

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 2024

The annual report was submitted and approved by the general meeting on 6 April 2025.

InHyong Kim
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	5
Financial highlights	6
Management's review	7
Financial statements 1 January - 31 December 2024	
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Statement of cash flows	12
Notes	13

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 statement

Today, the Board of Directors and the Managing Director have approved the annual report of Samsung Denmark Research Center ApS for the financial year 1 January - 31 December 2024.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2024.

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

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

Aalborg, 6 April 2025

Managing Director

Michael John Cowell

Board of directors

InHyong Kim
Chairman

Jong Hoon Oh

Michael John Cowell

Wunki Jung

Independent auditor's report

To the Shareholders of Samsung Denmark Research Center ApS

Opinion

We have audited the financial statements of Samsung Denmark Research Center ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity, statement of cash flows, including a summary of significant accounting policies, including accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2024 in accordance with the International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Basis for conclusion

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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for such internal control, that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report

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 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 financial statement users made on the basis of these financial statements.

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

- ~ identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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.

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Aalborg, 6 April 2025

KPMG

Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 57 81 98

Steffen S. Hansen

State Authorised Public Accountant
mne32737

Company information

The company	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
Board of directors	InHyong Kim, Chairman Jong Hoon Oh Michael John Cowell Wunki Jung
Managing Director	Michael John Cowell
Auditors	KPMG Statsautoriseret Revisionspartnerselskab
Parent company	Samsung Electronics Europe Holding Coöperatief U.A.
Ultimate parent company	Samsung Electronics Co. Ltd., South Korea

Financial highlights

DKK in thousands.	2024	2023	2022	2021	2020
Income statement:					
Revenue	119.932	107.261	99.461	79.274	67.260
Gross profit	104.669	91.805	84.660	68.180	57.721
Profit from operating activities	10.896	9.747	8.412	7.202	6.107
Net financials	-796	-437	-9	-13	-15
Net profit or loss for the year	7.872	7.229	6.593	5.605	4.752
Statement of financial position:					
Balance sheet total	151.822	150.438	135.183	156.973	149.802
Investments in property, plant and equipment	3.353	19.531	2.169	5.170	558
Equity	105.140	104.497	104.115	132.522	126.917
Cash flows:					
Operating activities	12.082	9.531	16.028	6.787	4.615
Investing activities	-3.391	-5.274	-2.169	-5.165	-558
Financing activities	-8.123	-7.194	-35.000	0	-528
Employees:					
Average number of full-time employees	86	79	71	59	50
Key figures in %:					
Profit margin (EBIT-margin)	9,1	9,1	8,5	9,1	9,1
Solvency ratio	69,3	69,5	77,0	84,4	84,7
Return on equity	7,5	6,9	5,6	4,3	3,8

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

Management's review

Description of key activities of the company

Like previous years, 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 profit and loss account covers 1 January to 31 December and shows a result of DKK 7.872.453 against DKK 7.229.484 last year. The balance sheet shows equity of DKK 105.139.865.

The result for the year of DKK 7.872.453 is in line with management's expectations and is considered to be satisfactory.

Expected developments

The Company has secured assurance of further funding from the ultimate parent Company (SEC) to continue to develop products as defined by the Company's roadmap and management have noted that additional recruitment will be supported by group at a local level for the next 5 years, although those budgets have not been approved yet. The Company expects the result for 2025 to be DKK 6-8 million in line with the result for 2024.

Knowledge resources

The Company specializes in driving Bluetooth/WLAN standardization work with its customer, Samsung Cambridge Solution Centre Ltd.

Environmental issues

The Company is very focused on reducing its CO2 footprint and prioritizes climate neutral solutions and has climate certificates showing use of CO2 neutral energy with regards to electricity in its office and data centre. The Company's landlord, NOVI, is focused on the United Nations' 17 world goals for Sustainable Development and is a member of "Network for Sustainable Business Development in Northern Denmark".

