
Universal Robots A/S

Energivej 25, DK-5260 Odense S

Annual Report for 1 January - 31 December 2022

CVR No 29 13 80 60

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
3 /3 2023

Ole Nørgaard
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Universal Robots A/S 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 and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations for 2022.

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

We recommend that the Annual Report be adopted at the Annual General Meeting.

Odense, 3 March 2023

Executive Board

Kim Ulletved Povlsen
CEO

Kim Nørgaard Andreasen
CFO

Board of Directors

Charles Jeffrey Gray
Chairman

Michael Dennis Callahan

Amy Rose McAndrews

Gregory Stephen Smith

Independent Auditor's Report

To the Shareholder of Universal Robots A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of the Group's and the Parent Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Universal Robots A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company ("the 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 Group 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.

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 Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company

Independent Auditor's Report

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

In preparing the Financial Statements, Management is responsible for assessing the Group's and 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 Group or 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group'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 Group's and 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 condi-

Independent Auditor's Report

tions may cause the Group and 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Odense, 3 March 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mikael Johansen
State Authorized Public Accountant
mne23318

Anders Kronborg Choy
State Authorized Public Accountant
mne44142

Company Information

The Company

Universal Robots A/S
Energivej 25
DK-5260 Odense S
E-mail: accounting@universal-robots.com

CVR No: 29 13 80 60
Financial period: 1 January - 31 December
Municipality of reg. office: Odense

Board of Directors

Charles Jeffrey Gray , Chairman
Michael Dennis Callahan
Amy Rose McAndrews
Gregory Stephen Smith

Executive Board

Kim Ulletved Povlsen
Kim Nørgaard Andreasen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Munkebjergvænget 1, 3. og 4. sal
DK-5230 Odense M

Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	Group				
	2022 TDKK	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK
Key figures					
Profit/loss					
Revenue	2.285.850	1.943.372	1.437.762	1.658.558	1.479.186
Operating profit/loss	340.049	379.009	200.777	274.324	288.321
Net financials	3.296	6.959	-17.064	192	-163
Net profit/loss for the year	274.747	299.333	151.264	213.307	221.172
Balance sheet					
Balance sheet total	1.269.741	1.243.698	936.683	922.124	823.217
Equity	736.732	663.432	601.549	591.990	453.243
Investment in property, plant and equipment	155.054	39.960	34.359	37.674	64.184
Number of employees	744	573	575	541	431
Ratios					
Profit margin	14,8%	19,5%	13,9%	16,5%	19,4%
Return on assets	26,7%	30,5%	21,4%	29,7%	34,9%
Solvency ratio	58,0%	53,3%	64,2%	64,2%	55,1%
Return on equity	39,2%	47,3%	25,3%	40,8%	63,2%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Key activities

As in prior years, the Group's main activity is the development, manufacturing and sale of flexible, easily programmable and collaborative robots.

Development in the year

The Group reported a profit before tax for 2022 of DKK 274,746k, and equity amounts to DKK 736,732k on 31 December 2022. The results are overall considered satisfactory in the light of a challenging macroeconomic year for many industries, in the light of COVID-19, the war in Ukraine and rising inflation. Revenue increased by 17.6 % compared to the prior year based on a confirmed growth in demand for the collaborative industrial robots.

Last year the expectations for the 2022 net profit are within the expected range presented in last years annual report, though growth was lower than anticipated due to the macroeconomic circumstances.

The Group has distribution channels in approximately 50 countries around the world and has subsidiaries, branches, or group-related companies in these countries: USA, Mexico, Germany, Spain, Italy, France, Czech Republic, Sweden, United Kingdom, China, Singapore, India, Japan, Taiwan and South Korea.

Expected development of the company, including specific prerequisites and uncertainties

The current financial environment with significant inflation in multiple regions across the world, as well as the war in Ukraine, makes it a difficult environment to operate in.

Despite this, management expects continued strong revenue growth within the Group in 2023. The company's declared strategy aims at continued growth approximated 20-30% year over year for the coming years. This ambition is relentlessly pursued based on the company's strong product portfolio and market position, which is maintained by significant investments in innovation and R&D.

The group expects net profit after tax for 2023 to be within +/- 15% of 2022.

Uncertainties associated with the expected development of the company

The Group's most significant operating risks are related to the ability to maintain the present strong position in the market. The risk is mitigated through significant investments in innovation, user experience improvements and general R&D.

