

Acer Denmark A/S

Strandvejen 70, 3 tv

2900 Hellerup

CVR no. 15516445

Annual report 2018

The Annual Report was presented and
adopted at the Annual General Meeting of
the company on



Tai-Chi Shih
Chairman

Date: April 23, 2019

Contents

Statement by the Board of Directors and the Executive Board	3
Independent auditor's report	4
Management's review	6
Company details	6
Operating review	7
Financial statements 1 January – 31 December	8
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Notes	12



Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Acer Denmark A/S for the financial year 1 January – 31 December 2018.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Gentofte, 23 April 2019

Executive Board:

Emmanuel Fromont

Board of Directors:

Tai-Chi Shih
Chairman

Emmanuel Fromont

Niels Erik Bjørling



Independent auditor's report

To the shareholders of Acer Denmark A/S

Opinion

We have audited the financial statements of Acer Denmark A/S for the financial year 1 January – 31 December 2018, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018 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 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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 controlIndependent 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

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

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

Copenhagen, 23 April 2019

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Kenn W. Hansen
State Authorised
Public Accountant
MNE no. 30154

Company B
Annual report 201#
CVR no. #

Management's review

Company details

Company	Acer Denmark A/S
Address	Stradvejen 70 3 tv. 2900 Hellerup
Telephone:	39168800
Website:	
E-mail:	finance.nordic@acer.com
CVR no.	15516445
Established:	1 October 1991
Registered office:	Gentofte
Financial year:	1 January – 31 December

Board of Directors

Tai-Chi Shih, chairman

Emmanuel Fromont

Niels Erik Bjørling

Executive Board

Emmanuel Fromont

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København
CVR-no: 25578198

Company B
Annual report 201#
CVR no. #

Management's review

Operating review

Principal activities

Acer Denmark A/S acts as marketing company for Acer Computer GmbH. As consideration for the company's activities in Denmark the company is paid marketing and service fees at cost-plus basis and at the intervals that are mutually agreed by both parties.

The organizational solution and compensation model is based on the goal of maintaining an efficient organization with low costs and an increased focus on to commit sales and services related to Acer products.

Development in activities and financial position

The Company's Income Statement of the financial year 1 January 2018 – 31 December 2018 shows a result of DKK 582.009 and the Balance Sheet at 31 December 2018 shows a balance sheet total of DKK 6.985.340 and an equity of DKK 4.569.837.

Expectations for the future

With the effective Danish organization and maintenance of marketing and service for Acer Computer GmbH, we anticipate stable economic development of the company.

Risks

With the solution and compensation model based on the goal of maintaining an efficient organization with low costs and an increased focus on to commit marketing and services related to Acer products we expect no risks for the future for the company.

Events after the balance sheet date

After the end of the financial year, no events have occurred which may change the financial position of the company substantially.

Company B
Annual report 201#
CVR no. #

Financial statements 1 January – 31 December

Income statement

DKK	Note	2018	2017
Gross profit		12.967.489	12.862.010
Depreciation		-40.739	0
Staff costs	2	-12.146.477	-12.327.419
Operating profit		780.273	534.591
Financial income		243	5.015
Financial expense		-34.533	-5.102
Profit/loss before tax		745.983	534.504
Tax on profit	3	-163.986	-117.649
Profit/loss for the year		581.997	416.855
Proposed profit appropriation			
Retained earnings		581.997	416.855
		581.997	416.855

Company B
Annual report 201#
CVR no. #

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2018	2017
ASSETS			
Fixed assets			
Fixtures and fittings, tools and equipment		107.613	0
Prepayments		107.613	0
Receivables from group entities		865.164	1.450.570
Other receivables		351.775	301.549
Deferred tax asset	4	46.659	62.212
Tax receivables		0	122.266
Prepayments		203.764	206.880
Receivables		1.467.362	2.143.477
Cash and cash equivalents		5.410.365	5.078.681
Total current assets		6.877.727	7.222.158
TOTAL ASSETS		6.985.340	7.222.158