Financial risks and the use of financial instruments

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.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2024</u>	<u>2023</u>
3 Revenue	119.932.115	107.261.124
Other external expenses	-15.263.150	-15.456.010
Gross profit	104.668.965	91.805.114
4 Staff costs	-89.116.338	-78.560.951
5 Depreciation	-4.656.707	-3.497.651
Operating profit	10.895.920	9.746.512
6 Financial expenses	-796.100	-436.631
Pre-tax net profit or loss	10.099.820	9.309.881
7 Tax on net profit or loss for the year	-2.227.367	-2.080.397
8 Net profit or loss for the year and total comprehensive income	7.872.453	7.229.484

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2024</u>	<u>2023</u>
Non-current assets		
9 Goodwill	65.778.798	65.778.798
10 Property, plants, and equipment	9.120.044	8.965.667
11 Lease assets	12.519.043	13.977.571
12 Other receivables	1.049.479	1.011.390
Total non-current assets	<u>88.467.364</u>	<u>89.733.426</u>
Current assets		
Receivables from group enterprises	19.054.740	17.236.359
Other receivables	360.651	276.089
13 Prepayments	1.119.138	940.968
Cash and cash equivalents	42.820.048	42.251.328
Total current assets	<u>63.354.577</u>	<u>60.704.744</u>
Total assets	<u>151.821.941</u>	<u>150.438.170</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities			
Note		<u>2024</u>	<u>2023</u>
Equity			
15	Share capital	90.000	90.000
16	Share premium	97.177.412	97.177.412
	Retained earnings	7.872.453	0
	Proposed dividend for the financial year	0	7.229.484
	Total equity	<u>105.139.865</u>	<u>104.496.896</u>
Liabilities			
17	Provisions for deferred tax	14.262.451	14.432.790
18	Lease liabilities	12.338.026	13.346.284
	Other payables	529.973	363.511
	Total non-current liabilities	<u>27.130.450</u>	<u>28.142.585</u>
	Current portion of long term liabilities	1.008.000	893.000
	Trade payables	280.336	1.054.200
	Payables to group enterprises	0	324.754
	Income tax payable to group enterprises	2.049.944	836.762
	Other payables	16.213.346	14.689.973
	Total current liabilities	<u>19.551.626</u>	<u>17.798.689</u>
	Total liabilities	<u>46.682.076</u>	<u>45.941.274</u>
	Total equity and liabilities	<u>151.821.941</u>	<u>150.438.170</u>

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2023	90.000	97.177.412	6.847.515	0	104.114.927
Profit for the year	0	0	0	7.229.484	7.229.484
Distributed extraordinary dividend adopted during the financial year	0	0	-6.847.515	0	-6.847.515
Equity 1 January 2024	90.000	97.177.412	0	7.229.484	104.496.896
Distributed dividend	0	0	0	-7.229.484	-7.229.484
Profit for the year	0	0	7.872.453	0	7.872.453
	90.000	97.177.412	7.872.453	0	105.139.865

Statement of cash flows 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2024</u>	<u>2023</u>
Net profit or loss for the year	7.872.453	7.229.484
19 Adjustments	7.680.174	6.014.678
20 Change in working capital	-1.489.897	-3.277.017
Cash flows from operating activities before net financials	14.062.730	9.967.145
Interest paid, etc.	-796.100	-436.631
Income tax paid	-1.184.524	0
Cash flows from operating activities	12.082.106	9.530.514
Purchase of propert, plants, and equipment	-3.352.556	-4.946.109
Purchase of fixed asset investments	-38.088	-328.269
Cash flows from investment activities	-3.390.644	-5.274.378
Repayments of leasing liabilities	-893.258	-346.009
Dividend paid	-7.229.484	-6.847.515
Cash flows from financing activities	-8.122.742	-7.193.524
Change in cash and cash equivalents	568.720	-2.937.388
Cash and cash equivalents at opening balance	42.251.328	45.188.716
Cash and cash equivalents at end of period	42.820.048	42.251.328
Cash and cash equivalents		
Cash and cash equivalents	42.820.048	42.251.328
Cash and cash equivalents at end of period	42.820.048	42.251.328

1. Accounting policies

The annual report for Samsung Denmark Research Center ApS has been presented in accordance with the International Financial Reporting Standards and additional disclosure requirements in the Danish Financial Statements Act concerning reporting class C enterprises (medium sized 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 25 concerning implementation of new accounting standards.

The board of directors and management have on 6 April 2025 considered and adopted the annual report for the year ended 31 December 2024 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 6 April 2025.

Foreign currency translation

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 foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Non-current assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Revenue

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

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

The net turnover is recognised exclusive of VAT and taxes.