Currency risk

The Group has a natural currency exposure, primarily in EUR but also in USD and CNY (Renminbi), and the Group is therefore to some extent exposed to variations in exchange rates. It is the Group's foreign exchange policy not to hedge such exposures.

Management's Review

Credit risk

The credit risk is controlled by performing ongoing credit ratings and credit insurance of customers and business partners.

The Group has considerable focus on the credit risks in relation to the customers and the total credit risk is therefore considered low.

Prices on raw material

Changes in prices and delivery terms for purchase of raw materials and consumables for production, is currently experiencing both price increases and delivery issues which can influence the production cost significantly.

Knowledge resources

The company is to a large extent a knowledge-based company. To retain and attract highly competent employees, there is a high focus on targeted competence development of all employees.

The company's knowledge resources consist primarily of knowledge of employees and products. Knowledge resources among the employees play a major role in the continued development of the company's product range and the demand that comes from the company's customers.

Research and development

Universal Robots A/S continues to invest many resources in the continuous development of the Company's products and markets. Consequently, the Company is dependent on being able to attract and retain the right human resources and skills.

External environment

The activities of the Group do not to a high degree impact the external environment; however, the Company is working on reducing the level of energy consumption and CO₂ emission on a continuous basis, and has initiated several sustainability initiatives, aiming at becoming more sustainable over the coming years.

Subsequent events

No material events have occurred after the end of the financial year which could significantly affect the group's financial position.

Management's Review

Corporate social responsibility statement cf. section 99 a of the Danish Financial Statements Act and statement of the gender composition of the management cf. section 99 b of the Danish Financial Statements Act

CSR is an important focus point at Universal Robots A/S, and corporate responsibility as a systematic basis for management decisions has always been and will continue to be an important and integral part of our strategies and daily work procedures.

We have visions, policies and guidelines addressing several aspects of the CSR area, including e.g. employee Code of Conduct, anti-corruption, responsible sourcing, compliance with competition laws, whistle-blower scheme, environment, occupational health and safety, community relations, climate and human rights.

As an integral part of management's roles and responsibilities, our management team, and our Board of Directors ongoingly assess risks of relevant areas and decide on initiatives to be implemented. The full statements according to the above Act can be found in a separate report at our homepage www.universal-robots.com/about-universal-robots/corporate-responsibility/ or via this deep link: https://www.universal-robots.com/media/1826949/02_2023_ur_csr-repoart_a4_web_final.pdf

Data ethics policy cf. section 99 d of the Danish Financial Statements Act

Universal Robots A/S ensures data ethics, which includes addressing and recommending concepts of right and wrong conduct, with transparency in and defensibility of actions and decisions in relation to data in general and personal data.

Universal Robots A/S as a part of the Teradyne's Global Data Protection Program, ensures compliance with applicable data privacy laws, and gives individuals more overview over how their data is collected, used, and protected. Teradyne's Global Data Protection Program includes the Privacy Policy, Data Classification Policy, Data Retention Policy, Data Security Incident Response Policy, Information Security Policy, and other internal processes and guidelines in place which details how we handle, classify and store data globally. In accordance with applicable laws and regulations, including GDPR, the EU Whistleblower Directive and Danish Whistleblower Act, Universal Robots has a few channels, including Whistleblower Hotline, for report data breach, illegal or unethical conduct, suspected violations, complaints, concerns, or misconduct, including violations of internal policies. The data ethics policy will be fully implemented in 2023.

Income Statement 1 January - 31 December

	Note	Group		Parent company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Revenue	1	2.285.850	1.943.372	2.222.767	1.910.178
Cost of sales	2	-1.095.499	-911.278	-1.096.654	-913.326
Gross profit/loss		1.190.351	1.032.094	1.126.113	996.852
Distribution expenses	2	-595.426	-473.463	-560.775	-436.866
Administrative expenses	2	-254.876	-179.622	-254.876	-179.622
Operating profit/loss		340.049	379.009	310.462	380.364
Other operating expenses		-631	-180	-631	-180
Profit/loss before financial income and expenses		339.418	378.829	309.831	380.184
Income from investments in subsidiaries		0	0	706	4.707
Financial income	3	5.370	8.600	3.377	9.310
Financial expenses	4	-2.074	-1.641	-2.066	-1.725
Profit/loss before tax		342.714	385.788	311.848	392.476
Tax on profit/loss for the year	5	-67.967	-86.455	-58.057	-83.433
Net profit/loss for the year		274.747	299.333	253.791	309.043

Balance Sheet 31 December

Assets

	Note	Group		Parent company	
		2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Completed development projects		68.375	146.741	68.375	146.741
Acquired patents		2.546	1.340	2.546	1.340
Acquired licenses		9.924	13.874	9.822	13.874
Goodwill		482	688	0	0
Development projects in progress		157.614	58.456	157.614	58.456
Intangible assets	6	238.941	221.099	238.357	220.411
Other fixtures and fittings, tools and equipment		78.327	72.319	63.569	58.980
Leasehold improvements		10.688	13.445	8.945	11.523
Property, plant and equipment in progress		145.652	28.215	145.652	28.215
Property, plant and equipment	7	234.667	113.979	218.166	98.718
Investments in subsidiaries	8	0	0	5.142	5.399
Receivables from group enterprises	9	0	0	6.741	6.691
Deposits	9	8.503	10.550	4.972	5.604
Fixed asset investments		8.503	10.550	16.855	17.694
Fixed assets		482.111	345.628	473.378	336.823

Balance Sheet 31 December

Assets

	Note	Group		Parent company	
		2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Raw materials and consumables		274.180	195.625	274.180	195.625
Finished goods and goods for resale		54.654	41.710	42.813	26.519
Prepayments for goods		48.848	11.174	48.848	11.174
Inventories		377.682	248.509	365.841	233.318
Trade receivables		245.576	130.892	228.411	115.363
Receivables from group enterprises		3.887	3.748	20.453	61.422
Other receivables		18.183	16.380	18.058	14.580
Deferred tax asset	12	1.258	5.309	0	0
Corporation tax		5.277	0	5.264	0
Prepayments	10	11.413	12.273	8.257	7.094
Receivables		285.594	168.602	280.443	198.459
Cash at bank and in hand		124.354	480.959	92.930	417.920
Currents assets		787.630	898.070	739.214	849.697
Assets		1.269.741	1.243.698	1.212.592	1.186.520

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Share capital		546	546	546	546
Reserve for development costs		0	0	175.654	157.663
Reserve for currency exchange		-601	846	-179	-42
Retained earnings		736.785	462.038	528.944	293.144
Proposed dividend for the year		0	200.000	0	200.000
Equity attributable to shareholders of the Parent Company		736.730	663.430	704.965	651.311
Minority interests		2	2	0	0
Equity		736.732	663.432	704.965	651.311
Provision for deferred tax	12	30.539	22.050	30.539	22.050
Other provisions	13	17.899	16.600	17.899	16.600
Provisions		48.438	38.650	48.438	38.650
Deferred income		72.715	68.014	72.131	64.286
Long-term debt	14	72.715	68.014	72.131	64.286
Credit institutions		1.356	1.031	1.356	1.031
Prepayments received from customers		6.749	14.124	6.749	14.124
Trade payables		108.333	158.103	103.182	152.904
Payables to group enterprises		109.759	68.791	133.120	94.385
Corporation tax		3.761	10.694	0	9.071
Other payables		132.837	167.921	97.591	119.443
Deferred income	14,15	49.061	52.938	45.060	41.315
Short-term debt		411.856	473.602	387.058	432.273
Debt		484.571	541.616	459.189	496.559
Liabilities and equity		1.269.741	1.243.698	1.212.592	1.186.520

Balance Sheet 31 December

Liabilities and equity

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Statement of Changes in Equity

Group

	Share capital	Reserve for development costs	Reserve for currency exchange	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	546	0	846	462.038	200.000	663.430	2	663.432
Exchange adjustments	0	0	-1.447	0	0	-1.447	0	-1.447
Ordinary dividend paid	0	0	0	0	-200.000	-200.000	0	-200.000
Net profit/loss for the year	0	0	0	274.747	0	274.747	0	274.747
Equity at 31 December	546	0	-601	736.785	0	736.730	2	736.732

Parent company

	Share capital	Reserve for development costs	Reserve for currency exchange	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	546	157.663	-42	293.144	200.000	651.311	0	651.311
Exchange adjustments	0	0	-137	0	0	-137	0	-137
Ordinary dividend paid	0	0	0	0	-200.000	-200.000	0	-200.000
Transfer	0	55.481	0	-55.481	0	0	0	0
Depreciation, amortisation and impairment for the year	0	-37.490	0	37.490	0	0	0	0
Net profit/loss for the year	0	0	0	253.791	0	253.791	0	253.791
Equity at 31 December	546	175.654	-179	528.944	0	704.965	0	704.965

Notes to the Financial Statements

1 Revenue	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Geographical segments				
America	769.755	577.513	769.630	578.160
Asia	538.098	534.870	475.350	501.716
Europe	977.997	830.989	977.787	830.302
	2.285.850	1.943.372	2.222.767	1.910.178

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
2 Staff				
Wages and Salaries	486.033	398.455	408.648	324.776
Pensions	29.435	20.502	26.521	17.673
Other social security expenses	23.304	17.356	10.449	7.642
	538.772	436.313	445.618	350.091
Wages and Salaries, pensions and other social security expenses are recognised in the following items:				
Cost of sales	253.307	199.118	253.307	199.118
Distribution expenses	213.474	181.785	120.320	95.563
Administrative expenses	71.991	55.410	71.991	55.410
	538.772	436.313	445.618	350.091
Including remuneration to the Executive Board of Directors	8.679	7.385	8.679	7.385
	8.679	7.385	8.679	7.385
Average number of employees	744	573	605	456

Under Teradyne's stock compensation plans, Teradyne grants stock options, restricted stock units and performance-based restricted stock units, and employees are eligible to purchase Teradyne's common stock through its Employee Stock Purchase Plan ("ESPP"). Time-based restricted stock unit awards, granted to employees, vest in equal annual installments over four years. Restricted stock units are offered to the Executive board of Universal Robots and other Management positions. In 2022 33,091 stock units were granted to employees of Universal Robots and 10,650 stock units were vested.

Notes to the Financial Statements

	Group		Parent company	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
3 Financial income				
Interest received from group enterprises	188	0	258	77
Other financial income	199	129	0	26
Exchange gains	4.983	8.471	3.119	9.207
	5.370	8.600	3.377	9.310
4 Financial expenses				
Interest paid to group enterprises	816	0	816	0
Other financial expenses	1.258	1.641	1.250	1.725
	2.074	1.641	2.066	1.725
5 Tax on profit/loss for the year				
Current tax for the year	57.205	83.820	51.943	79.352
Deferred tax for the year	12.313	1.476	8.205	1.438
Adjustment of tax concerning previous years	-1.551	815	-2.091	2.643
Adjustment of deferred tax concerning previous years	0	344	0	0
	67.967	86.455	58.057	83.433

Notes to the Financial Statements

6 Intangible assets

Group

	Completed development projects	Acquired pa- tents	Acquired licenses	Goodwill	Development projects in progress	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	279.601	5.869	43.509	2.062	58.457	389.498
Corrections regarding prior year	-37.648	0	90	0	37.558	0
Additions for the year	111	1.385	4.250	0	70.637	76.383
Disposals for the year	-60	0	-1.963	0	0	-2.023
Transfers for the year	9.038	0	0	0	-9.038	0
Cost at 31 December	251.042	7.254	45.886	2.062	157.614	463.858
Impairment losses and amortisation at 1 January	132.863	4.529	29.637	1.374	0	168.403
Amortisation for the year	49.864	179	8.178	206	0	58.427
Reversal of amortisation of disposals for the year	-60	0	-1.853	0	0	-1.913
Impairment losses and amortisation at 31 December	182.667	4.708	35.962	1.580	0	224.917
Carrying amount at 31 December	68.375	2.546	9.924	482	157.614	238.941

Development projects relating to the further development of the company's product portfolio. The majority of the projects in progress are expected to be finalized in the coming years and the projects are progressing as planned using the resources allocated by Management to the development.

Prior to the launching of the projects the company has studied the market and assessed that there is a need for the products.

Notes to the Financial Statements

6 Intangible assets (continued)

Parent company

	Completed development projects	Acquired pa- tents	Acquired licenses	Development projects in progress	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	279.601	5.869	43.509	58.457	387.436
Corrections regarding prior year	-37.648	0	90	37.558	0
Additions for the year	111	1.385	4.119	70.637	76.252
Disposals for the year	-60	0	-1.963	0	-2.023
Transfers for the year	9.038	0	0	-9.038	0
Cost at 31 December	<u>251.042</u>	<u>7.254</u>	<u>45.755</u>	<u>157.614</u>	<u>461.665</u>
Impairment losses and amortisation at 1 January	132.863	4.529	29.637	0	167.029
Amortisation for the year	49.864	179	8.149	0	58.192
Reversal of amortisation of disposals for the year	-60	0	-1.853	0	-1.913
Impairment losses and amortisation at 31 December	<u>182.667</u>	<u>4.708</u>	<u>35.933</u>	<u>0</u>	<u>223.308</u>
Carrying amount at 31 December	<u>68.375</u>	<u>2.546</u>	<u>9.822</u>	<u>157.614</u>	<u>238.357</u>

Development projects relating to the further development of the company's product portfolio. The majority of the projects in progress are expected to be finalized in the coming years and the projects are progressing as planned using the resources allocated by Management to the development.

Prior to the launching of the projects the company has studied the market and assessed that there is a need for the products.

Notes to the Financial Statements

7 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Total
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	200.307	40.353	28.215	268.875
Exchange adjustment	-628	228	0	-400
Additions for the year	36.218	1.399	117.437	155.054
Disposals for the year	-17.325	-215	0	-17.540
Cost at 31 December	<u>218.572</u>	<u>41.765</u>	<u>145.652</u>	<u>405.989</u>
Impairment losses and depreciation at 1 January	127.987	26.908	0	154.895
Exchange adjustment	-339	191	0	-148
Depreciation for the year	28.730	4.156	0	32.886
Reversal of impairment and depreciation of sold assets	-16.133	-178	0	-16.311
Impairment losses and depreciation at 31 December	<u>140.245</u>	<u>31.077</u>	<u>0</u>	<u>171.322</u>
Carrying amount at 31 December	<u>78.327</u>	<u>10.688</u>	<u>145.652</u>	<u>234.667</u>

Notes to the Financial Statements

7 Property, plant and equipment (continued)

Parent company

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Total
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	176.395	36.289	28.215	240.899
Exchange adjustment	-144	13	0	-131
Additions for the year	30.120	1.044	117.437	148.601
Disposals for the year	-16.757	-215	0	-16.972
Cost at 31 December	<u>189.614</u>	<u>37.131</u>	<u>145.652</u>	<u>372.397</u>
Impairment losses and depreciation at 1 January	117.415	24.766	0	142.181
Exchange adjustment	-131	14	0	-117
Depreciation for the year	24.326	3.584	0	27.910
Reversal of impairment and depreciation of sold assets	-15.565	-178	0	-15.743
Impairment losses and depreciation at 31 December	<u>126.045</u>	<u>28.186</u>	<u>0</u>	<u>154.231</u>
Carrying amount at 31 December	<u>63.569</u>	<u>8.945</u>	<u>145.652</u>	<u>218.166</u>

Notes to the Financial Statements

	Parent company	
	2022	2021
	TDKK	TDKK
8 Investments in subsidiaries		
Cost at 1 January	5.399	5.399
Disposals for the year	-257	0
Carrying amount at 31 December	5.142	5.399

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
Universal Robots (Shanghai) Co. Ltd.	Shanghai, China	100%	35.448	16.173
Universal Robots (India) Private Limited	Bangalore, India	99%	2.235	221
Universal Robots (Spain) S.L.	Barcelona, Spain	100%	4.471	670
Universal Robot (UK) Ltd.	London, United Kingdom	100%	1.182	463
Universal Robots (Germany) GmbH	München, Germany	100%	10.040	2.362
Universal Robots Mexico S.A. de C.V.	Mexico City, Mexico	100%	812	-587
			54.188	19.302

9 Other fixed asset investments

	Group	Parent company	
	Deposits	Receivables from group enterprises	Deposits
	TDKK	TDKK	TDKK
Cost at 1 January	10.550	6.691	5.604
Exchange adjustment	-80	50	-80
Disposals for the year	-1.967	0	-552
Cost at 31 December	8.503	6.741	4.972
Carrying amount at 31 December	8.503	6.741	4.972

Notes to the Financial Statements

10 Prepayments

Prepayments consist of prepaid expenses concerning insurance premiums, marketing materials, subscriptions and other costs.

