

Lenovo Danmark ApS

Vandtårnsvej 83A, 2860 Søborg
CVR No. 28 51 13 45

Annual Report

for the year ended March 31, 2019

12th financial year

Approved in the Annual General Meeting of shareholders
on 30 August 2019

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Chairman - Christophe Laurent

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COMPANY DETAILS

Lenovo Danmark ApS
Vandtårnsvej 83A
2860 Søborg

CVR No. 28 51 13 45
Financial period: 31st March
Municipality of reg office: Gladsaxe

Supervisory Board

Christophe Laurent
Colm Gleeson
Peter Juul Jorgensen

Executive Board

Peter Juul Jorgensen

Group annual report available at:
www.lenovo.com

Auditors

PricewaterhouseCoopers

Bankers

Citibank International PLC, Denmark Branch

MANAGEMENT'S STATEMENT

The Executive and the Supervisory Boards have presented the Annual Report for the year ended 31st March 2019. The Annual Report was discussed and adopted on 30th August 2019.

The Annual Report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate and the accounting estimates made reasonable. To the best of our belief, the Annual Report includes the information which is relevant for an assessment of the Company's financial position. Against this background, it is our opinion that the Annual Report gives a true and fair view of the Company's assets and liabilities, financial position and results of operations for the year ended 31 March 2019.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted by the Annual General Meeting of shareholders.

Søborg, 30th August 2019
Executive Board:

.....
Peter Juul Jorgensen

Supervisory Board:

.....
Christophe Laurent

.....
Colm Gleeson

.....
Peter Juul Jorgensen

INDEPENDENT AUDITORS REPORT

To the Shareholders of Lenovo Danmark ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 March 2019, and of the results of the Company's operations and for the financial year 1 April 2018 - 31 March 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Lenovo Danmark ApS for the financial year 1 April 2018 - 31 March 2019 which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 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.

INDEPENDENT AUDITORS REPORT

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 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.

INDEPENDENT AUDITORS REPORT

- 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.

Copenhagen, 30 August 2019

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

CVR-nr. 33 77 12 31

Martin Lunden
State Authorised Public Accountant
mne32209

Lone Vindbjerg Larsen
State Authorised Public Accountant
mne34548

FINANCIAL HIGHLIGHTS

5-year summary:

	<u>2018/19</u>	<u>2017/18</u>	<u>2016/17</u>	<u>2015/16</u>	<u>2014/15</u>
Key figures (in DKK thousands)					
Revenue	2,734,540	2,530,584	2,471,432	2,324,738	1,990,980
Gross margin	119,044	108,132	139,478	116,069	111,747
Profit/loss before net financials (EBIT)	39,937	41,900	45,587	25,137	45,937
Net financials	26,312	-14,649	-15,810	-11,912	-32,822
Net profit for the year	21,968	21,247	21,802	9,907	9,653
Shareholders' equity at year-end	127,971	106,003	84,756	62,954	53,047
Total assets	524,466	371,813	296,785	212,149	450,134
Investments in tangible assets for the year	649	226	395	4,642	981
Number of employees	67	68	82	77	59
Ratios (%)					
Return on assets	8.9	12.5	17.9	7.6	11.4
Current ratio	132.4	140.4	139.5	112.8	102.0
Equity ratio	24.4	28.5	28.6	29.7	11.8
Return on equity	18.8	22.3	29.5	17.1	20.0

Definition of financial ratios:

Return on assets: Profit/loss before financials / Average total assets * 100

Current ratio: Current assets / Short-term liabilities * 100

Equity ratio: Shareholders' equity / Total assets * 100

Return on equity: Net profit/loss for the year / Average shareholders' equity * 100

The ratio have been calculated in accordance with the recommendations and guidelines issued by the Danish Finance Society.

MANAGEMENT'S REVIEW

Business activities and mission

Lenovo Group Limited is one of the world's leading computer technology companies. The Group has broadened its device business from PC to include mobile and enterprise businesses. Lenovo has been listed on The Stock Exchange of Hong Kong since 1994.

Lenovo Danmark ApS is a wholly owned subsidiary of Lenovo International Coöperatief U.A. in Amsterdam. The company's activities consist of sales to Danish companies. The product portfolio consists of desktop and notebook computers and related equipment. The vast majority of the sales takes place through CP retailers.

Business review

The company shows a profit for 2018/2019 of 21,968 TDKK and a total balance as at March 31, 2019 of 524,466 TDKK and equity of 127,971 TDKK, which management considers satisfying in view of the world wide financial market. As part of the Group's strategy to increase market share in the enterprise business and to maintain a focus on the PC and Smart devices, the DCG business was carved out from the entity in the final quarter of the financial year 2016/17, to create a new separate entity in Denmark. This was the third period excluding the DCG business. The actual results are in line with the expectations set out for the year 2018/19.

Expectations for the future

On the same level as this year, the management expect a positive result before tax for the accounting year 2019/20.

Unusual risks

Lenovo Danmark ApS is assessed not to be subject to any special risks, including operating and financial risks, apart from the usual risks in the line of business.

Knowledge resources

Lenovo Danmark ApS is assessed not to have any special knowledge resources, apart from the normal knowledge resources in the line of business.

Effect on the external environment

Lenovo products comply with all applicable environmental regulations, such as WEEE and RoHS. Lenovo seeks to be among the environmental leaders in all business activities.

Human Rights

Details about Lenovo policies regarding human rights are included within the Corporate Social Responsibility Report of Lenovo Group Limited's Annual Report.

Statutory Report on Social Responsibility, cf. Section 99a of the Danish Financial Statements Act

Lenovo Denmark is, as part of the Lenovo Group, subject to the CSR policies that are implemented across the Group. In accordance with the policies, Lenovo Denmark works actively with a range of sustainability areas and, in particular, with the environment and human rights, that are mandatory for Lenovo Denmark to disclose on following Section 99 a of the Danish Financial Statements Act. More information on our work within sustainability are available in the Lenovo Group Sustainability Report 2018/19 through which Lenovo Denmark comply with the Danish disclosure requirements. Please refer to the Sustainability Report 2018/19 here

<https://doc.irasia.com/listco/hk/lenovo/annual/2019/esr.pdf>

Statutory Report on Gender Composition in Management, cf. Section 99b of the Danish Financial Statements Act

Lenovo's Commitment to Diversity and Nondiscrimination is accessible on our website along with other corporate policies at https://www.lenovo.com/us/en/social_responsibility/

Lenovo wants to promote a corporate culture according to which appointments are based on competencies. It is important for everybody to have equal access to the Board of Directors and Top Management irrespective of gender, age, national origin, religion or political orientation.

The diversity policy is being revised and implemented continuously.

In compliance with Danish law, Lenovo Danmark ApS has set a target to elect at least one female member of the supervisory board. The supervisory board currently consists of 3 members who all are male. The target was not achieved in the financial year 2018/19 due there being no suitable female candidates identified at a local level. A process is underway to identify suitable female candidates from the wider Group before the end of financial year FY2022/23.

It is the company's target to have at least 40% women in the management group. In the financial year 2018/19 the goal was not met as 25% of the management group was comprised by women. This was due to there being an insufficient number of women currently employed who were deemed to have adequate experience to take up a managerial position. The 40% target will remain in FY2019/20, with progress expected due to group policies encouraged to promote greater gender equality in the management group such as management development programs.

ACCOUNTING POLICIES

Basis of Preparation

The Annual Report of Lenovo Danmark ApS has been presented in accordance with the provisions of the Danish Financial Statements Act as regards large reporting class C enterprises.

As of 2018/19 Lenovo Group has adopted a new accounting standard IFRS 15 "Revenue from customer contracts" described in the section Income Statement - Revenue. The other accounting policies are unchanged from last year.

In accordance with the Danish Financial Statements Act paragraph 86,4, the Company has not disclosed a cash flow statement, since the Company's cash flows are included in the cash flow statement of the parent company, Lenovo Group Limited.

Reporting currency

The Annual Report is presented in Danish kroner.

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.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Monetary items denominated in foreign currencies are translated into Danish kroner at the exchange rates at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rates at the date of the transaction.

ACCOUNTING POLICIES - continued

Income statement

Revenue

A new accounting standard was implemented as of 1 January 2018 IFRS 15 "Revenue from customer contracts". which is acceptable under the Danish Financial Statements Act. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer. Lenovo has concluded that due to the nature of the customer contracts held by Lenovo no significant change in revenue recognition has occurred upon adoption of the standard. Hence no restatement has been carried out for revenue recognized in current or previous

Revenue from sale of goods held for sale, finished goods and services is recognized as revenue at the time of delivery and when the risk passes to the buyer and the amount can be stated reliably. VAT, indirect taxes and discounts are excluded from the revenue.

Cost of goods sold

Cost of goods sold comprises expenses incurred to generate the revenue for the year.

Other operating income

Other operating income include revenue from all other operating activities which are not related to the principal activities of the company.

Other external expenses

Other external expenses include distribution expenses and expenses regarding management and administration of the company.

Staff costs

Staff costs comprises salary, pension and other staff related expenses for the year.

Amortisation/depreciation and write-downs

This item includes amortisation/depreciation and write-downs of intangible assets and property, plant and equipment. Amortisation/depreciation is provided using the straight-line method on the basis of the cost and the below assessments of the useful life of the assets.

Goodwill is amortised over the expected economic life, measured by reference to an assessment of, among other factors, the nature and market position of the business, the stability of the industry and the dependence on key staff.

Property, plant and equipment are depreciated on a straight-line basis, based on the cost.

Amortisation/depreciation are measured by reference to the following assessment of the useful life:

ACCOUNTING POLICIES - continued

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Demomodels	1 year

The residual value and the usefull life of assets are reviewed at the end of each reporting period.

Net financials

Financial income and expenses are recognised in the income statement at the amounts that relate to the reporting period. Net financials include interest income and expenses, realised and unrealised capital and exchange gains and losses on foreign currency transactions, and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointed taxed with the Danish sisters company. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Property, plant and equipment

Other plant and equipment comprise other fixtures, fittings, tools and equipment. Other plant and equipment are measured at cost less accumulated depreciation and write-downs.

An impairment test is made for other plant and equipment if there are indications of decreases in value. The impairment test is made for each individual asset or group of assets, respectively. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. The value is reduced by write-downs for bad debts.

Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent reporting years.

ACCOUNTING POLICIES - continued

Income taxes

Current tax charges are recognised in the balance sheet as the estimated tax charge in respect of the expected taxable income for the year, adjusted for tax on prior years' taxable income and tax paid in advance.

Provisions for deferred tax are calculated at 22% of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, and temporary differences on non-amortisable goodwill.

Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or a set-off against deferred tax liabilities.

Provisions

Provisions comprise expected expenses relating to future reinstalment costs, WEEE costs etc. Provisions are recognised when, at the balance sheet date, the enterprise has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions expected to be settled after more than one year after the balance sheet date are measured at the net present value of the expected payments. Other provisions are measured at net realisable value.

Liabilites payable

Liabilites payable are measured to amortised cost value, which in all are equal to nominal value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent reporting years.

INCOME STATEMENT

		2018/19	2017/18
	Notes	DKK	DKK
Revenue	1	2,734,540,178	2,530,583,578
Cost of Goods Sold		-2,614,876,665	-2,411,209,781
Other External Income		31,499,683	29,924,783
Other External Expenses		-32,119,474	-41,166,664
Gross margin		119,043,721	108,131,916
Staff costs	2	-77,971,454	-65,142,284
Amortisation/depreciation and write-downs of intangible assets and property, plant and equipment	3	-1,134,784	-1,089,156
Profit before net financials		39,937,483	41,900,476
Other financial income		7,302,540	5,793,770
Other financial expenses		-19,009,730	-20,442,509
Profit before tax		28,230,293	27,251,737
Tax for the year	4	-6,262,236	-6,004,894
NET PROFIT FOR THE YEAR		21,968,057	21,246,843

BALANCE SHEET at March 31

		2019	2018
	Notes	DKK	DKK
ASSETS			
Fixed assets			
Other plant, operating equipment	5	2,137,926	2,659,262
Tangible assets		2,137,926	2,659,262
Total fixed assets		2,137,926	2,659,262
Current assets			
Trade receivables		125,929,123	137,321,022
Receivables from group enterprises		333,128,252	175,119,791
Other receivables		26,360,428	22,737,455
Deferred tax asset	6	11,106,794	10,633,006
Prepayments	7	2,538,070	600,911
Receivables		499,062,667	346,412,184
Cash		23,265,242	22,741,349
Total current assets		522,327,909	369,153,533
TOTAL ASSETS		524,465,835	371,812,796

BALANCE SHEET at March 31

		2019	2018
	Notes	DKK	DKK
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	8	126,000	126,000
Share premium		10,346,645	10,346,645
Retained earnings		117,498,642	95,530,581
Total shareholders' equity		127,971,287	106,003,226
Provisions			
Reinstalment provision		1,659,375	1,659,375
Provision for waste disposal of electronic equipment		325,324	1,168,889
Total provisions		1,984,699	2,828,264
Liabilities other than provisions			
Trade payables		44,067,462	32,657,927
Payables to group enterprises		241,811,664	155,559,031
Income taxes payable		3,703,312	5,876,834
Other payables		55,621,943	35,811,889
Deferred income	9	49,305,468	33,075,625
Short-term liabilities		394,509,849	262,981,306

BALANCE SHEET at March 31

		2019	2018
	Notes	DKK	DKK
EQUITY AND LIABILITIES - continued			
Total liabilities other than provisions		394,509,849	262,981,306
TOTAL EQUITY AND LIABILITIES		524,465,835	371,812,796
Proposed distribution of profit	10		
Contingent liabilities	11		
Related parties	12		
Share-based remuneration	13		
Fee to auditors appointed at the general meeting	14		
Post balance sheet events	15		

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Retained earnings/ Accumulated loss	Total
Shareholders' equity at 1/4 2018	126,000	10,346,645	95,530,581	106,003,226
Profit in the year			21,968,057	21,968,057
Shareholders' equity at 31/3 2019	126,000	10,346,645	117,498,638	127,971,283

NOTES

Note 1. Revenue

The whole of revenue is attributable to one continuing activity, the wholesale of personal computing equipment and peripherals.

All revenue arose within Denmark.

	2018/19 DKK	2017/18 DKK
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Note 2. Staff costs

Analysis of staff costs:

Wages and salaries	71,207,522	59,035,271
Pension costs	6,733,678	5,812,972
Other staff costs	30,254	294,041
	<u>77,971,454</u>	<u>65,142,284</u>

Average number of employees	67	68
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Pursuant to section 98b (3), (ii) of the Financial Statement Act, remuneration to the Executive Board is not disclosed for 2018/19. Total Executive Board remuneration in 2017/18 was DKK 1,657,696. No remuneration has been paid to the Supervisory Board in either years.