1. Accounting policies (continued)

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

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

Other external expenses

Other external expenses comprise expenses incurred for sales, administration, and premises.

Staff costs

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

Depreciation, amortisation, and write-down for impairment

Depreciation and write-down for impairment comprise depreciation on and write-down for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The Company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

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

Statement of financial position

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.

1. Accounting policies (continued)

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, plants, and equipment

Property, plants, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less 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 carrying amount, the depreciation is discontinued.

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

The cost comprises acquisition cost and costs directly associated with 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, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

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

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.

1. Accounting policies (continued)

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Property, plants, and equipment impairment test

The book values of property, plants 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

1. Accounting policies (continued)

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.

Lease assets are depreciated on a straight line basis over the expected lease term, which is 120 months.

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, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

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

1. Accounting policies (continued)

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Samsung Denmark Research Center ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

All amounts in DKK.

2. 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 and determination of the leasing period among others.

The leasing period for the Company's office is ten years.

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 9.

Notes

All amounts in DKK.

	<u>2024</u>	<u>2023</u>
3. Revenue		
Sale of services	119.932.115	107.261.124
	<u>119.932.115</u>	<u>107.261.124</u>
<p>The Company only has sales to one segment and one customer.</p>		
4. Staff costs		
Salaries and wages	83.471.152	73.197.740
Pension costs	5.464.757	4.943.675
Other costs for social security	180.429	419.536
	<u>89.116.338</u>	<u>78.560.951</u>
Average number of employees	<u>86</u>	<u>79</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.

The remuneration of the members of the board of directors, including the executive management, are paid by other group companies which make no recharge to the Company. Their involvement in the day-to-day management of the Company is negligible. Accordingly, the above details include no remuneration in respect of the directors. Their total remuneration is included in the aggregate of directors' remuneration disclosed in the financial statements of other group companies.

Key management compensation

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

Notes

All amounts in DKK.

4. Staff costs (continued)

	<u>2024</u>	<u>2023</u>
Key management		
Wage and salaries	5.963.988	4.958.022
Contribution plans and other social costs	7.128	5.681
Aggregate amounts (excluding shares) receivable under long-term incentive schemes	457.672	361.108
Post-employment benefits	388.358	324.866
	<u>6.817.146</u>	<u>5.649.677</u>

5. Depreciation

Depreciation of property, plants, and equipment	3.198.179	2.889.930
Depreciation of lease assets	1.458.528	607.721
	<u>4.656.707</u>	<u>3.497.651</u>

6. Financial expenses (Amortized cost)

Interest, banks	22.383	0
Interest, leasing liabilities	691.012	300.527
Exchange differences	82.705	136.104
	<u>796.100</u>	<u>436.631</u>

7. Tax on net profit or loss for the year

Tax on net profit or loss for the year	2.379.592	836.762
Adjustment of deferred tax for the year	-152.225	1.243.635
	<u>2.227.367</u>	<u>2.080.397</u>

Tax on profit for the year may be subdivided as follows:

Calculated 22% tab on profit for the year before tax	2.221.960	2.048.174
Tax effect of non-deductible costs	7.026	5.917
Correction	-1.619	26.306
	<u>2.227.367</u>	<u>2.080.397</u>
Effective tax rate	<u>22,1%</u>	<u>22,3%</u>

Notes

All amounts in DKK.

	<u>2024</u>	<u>2023</u>
8. Proposed distribution of net profit		
Extraordinary dividend distributed during the financial year	0	6.847.515
Dividend for the financial year	0	7.229.484
Transferred to retained earnings	7.872.453	0
Allocated from retained earnings	0	-6.847.515
Total allocations and transfers	<u>7.872.453</u>	<u>7.229.484</u>
Extraordinary dividend distributed after end of reporting period	<u>7.872.453</u>	<u>0</u>
	<u>31/12 2024</u>	<u>31/12 2023</u>
9. Goodwill		
Cost opening balance	<u>65.778.798</u>	<u>65.778.798</u>
Cost end of period	<u>65.778.798</u>	<u>65.778.798</u>
Writedown opening balance	<u>0</u>	<u>0</u>
Writedown end of period	<u>0</u>	<u>0</u>
Carrying amount, end of period	<u>65.778.798</u>	<u>65.778.798</u>

As of 31 December 2024 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 2024, and relates to Connectivity CGU which represent the main part of the Company's business.

