

Texas Instruments Denmark ApS

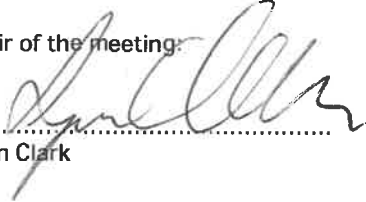
Herstedøstervej 27A, 2620 Albertslund

CVR no. 20 53 16 73

Annual report 2022

Approved at the Company's annual general meeting on 15 June 2023

Chair of the meeting:


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Lynn Clark

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Texas Instruments Denmark ApS for the financial year 1 January - 31 December 2022.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

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

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

Albertslund, 15 June 2023

Executive Board:



Andreas Schwaiger
CEO

Board of Directors:



Lynn Clark
Chairman



Andreas Schwaiger



Klaus Weisel

Independent auditor's report

To the shareholder of Texas Instruments Denmark ApS

Conclusion

We have conducted an extended review of the financial statements of Texas Instruments Denmark ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's standard on extended review for Small entities and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence

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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance for our conclusion on the financial statements and perform specifically required supplementary procedures to obtain additional assurance for our conclusion.

An extended review comprises procedures that primarily consist of making enquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Statement on the Management's review

Management is responsible for the Management's review.

Our conclusion 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 extended review 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 extended review, or otherwise appears to be materially misstated.

Independent auditor's report

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.

Aarhus, 15 June 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Tom B. Lassen
State Authorised Public Accountant
mne24820



Søren Strandgaard Nielsen
State Authorised Public Accountant
mne47823

Management's review

Company details

Name	Texas Instruments Denmark ApS
Address, Postal code, City	Herstedøstervej 27A, 2620 Albertslund
CVR no.	20 53 16 73
Established	15 December 1997
Website	www.ti.dk
Telephone	+45 96 34 68 68
Board of Directors	Lynn Clark, Chairman Andreas Schwaiger Klaus Weisel
Executive Board	Andreas Schwaiger, CEO
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark
Bankers	Citibank

Management commentary

Business review

Business activities and mission

The Company's activities include the general semiconductor sales and technical support. Being a key point of contact for any technical and/or commercial questions on TI's full portfolio, including DSPs, analog, and commodity products.

Texas Instruments Denmark A/S' reporting currency is USD, which is the functional currency of the Company. It is deemed relevant to use USD as the primary activities/balance sheet accounts consist of USD transactions.

Financial review

The income statement for 2022 shows a profit of USD 233,500 against a profit of USD 157,937 last year, and the balance sheet at 31 December 2022 shows equity of USD 1,502,550. Management considers the Company's financial performance in the year satisfactory.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	USD	2022	2021
	Revenue	1,732,587	1,501,404
	Other external expenses	-366,658	-274,346
	Gross profit	1,365,929	1,227,058
2	Staff costs	-1,077,840	-1,031,260
	Profit before net financials	288,089	195,798
3	Financial income	22,635	9,781
	Financial expenses	-12,832	-5,834
	Profit before tax	297,892	199,745
4	Tax for the year	-64,392	-41,808
	Profit for the year	<u>233,500</u>	<u>157,937</u>
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	1,000,000	0
	Retained earnings/accumulated loss	<u>-766,500</u>	<u>157,937</u>
		<u>233,500</u>	<u>157,937</u>

Financial statements 1 January - 31 December

Balance sheet

Note	USD	2022	2021
	ASSETS		
	Non-current assets		
	Financial assets		
	Deferred tax assets	6,281	8,375
		<u>6,281</u>	<u>8,375</u>
	Total non-current assets	<u>6,281</u>	<u>8,375</u>
	Current assets		
5	Receivables		
	Receivables from group entities	1,813,789	1,477,471
	Corporation tax receivable	0	9,834
	Other receivables	17,478	26,794
		<u>1,831,267</u>	<u>1,514,099</u>
	Cash	70,253	59,358
	Total current assets	<u>1,901,520</u>	<u>1,573,457</u>
	TOTAL ASSETS	<u>1,907,801</u>	<u>1,581,832</u>
	EQUITY AND LIABILITIES		
	Equity		
6	Share capital	226,958	226,958
	Retained earnings	275,592	1,042,092
	Dividend proposed	1,000,000	0
	Total equity	<u>1,502,550</u>	<u>1,269,050</u>
	Liabilities		
	Non-current liabilities		
	Other payables	41,719	40,857
	Total non-current liabilities	<u>41,719</u>	<u>40,857</u>
	Current liabilities		
	Trade payables	56,294	47,706
	Corporation tax payable	28,625	0
	Other payables	278,613	224,219
	Total current liabilities	<u>363,532</u>	<u>271,925</u>
	Total liabilities	<u>405,251</u>	<u>312,782</u>
	TOTAL EQUITY AND LIABILITIES	<u>1,907,801</u>	<u>1,581,832</u>

- 1 Accounting policies
- 7 Contractual obligations and contingencies, etc.
- 8 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

USD	Share capital	Retained earnings	Dividend proposed	Total
Equity at 1 January 2021	226,958	884,155	0	1,111,113
Transfer through appropriation of profit	0	157,937	0	157,937
Equity at 1 January 2022	226,958	1,042,092	0	1,269,050
Transfer through appropriation of profit	0	-766,500	1,000,000	233,500
Equity at 31 December 2022	226,958	275,592	1,000,000	1,502,550

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Texas Instruments Denmark ApS for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

Reporting currency

The financial statements are presented in USD as the Company's most significant transactions are settled in USD. At the balance sheet date, the DKK/USD exchange rate was 697.22 (2021: 656.12)

Foreign currency translation

Transactions denominated in currencies other than USD are translated into USD at the exchange rate at the date of the transaction.

Receivables, payables and other monetary items denominated in currencies other than USD are translated into USD at the exchange rate at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the rendering of services is recognised as revenue as the services are rendered.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Cost of sales

Cost of sales includes the direct costs incurred in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, exchange gains and losses and refunds under the on-account tax scheme, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Tax for the year includes withholding taxes.

Balance sheet

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Prepayments

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

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

USD	2022	2021
2 Staff costs		
Wages/salaries	1,004,033	964,268
Pensions	57,414	58,863
Other social security costs	7,727	8,129
Other staff costs	8,666	0
	<u>1,077,840</u>	<u>1,031,260</u>
Average number of full-time employees	<u>5</u>	<u>4</u>
3 Financial income		
Interests from group entities	11,276	789
Other financial income	11,359	8,992
	<u>22,635</u>	<u>9,781</u>
4 Tax for the year		
Estimated tax charge for the year	63,976	41,140
Deferred tax adjustments in the year	2,094	2,792
Tax adjustments, prior years	-1,678	-2,124
	<u>64,392</u>	<u>41,808</u>

5 Receivables

Receivables from group entities include a group cash pool of USD 1,353 thousand.

6 Share capital

The Company's share capital has remained DKK 1,700,000 over the past 5 years.

Financial statements 1 January - 31 December

Notes to the financial statements

7 Contractual obligations and contingencies, etc.

Other financial obligations

Rent and car lease commitments concerning contracts which is non-terminable totals USD 114,378 (2021: USD 219,391).

8 Related parties

Texas Instruments Denmark ApS' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Texas Instruments Holland B.V.	Bolwerkdok 2, 3433 KN Nieuwegein, Netherlands	Principal shareholder with controlling interest

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Texas Instruments Incorporated	USA	The consolidated financial statements can be obtained from the Company on request, or at the homepage of Texas Instruments