

Acer Denmark A/S

Strandvejen 70, 2900 Hellerup

CVR no. 15 51 64 45

**Annual report for the period
1 January to 31 December 2019**



Adopted at the annual general meeting on

Tai-Chi Shih
chairman

Statement by management on the annual report

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 2019.

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 company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Gentofte, 15 April 2020

Executive board

Emmanuel Pierre Marie Fromont

Board of Directors

Tai-Chi Shih
chairman


Niels Erik Bjørling


Emmanuel Pierre Marie Fromont

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 2019, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the 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.

Independent auditor's report

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

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

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

Statement on management's review

Management is responsible for management's review.

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

Independent auditor's report

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

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

Based on the work we have performed, we conclude that 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 of management's review.

Copenhagen, 15 April 2020

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Kenn W. Hansen
State Authorised Public Accountant
MNE no. mne30154

Company details

The company	Acer Denmark A/S Strandvejen 70 2900 Hellerup
	CVR no.: 15 51 64 45
	Reporting period: 1 January - 31 December 2019
	Incorporated: 1. October 1991
	Domicile: Gentofte
Supervisory board	Tai-Chi Shih, chairman Niels Erik Bjørling Emmanuel Pierre Marie Fromont
Executive board	Emmanuel Pierre Marie Fromont
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København

Management's 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 marketing activities and service related to Acer products.

Development in activities and financial position

The company's income statement for the year ended 31 December shows a profit of DKK 701.241, and the balance sheet at 31 December 2019 shows equity of DKK 5.271.079.

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 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

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Gross profit		15.117.524	12.967.489
Staff costs	1	-14.118.526	-12.146.477
Depreciation		<u>-64.568</u>	<u>-40.739</u>
Profit before net financials		934.430	780.273
Financial income		-199	243
Financial costs		<u>-29.033</u>	<u>-34.533</u>
Profit before tax		905.198	745.983
Tax on profit for the year	2	<u>-203.957</u>	<u>-163.986</u>
Profit for the year		<u><u>701.241</u></u>	<u><u>581.997</u></u>
Recommended appropriation of profit			
Retained earnings		<u>701.241</u>	<u>581.997</u>
		<u><u>701.241</u></u>	<u><u>581.997</u></u>

Balance sheet 31 December

	Note	2019 DKK	2018 DKK
Assets			
Other fixtures and fittings, tools and equipment		<u>43.045</u>	<u>107.613</u>
Tangible assets		<u>43.045</u>	<u>107.613</u>
Total non-current assets		<u>43.045</u>	<u>107.613</u>
Receivables from group entities		1.265.023	865.164
Other receivables		295.473	351.775
Deferred tax asset	3	44.948	46.659
Prepayments		<u>243.800</u>	<u>203.764</u>
Receivables		<u>1.849.244</u>	<u>1.467.362</u>
Cash at bank and in hand		<u>6.504.300</u>	<u>5.410.365</u>
Total current assets		<u>8.353.544</u>	<u>6.877.727</u>
Total assets		<u><u>8.396.589</u></u>	<u><u>6.985.340</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Equity and liabilities			
Share capital		1.000.000	1.000.000
Retained earnings		<u>4.271.079</u>	<u>3.569.837</u>
Equity		<u>5.271.079</u>	<u>4.569.837</u>
Trade payables		153.898	204.283
Corporation tax		120.068	46.566
Other payables		<u>2.851.544</u>	<u>2.164.654</u>
Total current liabilities		<u>3.125.510</u>	<u>2.415.503</u>
Total liabilities		<u>3.125.510</u>	<u>2.415.503</u>
Total equity and liabilities		<u>8.396.589</u>	<u>6.985.340</u>
Rent and lease liabilities	4		
Related parties and ownership structure	5		

Statement of changes in equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January 2019	1.000.000	3.569.837	4.569.837
Net profit for the year	<u>0</u>	<u>701.241</u>	<u>701.241</u>
Equity at 31 December 2019	<u><u>1.000.000</u></u>	<u><u>4.271.079</u></u>	<u><u>5.271.079</u></u>

The share capital consist of 100 shares of each DKK 10.000.

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

Notes

	<u>2019</u> DKK	<u>2018</u> DKK
1 Staff costs		
Wages and salaries	13.224.953	11.394.787
Pensions	860.311	738.427
Other social security costs	<u>33.262</u>	<u>13.263</u>
	<u>14.118.526</u>	<u>12.146.477</u>
 Average number of employees	 <u>13</u>	 <u>11</u>
2 Tax on profit/loss for the year		
Current tax for the year	200.068	148.567
Deferred tax for the year	3.935	15.553
Adjustment of tax concerning previous years	2.178	0
Adjustment of deferred tax concerning previous years	<u>-2.224</u>	<u>-133</u>
	<u>203.957</u>	<u>163.987</u>

Notes

	<u>2019</u> DKK	<u>2018</u> DKK
3 Deferred tax asset		
Provision for deferred tax at 1 January	46.659	62.212
Provision in year	<u>-1.711</u>	<u>-15.553</u>
Deferred tax asset at 31 December	<u><u>44.948</u></u>	<u><u>46.659</u></u>
4 Rent and lease liabilities		
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	619.496	789.802
Between 1 and 5 years	<u>1.889.245</u>	<u>596.220</u>
	<u><u>2.508.741</u></u>	<u><u>1.386.022</u></u>

Notes

5 Related parties and ownership structure

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 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.

Accounting policies

The annual report of Acer Denmark A/S for 2019 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 provisions from reporting class C.

The accounting policies applied are consistent with those of last year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Revenue

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

Accounting policies

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Financial income and expenses

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

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Property, plant and equipment

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

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Fixtures and fittings, tools and equipment	2	years
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The useful life and residual value of the company's property, plant and equipment is reassessed annually.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Receivables

Receivables are measured at amortised cost.

Accounting policies

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 is impaired, an impairment loss for that individual asset is recognised.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Accounting policies

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

