

VMware Spin-off Investor Call

April 14, 2021

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Interim Chief Executive Officer

Spin-off Summary

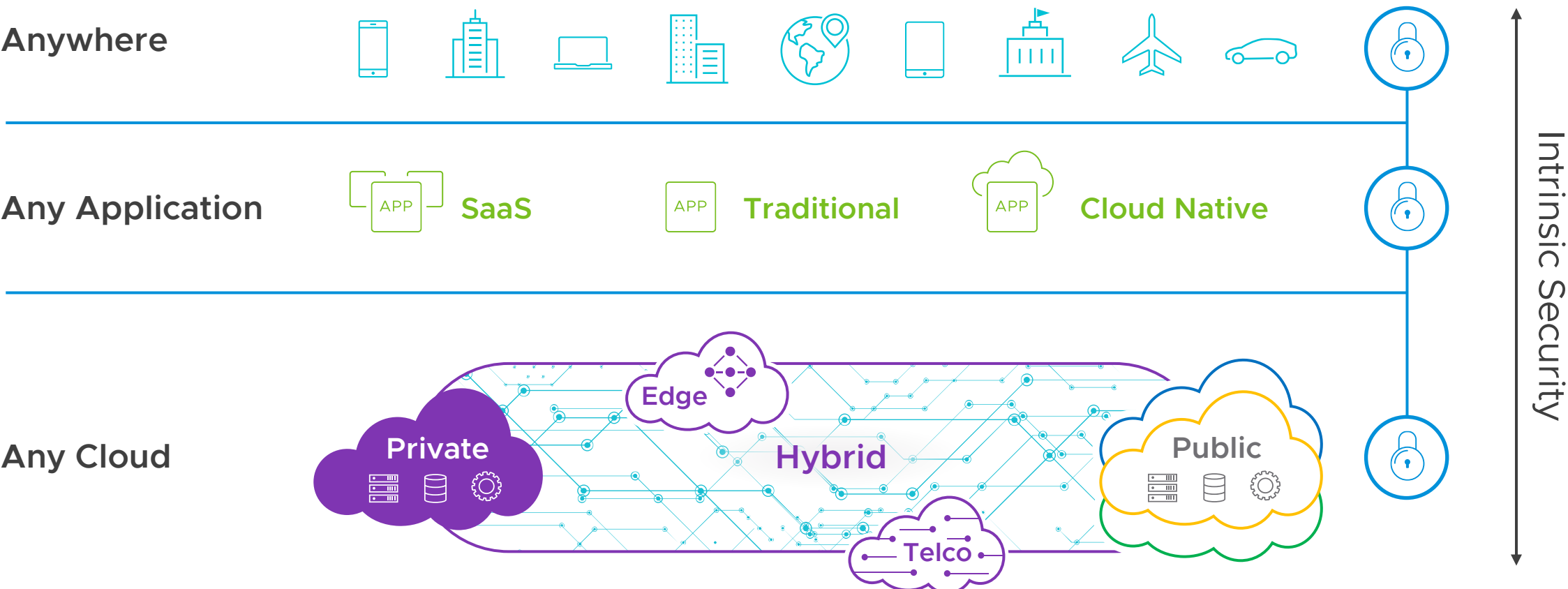
- As a standalone company, VMware will have more strategic and financial flexibility to pursue our “any app, any cloud, anywhere” vision to accelerate customers’ digital transformation
- Simplified corporate ownership structure and governance model to support growth opportunities
- Removal of dual class stock structure converting Class B with 10 votes/share into Class A with 1 vote/share on 1:1 basis with no premium; will make VMware eligible for indices (e.g., S&P 500)
- Commercial agreement preserves and enhances strategic partnership with Dell to deliver joint customer value
- Special dividend range of \$11.5 - \$12.0B to all shareholders pro rata⁽¹⁾ as a part of spin-off terms recommended by the independent Special Committee and approved by the full Board
- Current estimated value of special dividend to VMware shareholders of approximately \$27.43 - \$28.62 per share, payable to all VMware shareholders⁽²⁾
- Expected to close during the fourth quarter of calendar 2021⁽³⁾

(1) Conditioned on closing of the spin-off

(2) Based on share count of 419,232,986 shares as of March 16, per VMware Fiscal 2021 10K filing

(3) Subject to certain conditions described in VMware’s 8-k filing

“Any App, Any Cloud, Anywhere” Vision Continues to Resonate



Dividend

- Dividend payment of \$11.5 - \$12.0B, currently estimated to be \$27.43 - \$28.62 per share, payable to all VMware shareholders⁽¹⁾
- Expect to fund dividend with \$2.5 - \$3.5B cash and incremental debt
- We are committed to maintaining an investment grade credit profile and rating, as part of VMware financial policy; we expect to use free cash flow primarily to de-lever for two years following the transaction
- We will continue to invest in growing our business both organically & inorganically and return excess capital to shareholders through share repurchases
- Strong balance sheet to support dividend, with significant and sustained cash generation
- At the end of FY'21, we had \$4.7B in cash and investments, and net debt of \$0.3B⁽²⁾