Company B
Annual report 201#
CVR no. #

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2018	2017
EQUITY AND LIABILITIES			
Equity			
Contributed capital		1.000.000	1.000.000
Retained earnings		3.569.837	2.987.840
Total equity		4.569.837	3.987.840
Liabilities other than provisions			
Trade payables		204.283	268.992
Other payables, including taxes payable		2.211.220	2.965.326
		2.415.503	3.234.318
Total liabilities other than provisions		2.415.503	3.234.318
TOTAL EQUITY AND LIABILITIES		6.985.340	7.222.158
Contractual obligations and contingencies, ect.			
Related parties	5		
	6		

Company B
Annual report 201#
CVR no. #

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Balance at 1 January 2018	1.000.000	2.987.840	3.987.840
Profit for the year	0	581.997	581.997
Balance at 31 December 2018	1.000.000	3.569.837	4.569.837

The share capital consist of 100 shares of each DKK 10.000

The share capital has remained unchanged over the last 5 years.

Financial statements 1 January – 31 December

Notes

1. Accounting policies

The annual report of Acer Denmark A/S for 2018 has been prepared in accordance with the provisions applying to reporting class B entities as well as selected provisions from reporting class C under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from services are recognised in the income statement provided that delivery and transfer of risk to the buyer have been taken place before year end and that income can be reliably measured and is expected to be received. The revenue is calculated exclusive of VAT, charges and discounts.

Marketing and service fees are recognised at the time where the underlying transaction was performed.

Gross profit

It has been decided only to disclose gross profits in accordance with Section 32 of the Danish Financial Statements Act.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, excluding reimbursements from public authorities.

Financial statements 1 January – 31 December

Notes

Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense and payables and transactions denominated in foreign currencies.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit for the year is recognised in the income statement at the amount attributable to the profit for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	2 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 1 January – 31 December

Notes

Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Company B
Annual report 201#
CVR no. #

Financial statements 1 January – 31 December

Notes

Accounting policies (continued)

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Other liabilities are measured at amortised cost, which usually corresponds to nominal value.

Financial statements 1 January – 31 December

Notes

	2018	2017
2 Staff costs		
DKK		
Wages and salaries	11.394.787	11.615.396
Pensions	738.427	687.598
Other social security costs	13.263	24.425
	12.146.477	12.327.419
Average number of full-time employees	11	10
3 Tax on profit		
DKK		
Current tax for the year	148.566	7.734
Adjustment of deferred tax for the year	15.553	109.915
Adjustment of tax regarding previous years	-133	0
	163.986	117.649
4 Deferred tax asset		
DKK		
Deferred tax asset at 1 January	62.212	172.127
Deferred tax asset, adjustment for the year	-15.553	-109.915
Deferred tax asset at 31 December	46.659	62.212
Deferred tax assets arise as a result of excess tax value of fixed assets.		
5 Contractual obligations, contingencies, etc.		
Operating leases		
The company has operating leases and rent commitment which fall due as follows:		
DKK		
0-1 year	789.802	684.129
1-5 year	596.220	1.064.889
	1.386.022	1.749.018

Company B
Annual report 201#
CVR no. #

Financial statements 1 January – 31 December

Notes

6 Related parties

Acer Denmark A/S's related parties include the following:

Ownership

The company's immediate parent company where consolidated accounts are prepared is Acer Europe B.V. The ultimate parent company where consolidated accounts are prepared is Acer Inc., Taiwan.

The group annual reports are obtainable from the company's address.

The following shareholders are listed in the company register as owning a minimum of 5% of the votes or a minimum of 5% of the share capital:

Acer Computer B.V.
Europalaan 89
5232 BC 's-Hertogenbosch
The Netherlands

Other related parties

Associated companies in the Acer group

Transactions with related parties

Acer Denmark A/S is marketing company to its related company Acer Computer GmbH, and is continuously evaluated and remunerated on a rolling basis based on a cost plus mechanism.