The recoverable amount is based on the value, which is determined using expected net cash flows based on budgets for the years 2025-29 prepared by the management and a discount rate after tax of 15,0% (2023: 12,0%). The pre-tax discount rates are 15,3% (2023: 12,2%).

The weighted average growth rate used for exploration of future net cash flows for the years after 2029 has been estimated at 4,6% (2023: 3,8%) relating to inflation.

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.

9. Goodwill (continued)

Management assess that probable changes in the basis assumptions (in particular the discount rate after tax) will not cause the value of goodwill to exceed the recoverable amount. It would take an increase in the discount rate after tax from 15,0% to 16,6% for the recoverable amount to be the same as the carrying amount of goodwill. Such increase is not considered likely and for other key assumptions likely changes would not result in impairment.

	<u>31/12 2024</u>	<u>31/12 2023</u>
10. Property, plants, and equipment		
Cost opening balance	26.678.359	21.732.250
Additions during the year	3.352.556	4.946.109
Cost end of period	<u>30.030.915</u>	<u>26.678.359</u>
Depreciation and write-down opening balance	-17.712.692	-14.822.763
Amortisation and depreciation for the year	-3.198.179	-2.889.929
Depreciation and write-down end of period	<u>-20.910.871</u>	<u>-17.712.692</u>
Carrying amount, end of period	<u>9.120.044</u>	<u>8.965.667</u>

No changes have been made to estimates concerning property, plants, and equipment.

11. Lease assets

Cost opening balance	16.148.757	1.563.464
Additions during the year	0	14.585.293
Cost end of period	<u>16.148.757</u>	<u>16.148.757</u>
Depreciation and write-down opening balance	-2.171.186	-1.563.464
Amortisation and depreciation for the year	-1.458.528	-607.722
Depreciation and write-down end of period	<u>-3.629.714</u>	<u>-2.171.186</u>
Carrying amount, end of period	<u>12.519.043</u>	<u>13.977.571</u>
Costs relating to short-term lease agreements and lease agreements with a low value	986.105	1.649.093

All lease assets relate to property.

Notes

All amounts in DKK.

	<u>31/12 2024</u>	<u>31/12 2023</u>
12. Other receivables (Non-current)		
Cost opening balance	1.011.391	683.121
Additions during the year	38.088	328.269
Cost end of period	<u>1.049.479</u>	<u>1.011.390</u>
Carrying amount, end of period	<u>1.049.479</u>	<u>1.011.390</u>
Specified as follows:		
Deposits	1.049.479	1.011.390
	<u>1.049.479</u>	<u>1.011.390</u>
13. Prepayments		
Prepaid IT costs and subscriptions	819.739	709.408
Prepaid insurance	120.013	142.513
Prepaid internet	52.138	41.326
Other prepayments	127.248	47.721
	<u>1.119.138</u>	<u>940.968</u>
14. Financial instruments (at amortized cost)		
Receivables from group enterprises	19.054.740	17.236.359
Other receivables	1.410.130	1.287.479
Cash and cash equivalents	42.820.048	42.251.328
	<u>63.284.918</u>	<u>60.775.166</u>

Provision for losses amounts to DKK 0.

Refer to note 22 for the Company's risk management.

Notes

All amounts in DKK.

15. Share capital

The share capital consists of 90,000 shares, each with a nominal value of 1 DKK. No shares hold particular rights.

All shares have been fully paid.

There have been no changes in the share capital in the last 5 years.

16. Share premium

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.

	<u>31/12 2024</u>	<u>31/12 2023</u>
17. Provisions for deferred tax		
Provisions for deferred tax opening balance	14.432.790	13.189.155
Deferred tax relating to the net profit or loss for the year	-152.225	1.243.635
Tax adjustments in the joint taxation	-18.114	0
	<u>14.262.451</u>	<u>14.432.790</u>
The following items are subject to deferred tax:		
Goodwill	14.471.335	14.471.335
Property, plants, and equipment	-208.884	-38.545
	<u>14.262.451</u>	<u>14.432.790</u>

Notes

All amounts in DKK.

