

# **Samsung Denmark Research Center ApS**

**c/o Novi 8, Alfred Nobels Vej 27, 2., 9220 Aalborg Øst**

**Company reg. no. 34 70 30 19**

## **Annual report**

**1 January - 31 December 2021**

The annual report was submitted and approved by the general meeting on 23 March 2022.

---

**Joonsuk Kim**  
Chairman of the meeting

## Contents

---

	<u>Page</u>
<b>Reports</b>	
Management's report	1
Independent Auditor's Report	2
<b>Management commentary</b>	
Company information	5
Management's Review	6
<b>Financial statements 1 January - 31 December 2021</b>	
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	10
Statement of cash flows	11
Accounting policies	12
Notes	18

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's report**

---

Today, the board of directors and the managing director have presented the annual report of Samsung Denmark Research Center ApS for the financial year 1 January - 31 December 2021.

The annual report has been presented in accordance with the International Reporting Standards as approved by the EU and additional disclosure requirements in the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2021 and of the company's results of activities and cash flows in the financial year 1 January – 31 December 2021.

We are of the opinion that the management's review presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Aalborg, 23 March 2022

### **Managing Director**

Rajinder Gawera

### **Board of directors**

Joonsuk Kim

Jae Kyun Oh

Rajinder Gawera

Hwanbae Yoo

## **Independent Auditor's Report**

---

### **To the shareholders of Samsung Denmark Research Center ApS**

#### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Financial Statements of Samsung Denmark Research Center ApS for the financial year 1 January - 31 December 2021, which comprise statement of comprehensive income, balance sheet, statement of cash flows, 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 and the IESBA. 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 Acts. We did not identify any material misstatement in Management's Review.

## **Independent Auditor's 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 International Financial Reporting Standards as adopted by the EU and further requirements in 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in 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 the 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 Auditor's 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.

Aalborg, 23 March 2022

### **PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab  
CVR no. 33 77 12 31

**Line Borregaard**

State Authorised Public Accountant  
mne34353

## **Company information**

---

<b>The company</b>	Samsung Denmark Research Center ApS c/o Novi 8 Alfred Nobels Vej 27, 2. 9220 Aalborg Øst
	Company reg. no. 34 70 30 19 Established: 1 September 2012 Domicile: Aalborg Financial year: 1 January - 31 December
<b>Board of directors</b>	Joonsuk Kim Jae Kyun Oh Rajinder Gawera Hwanbae Yoo
<b>Managing Director</b>	Rajinder Gawera
<b>Auditors</b>	PriceWaterhouseCoopers Statsautoriseret Revisionspartnerselskab
<b>Parent company</b>	Samsung Electronics Europe Holding Coöperatief U.A.
<b>Ultimate parent company</b>	Samsung Electronics Co. Ltd., South Korea

## **Management's Review**

---

### **The principal activities of the company**

The principal activity consists of activities related to development and commercial exploitation of integrated circuits within the wireless communication business area and other similar business areas.

### **Development in activities and financial matters**

The statement of comprehensive income covers the period 1 January to 31 December 2021 and shows a result of DKK 5.604.802 against a result of DKK 4.751.538 last year. The balance sheet shows equity of DKK 132.522.152.

Management considers the result for the year to be satisfactory.

With the current global COVID-19 pandemic we have enabled employees to work remotely from home where possible. There has been minimal impact on our ability to continue with our R&D activities and do not expect any material impact on the projects we are working on.

## Statement of comprehensive income 1 January - 31 December

---

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
2 Revenue	79.274.191	67.259.842
3 Other external costs	-11.093.806	-9.538.421
<b>Gross profit</b>	<b>68.180.385</b>	<b>57.721.421</b>
4 Staff costs	-58.968.201	-49.249.404
5 Depreciation of tangible and intangible assets	-2.001.876	-2.365.066
Other operating costs	-8.063	-220
<b>Operating profit</b>	<b>7.202.245</b>	<b>6.106.731</b>
6 Financial costs	-12.852	-14.665
<b>Pre-tax net profit or loss</b>	<b>7.189.393</b>	<b>6.092.066</b>
7 Tax of the profit for the year	-1.584.591	-1.340.528
<b>Net profit or loss for the year and total comprehensive income</b>	<b>5.604.802</b>	<b>4.751.538</b>
<b>Proposed appropriation of net profit:</b>		
Transferred to retained earnings	5.604.802	4.751.538
<b>Total allocations and transfers</b>	<b>5.604.802</b>	<b>4.751.538</b>

## Statement of financial position at 31 December

---

All amounts in DKK.

