
VMware Denmark ApS

Frydenlundsvej 30, DK-2950 Vedbæk

Annual Report for 1 February 2020 - 31 January 2021

CVR No 30 58 27 05

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
1 /6 2021

Thomas Gjør-Trønning
Chairman of the General
Meeting

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	5
Management's Review	6
Financial Statements	
Income Statement 1 February - 31 January	7
Balance Sheet 31 January	8
Statement of Changes in Equity	10
Notes to the Financial Statements	11

Management's Statement

The Executive Board has today considered and adopted the Annual Report of VMware Denmark ApS for the financial year 1 February 2020 - 31 January 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 January 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.

Vedbæk, 1 June 2021

Executive Board

James Andrew Munk

Craig Douglas Norris

Lars-Bo Klausen

Independent Auditor's Report

To the Shareholder of VMware Denmark ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 January 2021 and of the results of the Company's operations for the financial year 1 February 2020 - 31 January 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of VMware Denmark ApS for the financial year 1 February 2020 - 31 January 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

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

Management's responsibilities for the Financial Statements

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

Independent Auditor's Report

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

Auditor's responsibilities for the audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent Auditor's Report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

København, 1 June 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mads Haugegaard Albrechtsen

statsautoriseret revisor

mne45846

Company Information

The Company

VMware Denmark ApS
Frydenlundsvej 30
DK-2950 Vedbæk

Telephone: + 45 70 10 68 88

CVR No: 30 58 27 05

Financial period: 1 February - 31 January

Incorporated: 8 May 2007

Financial year: 15th financial year

Municipality of reg. office: Rudersdal

Executive Board

James Andrew Munk
Craig Douglas Norris
Lars-Bo Klausen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Lawyers

Bech-Bruun
Langelinie Alle 35
DK-2100 København Ø

Bankers

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

Management's Review

Key activities

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

Development in the year

The income statement of the Company for 2020/21 shows a profit of DKK 2,936,857, and at 31 January 2021 the balance sheet of the Company shows equity of DKK 25,912,371.

Subsequent events

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

Income Statement 1 February - 31 January

	Note	2020/21 DKK	2019/20 DKK
Revenue		84.924.774	85.726.291
Other external expenses		-4.535.661	-9.564.455
Gross profit/loss		80.389.113	76.161.836
Staff expenses	1	-76.297.349	-70.883.736
Depreciation and impairment of property, plant and equipment		-177.959	-1.126.758
Profit/loss before financial income and expenses		3.913.805	4.151.342
Financial income		151.026	22.464
Financial expenses		-271.403	-242.510
Profit/loss before tax		3.793.428	3.931.296
Tax on profit/loss for the year	2	-856.571	-1.096.467
Net profit/loss for the year		2.936.857	2.834.829

Distribution of profit

Proposed distribution of profit

Retained earnings	2.936.857	2.834.829
	2.936.857	2.834.829

Balance Sheet 31 January

Assets

	Note	2021 DKK	2020 DKK
Other fixtures and fittings, tools and equipment		250.010	305.639
Property, plant and equipment	3	250.010	305.639
Deposits		36.000	329.393
Fixed asset investments		36.000	329.393
Fixed assets		286.010	635.032
Receivables from group enterprises		8.697.437	6.361.084
Other receivables		798.286	592.133
Deferred tax asset	4	39.096	28.176
Corporation tax		200.480	0
Prepayments		377.944	105.198
Receivables		10.113.243	7.086.591
Cash at bank and in hand		44.414.408	35.646.391
Currents assets		54.527.651	42.732.982
Assets		54.813.661	43.368.014

Balance Sheet 31 January

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital	5	125.000	125.000
Retained earnings		25.787.371	22.850.514
Equity		25.912.371	22.975.514
Other payables		0	3.031.256
Long-term debt	6	0	3.031.256
Trade payables		46.740	249.015
Payables to group enterprises		0	24.831
Corporation tax		0	10.786
Other payables	6	28.854.550	17.076.612
Short-term debt		28.901.290	17.361.244
Debt		28.901.290	20.392.500
Liabilities and equity		54.813.661	43.368.014
Contingent assets, liabilities and other financial obligations	7		
Related parties	8		
Accounting Policies	9		

Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 February	125.000	22.850.514	22.975.514
Net profit/loss for the year	0	2.936.857	2.936.857
Equity at 31 January	125.000	25.787.371	25.912.371

Notes to the Financial Statements

	<u>2020/21</u>	<u>2019/20</u>
	DKK	DKK
1 Staff expenses		
Wages and salaries	69.788.220	64.691.590
Pensions	6.340.830	5.716.068
Other social security expenses	167.661	156.490
Other staff expenses	<u>638</u>	<u>319.588</u>
	<u>76.297.349</u>	<u>70.883.736</u>
Average number of employees	<u>49</u>	<u>46</u>
2 Tax on profit/loss for the year		
Current tax for the year	876.520	1.093.228
Deferred tax for the year	-10.921	3.239
Adjustment of tax concerning previous years	<u>-9.028</u>	<u>0</u>
	<u>856.571</u>	<u>1.096.467</u>
3 Property, plant and equipment		Other fixtures and fittings, tools and equipment
		<u>DKK</u>
Cost at 1 February		2.337.565
Additions for the year		<u>122.330</u>
Cost at 31 January		<u>2.459.895</u>
Impairment losses and depreciation at 1 February		2.031.926
Depreciation for the year		<u>177.959</u>
Impairment losses and depreciation at 31 January		<u>2.209.885</u>
Carrying amount at 31 January		<u>250.010</u>

Notes to the Financial Statements

	2021 <u>DKK</u>	2020 <u>DKK</u>
4 Deferred tax asset		
Property, plant and equipment	-39.096	-28.176
Transferred to deferred tax asset	<u>39.096</u>	<u>28.176</u>
	<u>0</u>	<u>0</u>
Deferred tax asset		
Calculated tax asset	<u>39.096</u>	<u>28.176</u>
Carrying amount	<u>39.096</u>	<u>28.176</u>

5 Equity

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

6 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:

Other payables

Between 1 and 5 years	<u>0</u>	<u>3.031.256</u>
Long-term part	<u>0</u>	<u>3.031.256</u>
Other short-term payables	<u>28.854.550</u>	<u>17.076.612</u>
	<u>28.854.550</u>	<u>20.107.868</u>

7 Contingent assets, liabilities and other financial obligations

There are no security and contingent liabilities at 31 January 2021.

Notes to the Financial Statements

8 Related parties

Consolidated Financial Statements

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

<u>Name</u>	<u>Place of registered office</u>
VMware Inc	USA
Dell Inc	USA

VMware Inc is the smallest Parent Company which prepares consolidated financial statements.

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

3401 Hillview Avenue

Palo Alto

California

94304, United States

Dell Inc is the largest Parent Company which prepares consolidated financial statements.

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

One Dell Way

Round Rock

Texas, 78682

United States

Notes to the Financial Statements

9 Accounting Policies

The Annual Report of VMware Denmark ApS for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020/21 are presented in DKK.

Recognition and measurement

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

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

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

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

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

Notes to the Financial Statements

9 Accounting Policies (continued)

Translation policies

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

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

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

Income Statement

Revenue

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

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

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

Other external expenses

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

Staff expenses

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

Notes to the Financial Statements

9 Accounting Policies (continued)

Depreciation and impairment losses

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

Financial income and expenses

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

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

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

Balance Sheet

Property, plant and equipment

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

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5	years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

9 Accounting Policies (continued)

Impairment of fixed assets

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

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

Fixed asset investments

Fixed asset investments consist of deposits.

Receivables

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

Prepayments

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

Deferred tax assets and liabilities

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

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

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

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

Notes to the Financial Statements

9 Accounting Policies (continued)

Financial debts

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