	<u>31/12 2024</u>	<u>31/12 2023</u>
18. Lease liabilities		
Total lease liabilities	13.346.026	14.239.284
Share of amount due within 1 year	<u>-1.008.000</u>	<u>-893.000</u>
	12.338.026	13.346.284
Share of liabilities due after 5 years	<u>6.970.000</u>	<u>8.403.000</u>

For 2024, the Company paid DKK 1.584k for lease agreements. Interest payments related to recognized lease liabilities totaled DKK 691k, and repayments on recognized lease liabilities amounted to DKK 893k.

The development in the lease liabilities is a non-cash transaction. All cash transactions are shown above and in the cash flow statement.

	<u>2024</u>	<u>2023</u>
19. Adjustments		
Depreciation, amortisation, and impairment	4.656.707	3.497.650
Financial expenses	796.100	436.631
Tax on net profit or loss for the year	<u>2.227.367</u>	<u>2.080.397</u>
	7.680.174	6.014.678
20. Change in working capital		
Change in receivables	-2.081.115	-1.830.557
Change in trade payables and other payables	<u>591.218</u>	<u>-1.446.460</u>
	-1.489.897	-3.277.017
21. Contingencies		
Contingent assets		
None.		

All amounts in DKK.

21. Contingencies (continued)

Contingent liabilities

The Company has entered into a tenancy agreement with an annual rent of DKK 2,364k. 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 991k. The tenancy may be terminated by giving 3 months' notice.

Joint taxation

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

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

22. 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 2024 amounts to DKK 42.820k. The carrying value is equivalent to the fair value.

Currency 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 risk

The Company's main customer is a group company, thus the credit risk is remote and historically there has been no impairment.

All amounts in DKK.

22. Financial risks (continued)

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

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.

22. Financial risks (continued)

	Less than 1 year	Over 1 year	Total
31 December 2024			
Receivables from group enterprises	19.054.740	0	19.054.740
Other receivables	360.651	1.049.479	1.410.130
Cash and cash equivalents	42.820.048	0	42.820.048
	62.235.439	1.049.479	63.284.918
Lease liabilities	1.650.810	14.792.466	16.443.276
Trade payables	280.336	0	280.336
Payables to group enterprises	0	0	0
Income tax payable to group enterprises	2.049.944	0	2.049.944
Other payables	16.213.346	529.973	16.743.319
	20.194.436	15.322.439	35.516.875
31 December 2023			
Receivables from group enterprises	17.236.359	0	17.236.359
Other receivables	276.089	1.011.390	1.287.479
Cash and cash equivalents	42.251.328	0	42.251.328
	59.763.776	1.011.390	60.775.166
Lease liabilities	1.584.570	16.443.276	18.027.846
Trade payables	1.054.200	0	1.054.200
Payables to group enterprises	324.754	0	324.754
Income tax payable to group enterprises	836.762	0	836.762
Other payables	14.689.973	363.511	15.053.484
	18.490.259	16.806.787	35.297.046

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.

23. 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
www.samsung.com (Investor relations) company

Other related parties

Joonsuk Kim Board member
Jong Hoon Oh Board member
Rajinder Gawera Manager and board member
Wunki Jung Board member
Samsung Electronics, branch of Samsung Electronics Nordic AB, Sweden Jointly taxed company
Harman Professional Denmark ApS Jointly taxed company
Samsung SDS Europe Limited Affiliated company
Samsung Cambridge Solution Centre Limited Affiliated company
Samsung SDS German Branch Affiliated company
Samsung Semiconductor 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 119.932k and have been recognised in the income statement under revenue and in the balance sheet under receivables from group enterprises which are settled on an ongoing basis pursuant to the Company's standard terms.

The Company has acquired IT services of DKK 1.932k from Samsung SDS Europe Limited and of DKK 11k from Samsung SDS German Branch.

The Company has acquired travel expenses of DKK 3k from Samsung Semiconductor.

The Company has acquired salary for an expatriate of DKK 20k from Samsung Cambridge Solution Centre and of DKK 128k from Samsung Electronics Co. Ltd.

All amounts in DKK.

23. Related parties (continued)

Consolidated financial statements

The company is included in the consolidated financial statements of Samsung Electronics Co. Ltd., South Korea.

24. 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.

25. 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 2024. 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. The management has not performed analysis of the potential effect of new standards on the financial statements.