	Parent company	
	2022	2021
	TDKK	TDKK
11 Distribution of profit		
Extraordinary dividend paid	0	95.000
Proposed dividend for the year	0	200.000
Retained earnings	253.791	14.043
	253.791	309.043

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
12 Provision for deferred tax				
Provision for deferred tax at 1 January	16.741	17.372	22.050	20.605
Amounts recognised in the income statement for the year	12.540	-631	8.489	1.445
Provision for deferred tax at 31 December	29.281	16.741	30.539	22.050

The recognized tax asset of DKK 1.258k relates to the tax effect of accrued income in a group subsidiary.

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
13 Other provisions				
The Company provides warranties of up to 15 months on its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, the following have been recognised for expected warranty claims.				
Warranty provisions	17.899	16.600	17.899	16.600
	17.899	16.600	17.899	16.600

14 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Deferred income

Between 1 and 5 years	72.715	68.014	72.131	64.286
Long-term part	72.715	68.014	72.131	64.286
Within 1 year	0	0	0	0
Other deferred income	49.061	52.938	45.060	41.315
	121.776	120.952	117.191	105.601

15 Deferred income

Deferred income relates to accrual of revenue from future services relating to the company's delivered products and additional warranty.

Notes to the Financial Statements

16 Contingent assets, liabilities and other financial obligations

	Group		Parent company	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Rental and lease obligations				
Rent and lease liabilities	130.780	53.231	60.046	26.616
Guarantee obligations				
The company has issued guarantee commitments covering bankfacilities of group companies at a maximum of	0	0	3.137	2.953
Other contingent liabilities				
<p>Universal Robots is subject to some legal proceedings and claims which have arisen in the ordinary course of business such as, but not limited to, patent, employment, commercial and environmental matters. Universal Robots believes that it has meritorious defenses against all pending claims and intends to vigorously contest them. While it is not possible to predict or determine the outcomes of any pending claims or to provide possible ranges of losses that may arise, Universal Robots believes the potential losses associated with all of these actions are unlikely to have a material adverse effect on its business, financial position or results of operations.</p> <p>The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Danish group. The total amount of corporation tax payable is disclosed in the Annual Report of Teradyne Holdings Denmark ApS, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.</p>				
Including to group enterprises				
Guarantee obligations	0	0	3.137	2.953

Notes to the Financial Statements

17 Related parties

Basis

Controlling interest

Teradyne Inc.

Ultimate Parent

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

There have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

Name

Place of registered office

Teradyne Inc.

North Reading, MA, USA

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
18 Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Audit fee	408	350	408	350
Other assurance engagements	0	22	0	22
Other services	16	84	16	84
	424	456	424	456
KPMG				
Audit fee	276	270	0	0
Tax advisory services	0	111	0	0
	276	381	0	0
Krogh & Partners Ltd.				
Audit fee	61	0	0	0
	61	0	0	0
	761	837	424	456

19 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

20 Accounting Policies

The Annual Report of Universal Robots A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2022 are presented in TDKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Teradyne Inc., the Company and the Group have not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Universal Robots A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

Notes to the Financial Statements

20 Accounting Policies (continued)

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Business acquisitions carried through before 1 July 2018

Minority interests are recognised at the carrying amounts of the acquired assets and liabilities at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

The company's total liabilities relating to operating leases and other rent agreements are disclosed under "contingent assets, liabilities and other financial obligations."

Notes to the Financial Statements

20 Accounting Policies (continued)

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Revenue

Information on geographical segments based on the Group's risks and returns and its internal financial reporting system. Geographical segments are regarded as the primary segments.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Notes to the Financial Statements

20 Accounting Policies (continued)

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to distribution activities.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to administrative activities.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

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

Notes to the Financial Statements

20 Accounting Policies (continued)

The Company is jointly taxed with Danish group companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Development projects, patents and licences

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the Group can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item "Reserve for development costs". The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 years.

Patents and licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is 5 years. Software licences are amortised over the period of the agreement, which is 3 years.

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management's experience with the individual business areas.

Notes to the Financial Statements

20 Accounting Policies (continued)

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	2-10 years
Leasehold improvements	2-10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of deposits and receivables that fall due after 1 year.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

Notes to the Financial Statements

20 Accounting Policies (continued)

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of up to 15 months. Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Notes to the Financial Statements

20 Accounting Policies (continued)

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Notes to the Financial Statements

20 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$