(1) Based on share count of 419,232,986 shares as of March 16, per VMware Fiscal 2021 10K filing

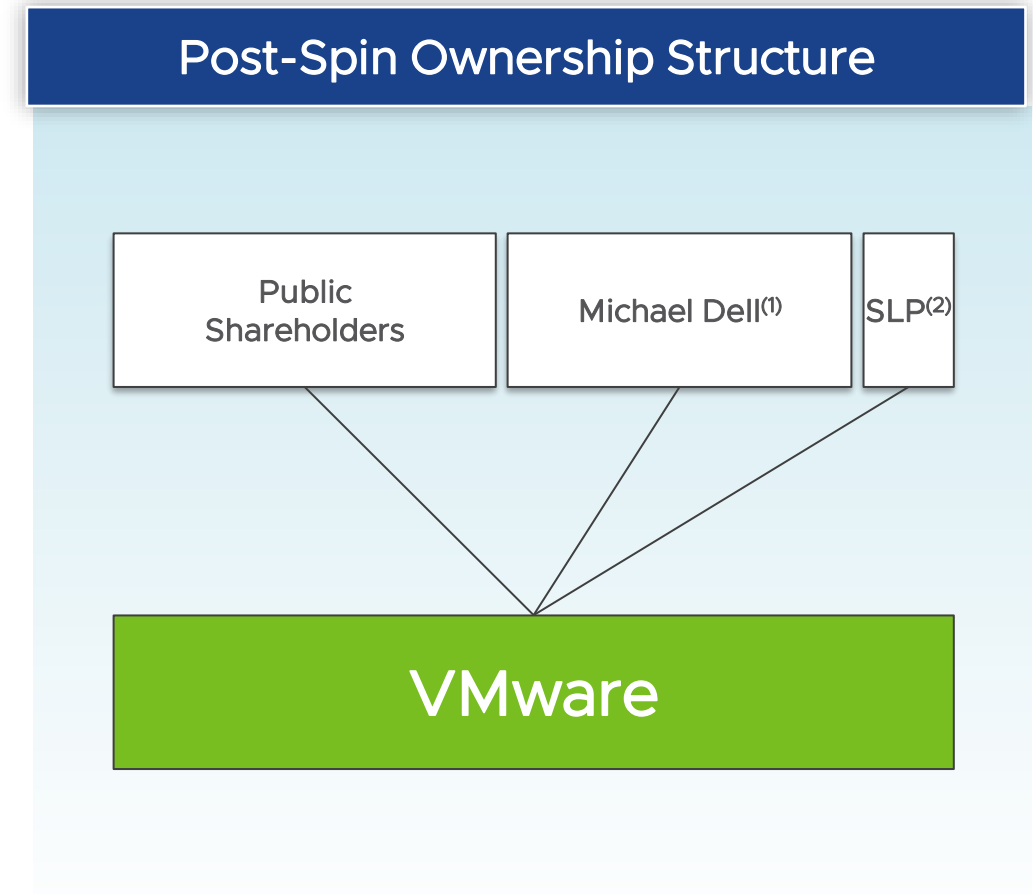
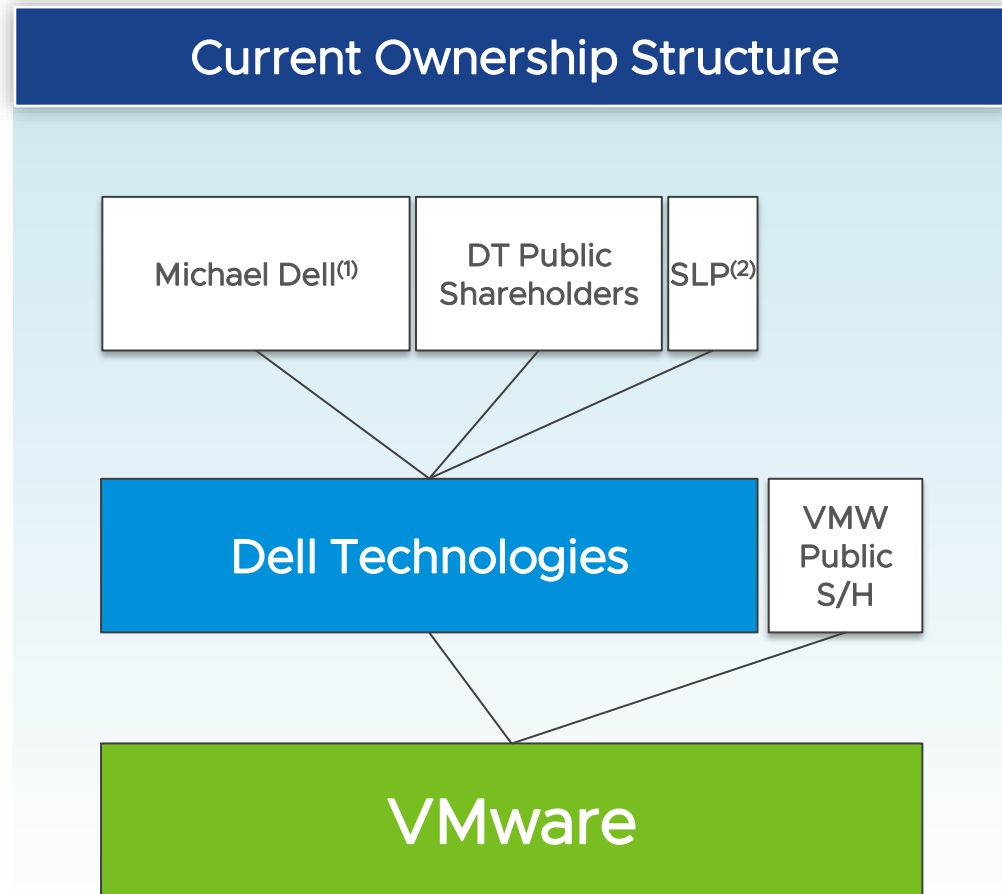
(2) Net Debt is calculated by adding the principal amount of senior notes of \$4,750M and note payable to Dell of \$270M and subtracting cash and cash investments of \$4,715M, all per VMware Fiscal 2021 10K filing, resulting in net debt of \$305M

Commercial Agreement

- For nearly 5 years, we have delivered significant strategic value to customers via Dell go-to-market scale, VMware software innovation and collaboration on solutions
- Commercial terms preserve and enhance current partnership and supported by investments and incentives to drive annual operating plans
 - Dell to continue providing GTM scale to sell VMware's product portfolio
 - Continued collaboration on solutions including VxRail, VMware Cloud on Dell EMC, VeloCloud SD-WAN, Digital Workspace and security
 - Agreement to work together on additional areas of joint innovation including edge and telco
 - VMware will continue to leverage mutually beneficial programs (e.g., Dell Financial Services)
- Product and GTM agreements have an initial term of five years, with automatic one-year renewals unless terminated by either party

Simplified Ownership Structure

Spin-off establishes VMware as a standalone company vs. Dell Technologies subsidiary today



(1) Includes shares owned by Michael S. Dell and Susan L. Dell

(2) SLP = Silver Lake Partners

Governance

- All Class B shares of VMware will be converted into Class A shares on a 1:1 basis, with no premium; voting rights will be aligned with shareholder ownership percentage
 - Single class of common stock will make VMware eligible for indices such as S&P 500
- Board composition is expected to be unchanged (subject to Michael Dell's right to appoint a second director)
 - No stockholders will have special approval rights. All existing consent rights of the Class B common stockholders will be eliminated
- Michael Dell and Silver Lake Partners have agreed to customary standstill provisions
- All transactions between VMware and Dell Technologies, Michael Dell or Silver Lake Partners remain subject to approval by VMware's Related Persons Transactions Committee

See appendix for additional details on governance

Summary

- Spin-off establishes VMware as a standalone company with greater strategic & financial flexibility
- Enhances ability to extend the VMware ecosystem in support of our vision of creating a ubiquitous software and SaaS platform across all clouds and infrastructure
- Simplifies governance and capital structure and allows us to execute our broader growth strategy
- Commercial agreement preserves the best of the VMware and Dell relationship, while providing opportunities to grow our ecosystem
- Pleased to offer an \$11.5 - \$12.0B special dividend pro rata to all VMware shareholders, as well as a 1:1 Class B to Class A share conversion at no premium
- We are committed to maintaining an investment grade credit profile and rating
- We are committed to executing at scale as we continue to build our Subscription & SaaS business and investing in our future growth, while delivering technologies and solutions today that help our customers and partners with their digital transformations

