12	3,047
	-951	**-6,085**

8. Profit allocation

	2022/23	2021/22
	TDKK	TDKK
Proposed dividend for the year	70,000	0
Retained earnings	-31,115	43,161
	38,885	**43,161**

9. Intangible fixed assets

	Goodwill
	TDKK
Cost at 1 November	22,391
Cost at 31 October	22,391
Impairment losses and amortisation at 1 November	22,391
Impairment losses and amortisation at 31 October	22,391
Carrying amount at 31 October	**0**

Notes to the Financial Statements

10. Property, plant and equipment

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements
	TDKK	TDKK	TDKK
Cost at 1 November	43	1,456	11,843
Cost at 31 October	43	1,456	11,843
Impairment losses and depreciation at 1 November	43	794	7,372
Depreciation for the year	0	124	944
Impairment losses and depreciation at 31 October	43	918	8,316
Carrying amount at 31 October	**0**	**538**	**3,527**

11. Other fixed asset investments

Other receivables consist of long-term prepaid expenses concerning prepaid sales commissions and prepaid subcontractors services.

12. Deferred tax asset

	2022/23	2021/22
	TDKK	TDKK
Deferred tax asset at 1 November	24,800	13,900
Amounts recognised in the income statement for the year	4,100	10,900
Deferred tax asset at 31 October	**28,900**	**24,800**

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

13. Prepayments

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

Notes to the Financial Statements

14. Share capital

	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

There have been no changes in the share capital during the last 5 years.

15. Other provisions

	2022/23	2021/22
	TDKK	TDKK
Balance at 1. November 2022	13,541	13,604
Provision in year	6,964	8,339
Employed in year	-6,860	-8,402
	13,645	**13,541**

The provisions are expected to mature as follows:

Within 1 year	0	0
Between 1 and 5 years	13,645	13,541
After 5 years	0	0
	13,645	**13,541**

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.

Notes to the Financial Statements

16. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2022/23	2021/22
	TDKK	TDKK
Deferred income		
After 5 years	0	0
Between 1 and 5 years	156,713	180,121
Long-term part	156,713	180,121
Within 1 year	0	0
Other deferred income	148,270	140,167
Short-term part	148,270	140,167
	304,983	**320,288**

17. Deferred income

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

	2022/23	2021/22
	TDKK	TDKK

18. Contingent assets, liabilities and other financial obligations

Contingent assets

The company has a non-recognised tax asset of DKK 2.1 million in 2022/2023. (DKK 14.9 million in 2021/2022).

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	4,076	2,527
Between 1 and 5 years	11,700	892
	15,776	**3,419**

Notes to the Financial Statements

19. Related parties and disclosure of consolidated financial statements

	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

20. Fee to auditors appointed at the general meeting

	2022/23	2021/22
	TDKK	TDKK
EY		
Audit fee	375	319
Other assurance engagements	0	30
	375	**349**

21. Subsequent events

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

Notes to the Financial Statements

22. Accounting policies

The Annual Report of HEWLETT-PACKARD ApS for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022/23 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.

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 goods sold

Cost of goods sold 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 depreciation and impairment of 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 deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Intangible fixed 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 year.

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.

Impairment of fixed assets

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

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

Other fixed asset investments

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

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 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.

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.

Notes to the Financial Statements

Cash at bank and in hand

Cash and short-term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

Cash on short-term deposits are amounts lodged with Compaq Trademark B.V., a fellow HPE Group company. These amounts are readily convertible with no monetary change or loss in value and are presented as receivables from group enterprises.

Equity

The share capital comprises the nominal portion of the amounts paid in by shareholders, divided into shares of DKK 500. Each share represents one vote. No shares have special rights. No shareholder is obliged to have shares redeemed. Transfer of shares can only be effected with the consent of a General Meeting.

Retained earnings represents all historical profits earned by the Company less any dividends paid to its Shareholders in the past. The Board of Directors is authorised to make decisions on distribution of dividend in accordance with The Danish Companies Act.

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

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.

Trade and other payable

Other payables are measured at net realisation value.

Financial debts

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

Notes to the Financial Statements

Deferred income

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

Financial Highlights

Explanation of financial ratios

Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity