
Universal Robots A/S

Energivej 25, DK-5260 Odense S

Annual Report for 1 January - 31 December 2021

CVR No 29 13 80 60

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
1 /3 2022

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 2021.

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 2021 of the Company and the Group and of the results of the Company and Group operations for 2021.

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, 1 March 2022

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 2021 and of the results of the Group's and the Parent Company's operations for the financial year 1 January - 31 December 2021 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 2021, 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 Financials 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, 1 March 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mikael Johansen
statsautoriseret revisor
mne23318

Anders Kronborg Choy
statsautoriseret revisor
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				
	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK	2017 TDKK
Key figures					
Profit/loss					
Revenue	1.943.372	1.437.762	1.658.558	1.479.186	1.125.376
Operating profit/loss	379.009	200.777	274.324	288.321	231.473
Net financials	6.959	-17.064	192	-163	-6.749
Net profit/loss for the year	299.333	151.264	213.307	221.172	174.825
Balance sheet					
Balance sheet total	1.243.698	936.683	922.124	823.217	534.236
Equity	663.432	601.549	591.990	453.243	246.995
Investment in property, plant and equipment	39.960	34.359	37.674	64.184	41.448
Number of employees	672	678	602	489	315
Ratios					
Profit margin	19,5%	13,9%	16,5%	19,4%	20,5%
Return on assets	30,5%	21,4%	29,7%	34,9%	43,3%
Solvency ratio	53,3%	64,2%	64,2%	55,1%	46,2%
Return on equity	47,3%	25,3%	40,8%	63,2%	89,7%

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 industrial robots.

Development in the year

The Group reported a profit before tax for 2021 of DKK 299,333k, and equity amounts to DKK 663,432k at 31 December 2021. The results are overall considered satisfactory especially in the light of the COVID-19 pandemic that materially impacted the company's supply chain and business during the year.

Revenue increased by 35.2% compared to the prior year based on a strong surge in demand for the collaborative industrial robots.

Last year the expectations for the 2021 result were very uncertain due to the covid-19 pandemic, but the realized financial result is considered satisfying in the light of the company's growth strategy.

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 post-pandemic financial environment, including the global supply challenges makes at a challenging business environment to operate in.

Management expects continued strong revenue growth within the Group in 2022. The company's declared strategy aims at continued growth approximated 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 2022 to be within +/- 15% of 2021.

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 .

Management's Review

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.

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 significant.

Knowledge resources

The company is to a large extent a knowledge-based company. In order 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 on a continuous basis, and has initiated a number of sustainability initiatives, aiming at becoming more sustainable over the coming years.

Management's Review

Subsequent events

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

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/1823208/2021-universal-robots-corporate-social-responsibility-report.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 in particular.

Universal Robots 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 2022.

Income Statement 1 January - 31 December

	Note	Group		Parent company	
		2021 TDKK	2020 TDKK	2021 TDKK	2020 TDKK
Revenue	1	1.943.372	1.437.762	1.910.178	1.408.609
Cost of sales	2	-911.278	-715.033	-913.326	-711.291
Gross profit/loss		1.032.094	722.729	996.852	697.318
Distribution expenses	2	-473.463	-383.158	-436.866	-363.032
Administrative expenses	2	-179.622	-138.794	-179.622	-138.794
Operating profit/loss		379.009	200.777	380.364	195.492
Other operating expenses		-180	-517	-180	-517
Profit/loss before financial income and expenses		378.829	200.260	380.184	194.975
Income from investments in subsidiaries		0	0	4.707	0
Financial income	3	8.600	161	9.310	199
Financial expenses	4	-1.641	-17.225	-1.725	-15.890
Profit/loss before tax		385.788	183.196	392.476	179.284
Tax on profit/loss for the year	5	-86.455	-31.932	-83.433	-31.082
Net profit/loss for the year		299.333	151.264	309.043	148.202

Balance Sheet 31 December

Assets

	Note	Group		Parent company	
		2021 TDKK	2020 TDKK	2021 TDKK	2020 TDKK
Completed development projects		146.741	105.915	146.741	105.915
Acquired patents		1.340	936	1.340	936
Acquired licenses		13.874	13.605	13.874	13.605
Goodwill		688	894	0	0
Development projects in progress		58.456	70.697	58.456	70.697
Intangible assets	6	221.099	192.047	220.411	191.153
Other fixtures and fittings, tools and equipment		72.319	74.620	58.980	65.229
Leasehold improvements		13.445	16.116	11.523	13.002
Property, plant and equipment in progress		28.215	16.132	28.215	16.132
Property, plant and equipment	7	113.979	106.868	98.718	94.363
Investments in subsidiaries	8	0	0	5.399	5.399
Receivables from group enterprises	9	0	0	6.691	6.692
Deposits	9	10.550	9.279	5.604	5.335
Fixed asset investments		10.550	9.279	17.694	17.426
Fixed assets		345.628	308.194	336.823	302.942

Balance Sheet 31 December

Assets

	Note	Group		Parent company	
		2021 TDKK	2020 TDKK	2021 TDKK	2020 TDKK
Raw materials and consumables		195.625	97.727	195.625	97.727
Finished goods and goods for resale		41.710	27.405	26.519	20.283
Prepayments for goods		11.174	35.518	11.174	35.518
Inventories		248.509	160.650	233.318	153.528
Trade receivables		130.892	143.385	115.363	124.944
Receivables from group enterprises		3.748	2.491	61.422	30.146
Other receivables		16.380	5.257	14.580	5.499
Deferred tax asset	12	5.309	0	0	0
Prepayments	10	12.273	9.845	7.094	5.900
Receivables		168.602	160.978	198.459	166.489
Cash at bank and in hand		480.959	306.861	417.920	273.898
Currents assets		898.070	628.489	849.697	593.915
Assets		1.243.698	936.683	1.186.520	896.857

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2021 TDKK	2020 TDKK	2021 TDKK	2020 TDKK
Share capital		546	546	546	546
Reserve for development costs		0	134.193	157.663	134.193
Reserve for currency exchange		846	-1.705	-42	-146
Retained earnings		462.038	323.513	293.144	302.572
Proposed dividend for the year		200.000	145.000	200.000	145.000
Equity attributable to shareholders of the Parent Company		663.430	601.547	651.311	582.165
Minority interests		2	2	0	0
Equity		663.432	601.549	651.311	582.165
Provision for deferred tax	12	22.050	17.372	22.050	20.605
Other provisions	13	16.600	15.100	16.600	15.100
Provisions		38.650	32.472	38.650	35.705
Deferred income		68.014	69.032	64.286	61.165
Long-term debt	14	68.014	69.032	64.286	61.165
Credit institutions		1.031	466	1.031	466
Prepayments received from customers		14.124	1.331	14.124	1.331
Trade payables		158.103	67.335	152.904	63.622
Payables to group enterprises		68.791	20.278	94.385	33.634
Corporation tax		10.694	6.293	9.071	3.447
Other payables		167.921	97.586	119.443	79.466
Deferred income	14,15	52.938	40.341	41.315	35.856
Short-term debt		473.602	233.630	432.273	217.822
Debt		541.616	302.662	496.559	278.987
Liabilities and equity		1.243.698	936.683	1.186.520	896.857

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	134.193	-1.705	323.512	145.000	601.546	2	601.548
Exchange adjustments	0	0	2.551	0	0	2.551	0	2.551
Ordinary dividend paid	0	0	0	0	-145.000	-145.000	0	-145.000
Extraordinary dividend paid	0	0	0	-95.000	0	-95.000	0	-95.000
Transfer	0	-134.193	0	134.193	0	0	0	0
Net profit/loss for the year	0	0	0	99.333	200.000	299.333	0	299.333
Equity at 31 December	546	0	846	462.038	200.000	663.430	2	663.432

Statement of Changes in Equity

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	134.193	-146	302.571	145.000	582.164	0	582.164
Exchange adjustments	0	0	104	0	0	104	0	104
Ordinary dividend paid	0	0	0	0	-145.000	-145.000	0	-145.000
Extraordinary dividend paid	0	0	0	-95.000	0	-95.000	0	-95.000
Transfer	0	49.603	0	-49.603	0	0	0	0
Depreciation, amortisation and impairment for the year	0	-26.133	0	26.133	0	0	0	0
Net profit/loss for the year	0	0	0	109.043	200.000	309.043	0	309.043
Equity at 31 December	546	157.663	-42	293.144	200.000	651.311	0	651.311

Notes to the Financial Statements

1 Revenue	Group		Parent company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
Geographical segments				
America	577.513	405.916	578.160	406.221
Asia	534.870	404.650	501.716	376.243
Europe	830.989	627.196	830.302	626.145
	1.943.372	1.437.762	1.910.178	1.408.609