<b>Assets</b>		<u>2021</u>	<u>2020</u>
Note			
<b>Non-current assets</b>			
8	Goodwill	65.778.798	65.778.798
9	Property, plants and equipment	7.046.346	3.916.192
10	Lease assets	0	0
11	Other receivables	669.922	645.198
	<b>Total non-current assets</b>	<u><b>73.495.066</b></u>	<u><b>70.340.188</b></u>
<b>Current assets</b>			
	Receivables from group enterprises	15.526.630	13.497.759
	Other receivables	1.119.054	665.501
	Deferred expenses	502.066	590.108
	Cash and cash equivalents	66.330.221	64.708.223
	<b>Total current assets</b>	<u><b>83.477.971</b></u>	<u><b>79.461.591</b></u>
	<b>Total assets</b>	<u><b>156.973.037</b></u>	<u><b>149.801.779</b></u>

## Statement of financial position at 31 December

---

All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2021</u>	<u>2020</u>
<b>Equity</b>			
13	Share capital	90.000	90.000
14	Share premium account	97.177.412	97.177.412
	Retained earnings	35.254.740	29.649.938
	<b>Total equity</b>	<b>132.522.152</b>	<b>126.917.350</b>
<b>Liabilities</b>			
15	Deferred tax liability	10.901.250	8.312.513
	Other non-current payables	254.648	202.320
	Total non-current liabilities	11.155.898	8.514.833
	Trade payables	209.755	297.726
	Debt to group enterprises	0	120.713
	Other liabilities	13.085.232	13.951.157
	Total current liabilities	13.294.987	14.369.596
	<b>Total liabilities</b>	<b>24.450.885</b>	<b>22.884.429</b>
	<b>Total equity and liabilities</b>	<b>156.973.037</b>	<b>149.801.779</b>

## Statement of changes in equity

---

All amounts in DKK.

	<u>Contributed capital</u>	<u>Share premium</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2020	90.000	97.177.412	24.898.400	122.165.812
Retained earnings for the year	0	0	4.751.538	4.751.538
Equity 1 January 2021	90.000	97.177.412	29.649.938	126.917.350
Retained earnings for the year	0	0	5.604.802	5.604.802
	<b>90.000</b>	<b>97.177.412</b>	<b>35.254.740</b>	<b>132.522.152</b>

## Statement of cash flows 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Operating profit	7.202.245	6.106.731
Depreciation and other operating costs	2.009.939	2.365.286
16 Change in working capital	<u>-3.416.663</u>	<u>-3.842.821</u>
Cash flows from operating activities before net financials	5.795.521	4.629.196
Interest paid, etc.	-12.852	-14.665
Corporate tax received	<u>1.004.146</u>	<u>0</u>
<b>Cash flows from operating activities</b>	<b><u>6.786.815</u></b>	<b><u>4.614.531</u></b>
Purchase of property, plant, and equipment	-5.170.093	-558.142
Sale of property, plant, and equipment	30.000	0
Change in deposits	<u>-24.724</u>	<u>0</u>
<b>Cash flows from investment activities</b>	<b><u>-5.164.817</u></b>	<b><u>-558.142</u></b>
Repayments of lease debt	<u>0</u>	<u>-527.923</u>
<b>Cash flow from financing activities</b>	<b><u>0</u></b>	<b><u>-527.923</u></b>
<b>Change in cash and cash equivalents</b>	<b><u>1.621.998</u></b>	<b><u>3.528.466</u></b>
Cash and cash equivalents at opening balance	<u>64.708.223</u>	<u>61.179.757</u>
<b>Cash and cash equivalents at end of period</b>	<b><u>66.330.221</u></b>	<b><u>64.708.223</u></b>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents	<u>66.330.221</u>	<u>64.708.223</u>
<b>Cash and cash equivalents at end of period</b>	<b><u>66.330.221</u></b>	<b><u>64.708.223</u></b>

## **Accounting policies**

---

### **Accounting policies used**

The annual report for Samsung Denmark Research Center ApS is presented in accordance with the International Financial Reporting Standards and additional disclosure requirements in the Danish Financial Statements Act concerning companies identified as class B enterprises.

The annual report has been prepared according to the standards and interpretations which entered into force for the financial year. Please refer to note 21 concerning implementation of new accounting standards.

The board of directors and management have on 23 March 2022 considered and adopted the annual report for the year ended 31 December 2021 for Samsung Denmark Research Center ApS. The annual report is presented to the shareholders of Samsung Denmark Research Center ApS for approval at the annual general meeting on 23 March 2022.

### **Translation of foreign currency**

Management has determined the functional currency to be Danish Kroner (DKK). The functional currency is the currency used in the primary financial environments in which the Company conducts its business. Transactions in currencies other than the functional currency are considered transactions in foreign currency.

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Receivables, payables, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Non-current assets acquired in foreign currency are measured at the exchange rate on the transaction date.

## **Income statement**

### **Revenue**

The Company's revenue includes the sale of services, including research and development.

Revenue is recognized when control over the individual identifiable delivery obligation passes to the customer.

The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

## **Accounting policies**

---

Sales of services include research and development. The services typically include a delivery obligation that is recognized on a straight line basis in revenue over the period in which the services are provided.

For the sale of services, where there typically is a continuous transfer of control, the payment terms is 30 days.

### **Other external costs**

Other external costs comprise costs for sales, administration and premises.

### **Staff costs**

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members.

### **Depreciation, amortisation and writedown**

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

### **Other operating costs**

Other operating costs comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including loss on disposal of intangible and tangible fixed assets.

### **Financial costs**

Financial costs comprise interest, realised and unrealised capital losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial costs are recognised in the profit and loss account with the amounts that relate to the financial year.

### **Tax of the profit for the year**

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the profit for the year and directly in equity with the share referring to entries directly in equity.

The Company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

## Accounting policies

---

### The balance sheet

#### **Goodwill**

At the first recognition, acquired goodwill is measured in the balance sheet at cost. Subsequently, goodwill is measured at cost with deduction of accumulated impairment. Goodwill is not amortized.

#### **Goodwill impairment test**

Goodwill is tested annually for impairments, the first time before the end of the acquisition year.

The carrying amount of goodwill is tested for impairment together with the other non-current assets in the cash-generating unit to which goodwill is allocated and written down to the recoverable amount over the income statement if the carrying amount is higher. The recoverable amount is generally computed as the present value of the expected future net cash flows from the activity (cash-generating unit) to which the goodwill is allocated.

An impairment is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment is recognised in the income statement in a separate line. Impairment of goodwill is not reversed.

#### **Property, plant and equipment**

Property, plant and equipment are measured at cost with deduction of accrued depreciation and write-down.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately to reflect the differences in the useful lives of each individual components.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Property, plant and equipment	3-5 years	0 %

## Accounting policies

---

Subsequent costs, e.g. in connection with replacement of components of tangible assets, are recognised in the carrying amount of the asset if it is probable that the cost will result in future economic benefits for the company. The replaced components are removed from the balance sheet and recognised as an expense in the income statement. All costs incurred for ordinary repairs and maintenance are recognised in the income statement as incurred.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

### **Property, plant and equipment impairment test**

The book values of property, plant and equipment is subject to annual impairment test in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist.

### **Leases**

A lease asset and a lease liability are recognized in the balance sheet when, under a lease agreement for a specific identifiable asset, the lease asset is made available during the lease period, and when the Company obtains a right to virtually all the economic benefits from the use of the identified asset and right to decide on the use of the identified asset.

Lease liabilities are initially recognized at the present value of the future lease payments discounted by an alternative lender. The following lease payments are recognized as part of the lease liability:

- Fixed payments
- Variable payments that change in line with changes in an index or interest rate, based on the applicable index or interest rate
- Payments owed under a residual value guarantee
- The exercise price of purchase options which management expects with high probability to exercise.
- Payments subject to an extension option which the Company is likely to expect to exercise
- Penalties related to a termination option, unless the Company does not expect to exercise the option

## **Accounting policies**

---

The lease liability is measured at amortized cost using the effective interest method. The lease liability is recalculated when there are changes in the underlying contractual cash flows from changes in an index or interest rate, if there are changes in the Company's estimate of a residual value guarantee or if the Company changes its assessment of whether a purchase, extension or termination option with reasonable probability is expected to be exercised.

On initial recognition, the lease asset is measured at cost, which corresponds to the value of the lease liability adjusted for prepaid lease payments plus direct related costs and estimated costs for demolition, redevelopment or similar and less any rebates or other types of incentive payments received from the lessor.

Subsequently, the asset is measured at cost less accumulated depreciation and write-downs. The lease asset is depreciated over the shortest of the lease term and the useful life of the lease asset. Depreciation is recognized on a straight line basis in the income statement.

The lease asset is adjusted for changes in the lease liability as a result of changes in the terms of the lease or changes in the cash flow of the contract in line with changes in an index or interest rate.

The Company presents the lease asset and the lease liability separately in the balance sheet.

The Company has chosen not to include low-value lease assets and short-term lease agreements in the balance sheet. Instead, lease payments relating to these leases are recognized on a straight line basis in the income statement.

### **Receivables**

Receivables are measured at amortised cost. In order to meet expected losses, writedown takes place at the net realisable value.

### **Deferred expenses**

Deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand.

### **Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Samsung Denmark Research Center ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

## **Accounting policies**

---

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Deferred tax assets are assessed annually and are recognised only to the extent that their utilisation is probable.

### **Liabilities**

Other liabilities concerning trade payables, group enterprises and other liabilities are measured at amortised cost.

## Notes

---

All amounts in DKK.

### 1. Accounting estimates and judgements

As part of its application of the Company's accounting policies, management makes judgements, in addition to estimates, which may materially affect the amounts recognised in the annual report.

Determining the carrying value of certain assets and liabilities requires judgements, estimates and assumptions relating to future events.

The estimates and assumptions about future events are based on historical experience and other factors which by management are considered reliable but by nature are associated with uncertainty. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. Furthermore, the company is subject to risks and uncertainties which may lead to actual results differing from these estimates.

It may be necessary to change previous estimates due to changes in the conditions on which they were based or due to new information or subsequent events.

Estimates which are especially important for the financial reporting are made by applying the valuation of the impairment test for goodwill among others.

#### Impairment test for goodwill

At the annual impairment test for goodwill, or if there is an indication of impairment, an estimate is made of whether the parts of the business to which the asset is allocated (cash generating units) will be capable of generating sufficient positive net cash flows in the future to support the value of goodwill and other net assets in the relevant part of the business.

Due to the nature of the business, an estimate must be made of expected cash flows for many years in the future, which naturally leads to some uncertainty. It is not considered necessary to account for impairment of goodwill at present.

The impairment test and the related sensitivities are described in more detail in note 8.

## Notes

---

All amounts in DKK.

	<u>2021</u>	<u>2020</u>
<b>2. Revenue</b>		
Sale of services	<u>79.274.191</u>	<u>67.259.842</u>
	<b><u>79.274.191</u></b>	<b><u>67.259.842</u></b>
<b>3. Other external costs</b>		
Travel and event expenses	145.292	378.943
Costs of premises	2.178.315	1.659.558
Administration costs	<u>8.770.199</u>	<u>7.499.920</u>
	<b><u>11.093.806</u></b>	<b><u>9.538.421</u></b>
<b>4. Staff costs</b>		
Salaries and wages	55.053.483	45.941.800
Pension costs	3.563.054	2.978.629
Other costs for social security	<u>351.664</u>	<u>328.975</u>
	<b><u>58.968.201</u></b>	<b><u>49.249.404</u></b>
Average number of employees	<u>59</u>	<u>50</u>

### Remuneration of key management personnel

In accordance with IAS 24, the Directors' have given consideration to who has authority and responsibility for planning, directing and controlling the activities of the entity. The Directors' have determined that since strategic and operational decisions are ultimately made by personnel located in the parent entity of the Company and that major decisions are always subject to parent company approval, there are no key management personnel who are remunerated by the Company. Accordingly, no amounts have been disclosed in respect of this since no recharge for these services is received or receivable by the Company.

Directors' emoluments were as follows:

### Key management compensation

Key management includes Board of Directors and Executive Management.

The compensation paid or payable to key management for employee service is shown below:

## Notes

---

All amounts in DKK.

	<u>2021</u>	<u>2020</u>
<b>4. Staff costs (continued)</b>		
Executive Management		
Wage and salaries	876.393	724.463
Contribution plans and other social costs	138.940	113.895
Aggregate amounts (excluding shares) receivable under long-term incentive schemes	87.765	106.279
Benefits-in-kind	7.658	6.063
Post-employment benefits	85.873	65.743
	<u><b>1.196.629</b></u>	<u><b>1.016.443</b></u>
Board of Directors		
Wage and salaries	682.492	544.418
Benefits-in-kind	54.219	130.527
	<u><b>736.711</b></u>	<u><b>674.945</b></u>
<p>The amounts above represent directors' emoluments paid or payable by Samsung Cambridge Solution Centre Ltd multiplied by management's best estimate of time spent on services to the Company. The remuneration are paid by other group companies which make no recharge to the Company.</p>		
<b>5. Depreciation of tangible and intangible assets</b>		
Depreciation of property, plant and equipment	2.001.876	1.942.932
Depreciation of lease assets	0	422.134
	<u><b>2.001.876</b></u>	<u><b>2.365.066</b></u>
<b>6. Financial costs (Amortized cost)</b>		
Calculated interest, leasing payables	0	5.153
Exchange differences	12.852	9.512
	<u><b>12.852</b></u>	<u><b>14.665</b></u>

## Notes

---

All amounts in DKK.

	<u>2021</u>	<u>2020</u>
<b>7. Tax of the profit for the year</b>		
Adjustment of deferred tax for the year	<u>1.584.591</u>	<u>1.340.528</u>
	<b><u>1.584.591</u></b>	<b><u>1.340.528</u></b>
Tax on profit for the year may be subdivided as follows:		
Calculated 22% tax on profit for the year before tax	1.581.666	1.340.255
Tax effect of non-deductible costs	2.179	196
Correction	746	77
	<u>1.584.591</u>	<u>1.340.528</u>
Effective tax rate	<u>22,0%</u>	<u>22,0%</u>

## Notes

---

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>8. Goodwill</b>		
Cost opening balance	65.778.798	65.778.798
<b>Cost end of period</b>	<b>65.778.798</b>	<b>65.778.798</b>
Writedown opening balance	0	0
Amortisation and depreciation for the year	0	0
<b>Writedown end of period</b>	<b>0</b>	<b>0</b>
<b>Book value end of period</b>	<b>65.778.798</b>	<b>65.778.798</b>

As of 31 December 2021 management tested the carrying value of goodwill for impairment. The Company acquired the activities of Cambridge Silicon Radio Denmark, a branch of Cambridge Silicon Radio Limited UK on 4 October 2012. In doing so, it recognised goodwill of DKK 65.779k, which corresponds to the carrying amount as at 31 December 2021.

The recoverable amount is based on the value, which is determined using expected net cash flows based on budgets for the years 2022-26 approved by the management and a discount rate after tax of 9,00%.

The weighted average growth rate used for exploration of future net cash flows for the years after 2026 has been estimated at 3,2%.

The key assumptions are based on experiences from previous years, external sources and instructions/calculations from the parent company.

Against this background, the carrying amount of goodwill is determined to be less than the recoverable amount. Thus, no impairment is required.

## Notes

---

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>9. Property, plants and equipment</b>		
Cost opening balance	14.610.534	14.183.088
Additions during the year	5.170.093	558.142
Disposals during the year	-101.159	-130.696
<b>Cost end of period</b>	<b><u>19.679.468</u></b>	<b><u>14.610.534</u></b>
Depreciation and writedown opening balance	-10.694.342	-8.881.886
Amortisation and depreciation for the year	-2.001.876	-1.942.932
Reversal of depreciation, amortisation and impairment loss, assets disposed of	63.096	130.476
<b>Depreciation and writedown end of period</b>	<b><u>-12.633.122</u></b>	<b><u>-10.694.342</u></b>
<b>Book value end of period</b>	<b><u>7.046.346</u></b>	<b><u>3.916.192</u></b>
No changes have been made to significant estimates concerning property, plant and equipment.		
<b>10. Lease assets</b>		
Cost opening balance	1.563.464	1.563.464
<b>Cost end of period</b>	<b><u>1.563.464</u></b>	<b><u>1.563.464</u></b>
Depreciation and writedown opening balance	-1.563.464	-1.141.330
Amortisation and depreciation for the year	0	-422.134
<b>Depreciation and writedown end of period</b>	<b><u>-1.563.464</u></b>	<b><u>-1.563.464</u></b>
<b>Book value end of period</b>	<b><u>0</u></b>	<b><u>0</u></b>
Costs relating to short-term lease agreements and lease agreements with a low value	1.714.191	1.144.490

All lease assets relate to property.

## Notes

---

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>11. Other receivables (Non-current)</b>		
Cost opening balance	645.198	645.198
Additions during the year	24.724	0
<b>Cost end of period</b>	<u><b>669.922</b></u>	<u><b>645.198</b></u>
 <b>Book value end of period</b>	 <u><b>669.922</b></u>	 <u><b>645.198</b></u>
 Specified as follows:		
Deposits	669.922	645.198
	<u><b>669.922</b></u>	<u><b>645.198</b></u>
 <b>12. Financial instruments (at amortized cost)</b>		
Receivables from group enterprises	15.526.630	13.497.759
Other receivables	1.788.976	1.310.698
Cash and cash equivalents	66.330.221	64.708.223
	<u><b>83.645.827</b></u>	<u><b>79.516.680</b></u>

Provision for losses amounts to DKK 0.

Refer to note 18 for the Company's risk management.

### 13. Share capital

The share capital consists of 90.000 shares, each with a nominal value of DKK 1. No shares hold particular rights.

All shares have been fully paid.

### 14. Share premium account

The share premium account includes amounts not included in the nominal share capital, which are paid by the shareholders in connection with capital increase.

Pursuant to the Articles of Association, the share premium may be freely used for distribution of dividend and bonus issue.

## Notes

---

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>15. Deferred tax liability</b>		
Deferred tax liability opening balance	8.312.513	6.971.985
Deferred tax relating to the net profit or loss for the year	1.584.591	1.340.528
Tax losses used by the joint taxation	1.004.146	0
	<u><b>10.901.250</b></u>	<u><b>8.312.513</b></u>
The following items are subject to deferred tax:		
Intangible assets	14.471.335	14.471.335
Property, plant and equipment	-25.463	-170.154
Losses carried forward from previous years	-3.544.622	-5.988.668
	<u><b>10.901.250</b></u>	<u><b>8.312.513</b></u>
Tax losses carried forward relate to amortisation of goodwill. Due to goodwill being fully amortised at the end of 2018, it is probable that the tax losses will be realized in the foreseeable future.		
<b>16. Change in working capital</b>		
Change in debtors	-2.394.382	-2.343.679
Change in trade creditors and other liabilities	-1.022.281	-1.499.142
	<u><b>-3.416.663</b></u>	<u><b>-3.842.821</b></u>

## 17. Contingencies

### Contingent assets

None.

### Contingent liabilities

The Company has entered into a tenancy agreement with an annual rent of DKK 1,140k. The agreement contains an annual rent regulation of minimum 2%. The tenancy may be terminated by giving 6 months' notice.

The Company has entered into a tenancy agreement with an annual rent of DKK 592k. The tenancy may be terminated by giving 3 months' notice.

## Notes

---

All amounts in DKK.

### 17. Contingencies (continued)

#### Joint taxation

Samsung Electronics branch of Samsung Electronics Nordic AB, Sweden, company reg. no 27 11 02 74 being the administration company, the Company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The Company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.

### 18. Financial risks

As a result of its operations, investments and financing, the Company is exposed to financial risks, including market risks (currency risks) and credit risks.

The Company's financial instruments primarily consist of cash and cash equivalents, where the carrying value as at 31 December 2021 amounts to DKK 66.330k. The carrying value is equivalent to the fair value.

#### Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. As most of the Company's transactions are in DKK the risk of changes in foreign currency exchange rates is assessed low. Therefore no further action has been taken.

#### Credit risks

The Company is subject to the group's banking arrangements etc. and agreements on bank deposits are only entered into with counterparties when management considers that there is no credit risk. Based upon this, all counterparties are expected to be able to fulfill their obligations.

The maximum credit risk exposure relating to financial assets is the carrying amount of the assets in the balance sheet.

## Notes

---

All amounts in DKK.

### 18. Financial risks (continued)

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments more than 180 days past due. Where recoveries are made, these are recognised in profit or loss.

At the year end, there were no financial assets deemed impaired. No financial assets were past due.

#### Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the Company's financial assets and liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due after 12 months equal their carrying balances as the impact of discounting is not significant.

## Notes

---

All amounts in DKK.

### 18. Financial risks (continued)

	<u>Less than 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
<b>31 December 2021</b>			
Receivables from group enterprises	15.526.630	0	15.526.630
Other receivables	1.119.054	669.922	1.788.976
Cash and cash equivalents	66.330.221	0	66.330.221
	<b><u>16.645.684</u></b>	<b><u>669.922</u></b>	<b><u>17.315.606</u></b>
Deferred tax liability	0	10.901.250	10.901.250
Trade payables	209.755	0	209.755
Other liabilities	13.085.232	254.648	13.339.880
	<b><u>13.294.987</u></b>	<b><u>11.155.898</u></b>	<b><u>24.450.885</u></b>
Amortized cost			
<b>31 December 2020</b>			
Receivables from group enterprises	13.497.759	0	13.497.759
Other receivables	665.501	645.198	1.310.699
Cash and cash equivalents	64.708.223	0	64.708.223
	<b><u>78.871.483</u></b>	<b><u>645.198</u></b>	<b><u>14.808.458</u></b>
Deferred tax liability	0	8.312.513	8.312.513
Trade payables	297.726	0	297.726
Debt to group enterprises	120.713	0	120.713
Other liabilities	13.951.157	202.320	14.153.477
	<b><u>14.369.596</u></b>	<b><u>8.514.833</u></b>	<b><u>22.884.429</u></b>

### Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders. The Company is not subject to any externally imposed capital requirements. The Directors have ensured that future funding is assured for a period exceeding 12 months from the date of signing of these financial statements.

## Notes

---

All amounts in DKK.

### 19. Related parties

#### Controlling interest

Samsung Electronics Europe Holding Coöperatief U.A.                      Majority shareholder  
Oluf Palmestraat 10  
2616LR Delft  
The Netherlands  
(Ownership interest 100%)

Samsung Electronics Co. Ltd., South Korea                      Ultimate parent company  
www.samsung.com (Investor relations)

#### Other related parties

Joonsuk Kim                      Board member  
Jae Kyun Oh                      Board member  
Rajinder Gawera                      Manager and board member  
Hwanbae Yoo                      Board member  
Samsung Electronics, branch of Samsung Electronics                      Jointly taxed company  
Nordic AB, Sweden  
Harman Professional Denmark ApS                      Jointly taxed company  
Samsung SDS Europe Limited                      Affiliated company  
Samsung Cambridge Solution Centre Limited                      Affiliated company

#### Transactions

The Company re-invoices costs paid with an addition of 10% to Samsung Cambridge Solution Centre Limited on a monthly basis. The transactions amounts to DKK 79.274k and have been recognised in the income statement under revenue and in the balance sheet under receivables from group companies which are settled on an ongoing basis pursuant to the Company's standard terms. Transactions have taken place at arm's length.

The Company has acquired IT services of DKK 1.564k and property, plants and equipment of DKK 808k from Samsung SDS Europe Limited. Transactions have taken place at arm's length.

The Company has received joint taxation contribution of DKK 1.004k from Harman Professional Denmark ApS. Transactions have taken place at arm's length.

## Notes

---

All amounts in DKK.

### **20. Events after the balance sheet**

No events have occurred after the balance sheet date which would have a material impact on the Company's financial position or requires additional information.

### **21. New accounting standards**

Samsung Denmark Research Center ApS has not implemented any amendments as none of the new standards and interpretations have impact on recognition and measurement.

A number of new standards and interpretations have been issued, which are not mandatory for the Company in relation to the preparation of the annual report for 2022. None of the new standards and interpretations are expected to impact significantly on the presentation of the accounts of the Company.

The adopted standards and interpretations, which are not yet in force, are implemented as they become mandatory for the Company.