Q & A

Appendix

Governance Terms

Equity Structure	• Single class of common stock • All Class B shares of VMware will be converted into Class A shares on a 1:1 basis, with no premium
Board Composition	• Board composition is expected to be unchanged as a result of the transaction, with Michael Dell as Chairman and Egon Durban remaining as a director • Michael Dell will have right to nominate two directors (his own seat and one other) and Silver Lake Partners will have right to nominate one director (currently Egon Durban), both so long as specified ownership levels are maintained
Voting Agreements	• Unless Michael Dell's or SLP's respective director designee has voted against a transaction, Michael Dell and SLP must vote in favor of M&A, equity issuances and other extraordinary transactions recommended by the Board, other than a sale of control of VMware
Consent Rights	• No stockholders will have special approval rights
Related Person Transactions	• Related person transactions between VMware, on the one hand, and SLP or MD, on the other, remain subject to RPT Committee approval until such stockholder ceases to hold at least 10% of VMware's outstanding shares and ceases to designate a director
Standstill	• Michael Dell and SLP have agreed to customary standstill provisions on proposals to change the composition of the Board or management or with respect to other extraordinary transactions • Michael Dell and Silver Lake have agreed not to acquire shares that would increase each of their respective ownership percentages by more than 1% of the outstanding shares • Expires with respect to a stockholder upon the earliest of (i) the date on which such stockholder's ownership of VMware shares is less than 7.5%, (ii) the later of (A) three years following closing and (B) the 12-month anniversary of the date on which the stockholder ceases to have a Board designee, or (iii) the expiration of the initial term (or earlier termination) of the commercial framework agreement

Forward-Looking Statements

This presentation includes statements about the expected timing, completion, effects and benefits of the proposed spin-off; payment, size and per share amounts of the special dividend; VMware's future investment rating and profile; and expectations for VMware and Dell's post-spin-off strategic partnership, commercial arrangements and collaborations, VMware's business strategy and vision and future growth opportunities. These forward-looking statements are subject to the safe harbor provisions created by the Private Securities Litigation Reform Act of 1995. VMware may not be able to complete the proposed transactions on the terms described above or other acceptable terms or at all because of a number of factors, including (1) the occurrence of any event, change or other circumstances that could give rise to the termination of the Separation and Distribution Agreement, (2) the failure to obtain adequate financing sources for the Special Dividend, (3) any other failure of VMware or Diamond to meet the contractual conditions for consummation of the spin-off and payment of the special dividend, (4) the failure of VMware to satisfy certain rating agency criteria, (5) the effect of the announcement of the spin-off, special dividend and their impact on VMware and Dell's strategic and commercial relationships on the ability of VMware to retain and hire key personnel and maintain relationships with its customers, suppliers, operating results and business generally, (6) the impact of the COVID-19 pandemic on VMware's operations, financial condition, VMware's customers, the business environment and the global and regional economies, (7) adverse changes in general economic or market conditions; (8) delays or reductions in consumer, government and information technology spending, (9) competitive factors, including but not limited to pricing pressures, industry consolidation, entry of new competitors into the virtualization software and cloud, end user, edge and mobile computing, and security and telecom industries, as well as new product and marketing initiatives by VMware's competitors, (10) the ability to successfully integrate into VMware acquired companies and assets and smoothly transition services related to divested assets from VMware, (11) rapid technological changes in the virtualization software and cloud, end user, edge security and mobile computing and telecom industries, (12) VMware's customers' ability to transition to new products, platforms, services, solutions and computing strategies in such areas as containerization, modern applications, intrinsic security and networking, cloud, digital workspaces, virtualization, telecom and edge computing and the software defined data center, and the uncertainty of their acceptance of emerging technology, (13) VMware's ability to enter into, maintain and extend strategically effective partnerships, collaborations and alliances following the spin-off, (14) the continued risk of litigation and regulatory actions, (15) VMware's ability to protect its proprietary technology, (16) changes to product and service development timelines, (17) risks associated with cyber-attacks, information security and data privacy, (18) disruptions resulting from key management changes, (19) risks associated with international sales such as fluctuating currency exchange rates and increased trade barriers, (20) changes in VMware's financial condition, (21) changes to VMware's and Dell's respective financial conditions and strategic directions that could adversely impact VMware's and Dell's commercial relationships and go-to-market technology collaborations, (22) the effect of the spin-off and changes in VMware's and Dell's commercial relationships and go-to-market and technology collaborations on VMware's ability to maintain relationships with its customers, suppliers and on VMware's operating results and business generally, (23) the number of VMware shares outstanding as of the dividend record date and (24) the risks discussed in the "Risk Factors" sections of VMware's periodic and current reports filed with the SEC. These forward-looking statements are made as of the date of this presentation, are based on current expectations and are subject to uncertainties and changes in condition, significance, value and effect as well as other risks detailed in documents filed with the Securities and Exchange Commission, including VMware's most recent reports on Form 10-K and Form 10-Q and current reports on Form 8-K that we may file from time to time, which could cause actual results to vary from expectations. VMware assumes no obligation to, and does not currently intend to, update any such forward-looking statements after the date of this release.



Thank You