Note 3. Amortisation/depreciation and write-downs of intangible assets and property, plant and equipment

Other plant, operating equipment and inventory	1,134,784	1,089,156
	<u>1,134,784</u>	<u>1,089,156</u>

NOTES

	2018/19	2017/18
	DKK	DKK
Note 4. Tax for the year		
Estimated income tax charge, excl. interest surcharges	6,736,024	14,340,253
Change in provision for deferred tax	-473,788	-8,335,359
TOTAL	<u>6,262,236</u>	<u>6,004,894</u>

Note 5. Other plant and equipment

Other plant, operating equipment

Cost

Balance at 1 April	6,386,044	6,731,199
Additions in the year	648,523	225,583
Disposals in the year	245,855	568,434
Cost at 31 March	<u>6,788,712</u>	<u>6,388,348</u>

Depreciation and write-downs

Balance at 1 April	3,729,085	3,170,140
Depreciation in the year	1,148,240	1,090,561
Accumulated depreciation and write-downs of disposals	226,539	531,616
Depreciation and write-downs at 31 March	<u>4,650,787</u>	<u>3,729,085</u>
Carrying amount at 31 March	<u>2,137,926</u>	<u>2,659,262</u>

NOTES

	2019 DKK	2018 DKK
Note 6. Deferred tax asset		
Balance 1 April 2018	10,633,006	2,297,647
Movement in tax asset during the year	473,788	8,335,359
Balance 31 March 2019	11,106,794	10,633,006

The tax asset relates to temporary differences in fixed assets and in accruals for reinstatement, bonuses & commission and marketing expenses. Deferred tax asset is expected to be utilised by future positive earnings in the coming years.

Deferred tax assets has been calculated based on a tax percentage of 22 %.

Note 7. Prepayments

Other prepayments	2,538,070	600,911
	2,538,070	600,911

Note 8. Share capital

Analysis of the Company's share capital, DKK 126,000:

126 class A shares of DKK 1,000 each	126.000	126.000
	126,000	126,000

The share capital has not changed in the last 5 years.
All shares have the same share class.

NOTES

	2019	2018
	DKK	DKK
Note 9. Deferred income		
Prepayments received	49,305,468	33,075,625
	<u>49,305,468</u>	<u>33,075,625</u>

Note 10. Proposed distribution of profit

Retained earnings	21,968,057	21,246,843
	<u>21,968,057</u>	<u>21,246,843</u>

Note 11. Contingent liabilities

	2019	2018
	DKK	DKK
Lease obligations under operating leases, Total future payments:		
Within 1 year	3,129	3,117
Within 1-5 years	3,812	4,757
Total	<u>6,941</u>	<u>7,874</u>

Note 12. Related parties

The Danish Group companies is jointly and severally liable for tax on the jointly tax incomes etc. of the group. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The Company buys goods and receives certain administrative services from other group companies.

Lenovo International Coöperatief U.A, Entrée 250A, Amsterdam, The Netherlands, holds 100% of the shares in Lenovo Danmark Aps. The ultimate parent is Lenovo Group Limited. Lenovo Group Limited is the largest group which consolidates these financial statements. Copies of the financial statements of this undertaking may be obtained from 23rd Floor, Lincoln House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.

All intercompany transactions have been made at arm's length.

Apart from the above, there have been no transactions with the Supervisory Board, Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except

NOTES

for intercompany transactions and normal management remuneration.

Note 13. Share-based remuneration

At March 31, 2019, share options had been issued, at market value on the time of issue, to a number of managing employees in the Company. The allotment of share options depends on the fulfillment of certain financial accounting performance measures, both short-term and long-term. The option scheme concerns shares in the ultimate parent, Lenovo Group Limited (Hong Kong). The share options can be utilized by 25 % p.a. from the date of issue. The utilization depends on the executives' employment at the time of utilization. At March 31, 2019, the share option scheme consists of 1,046,620 shares. Costs related to payment of the option scheme are paid by the ultimate parent, Lenovo Group Limited (Hong Kong), where it is taken to their profit and loss account.

	2019	2018
	DKK	DKK

Note 14. Fee to auditors appointed at the general meeting

Statutory audit	319,258	313,600
Other services	63,000	69,500
	<u>382,258</u>	<u>383,100</u>

Note 15. Post balance sheet events

After the end of the financial year, no significant events have occurred that might influence the evaluation of the company's financial condition.