Notes to the Financial Statements

	Group		Parent company	
	2021 TDKK	2020 TDKK	2021 TDKK	2020 TDKK
2 Staff				
Wages and Salaries	398.455	326.535	324.776	265.553
Pensions	20.502	19.069	17.673	16.140
Other social security expenses	17.356	13.038	7.642	6.095
	436.313	358.642	350.091	287.788
Wages and Salaries, pensions and other social security expenses are recognised in the following items:				
Cost of sales	199.118	193.665	199.118	193.665
Distribution expenses	181.785	131.011	95.563	60.157
Administrative expenses	55.410	33.966	55.410	33.966
	436.313	358.642	350.091	287.788
Including remuneration to the Executive Board of Directors	7.385	12.366	7.385	12.366
	7.385	12.366	7.385	12.366
Average number of employees	672	678	456	450

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 2021 22.116 stock units were granted to employees of Universal Robots and 17.956 stock units were vested.

Notes to the Financial Statements

	Group		Parent company	
	2021 TDKK	2020 TDKK	2021 TDKK	2020 TDKK
3 Financial income				
Interest received from group enterprises	0	0	77	131
Other financial income	129	161	26	68
Exchange gains	8.471	0	9.207	0
	8.600	161	9.310	199
4 Financial expenses				
Other financial expenses	1.641	2.901	1.725	1.370
Exchange loss	0	14.324	0	14.520
	1.641	17.225	1.725	15.890
5 Tax on profit/loss for the year				
Current tax for the year	83.820	32.749	79.352	29.464
Deferred tax for the year	1.476	-1.811	1.438	805
Adjustment of tax concerning previous years	815	-1.362	2.643	813
Adjustment of deferred tax concerning previous years	344	2.356	0	0
	86.455	31.932	83.433	31.082

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	203.440	5.447	35.525	1.718	70.698	316.828
Additions for the year	42.644	747	7.985	0	20.950	72.326
Transfers for the year	33.517	-325	0	344	-33.192	344
Cost at 31 December	279.601	5.869	43.510	2.062	58.456	389.498
Impairment losses and amortisation at 1 January	97.523	4.511	21.919	824	0	124.777
Amortisation for the year	35.337	18	7.717	206	0	43.278
Transfers for the year	0	0	0	344	0	344
Impairment losses and amortisation at 31 December	132.860	4.529	29.636	1.374	0	168.399
Carrying amount at 31 December	146.741	1.340	13.874	688	58.456	221.099

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	203.440	5.447	35.525	70.698	315.110
Additions for the year	42.644	747	7.985	20.950	72.326
Transfers for the year	33.517	-325	0	-33.192	0
Cost at 31 December	279.601	5.869	43.510	58.456	387.436
Impairment losses and amortisation at 1 January	97.523	4.511	21.919	0	123.953
Amortisation for the year	35.337	18	7.717	0	43.072
Impairment losses and amortisation at 31 December	132.860	4.529	29.636	0	167.025
Carrying amount at 31 December	146.741	1.340	13.874	58.456	220.411

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	175.568	38.253	16.133	229.954
Exchange adjustment	1.511	136	0	1.647
Additions for the year	23.516	2.742	13.702	39.960
Disposals for the year	-1.909	-777	0	-2.686
Transfers for the year	1.620	0	-1.620	0
Cost at 31 December	<u>200.306</u>	<u>40.354</u>	<u>28.215</u>	<u>268.875</u>
Impairment losses and depreciation at 1 January	100.948	22.137	0	123.085
Exchange adjustment	796	62	0	858
Depreciation for the year	27.988	4.891	0	32.879
Reversal of impairment and depreciation of sold assets	<u>-1.745</u>	<u>-181</u>	<u>0</u>	<u>-1.926</u>
Impairment losses and depreciation at 31 December	<u>127.987</u>	<u>26.909</u>	<u>0</u>	<u>154.896</u>
Carrying amount at 31 December	<u>72.319</u>	<u>13.445</u>	<u>28.215</u>	<u>113.979</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	156.689	33.852	16.133	206.674
Exchange adjustment	-86	42	0	-44
Additions for the year	19.627	2.705	13.702	36.034
Disposals for the year	-1.455	-310	0	-1.765
Transfers for the year	1.620	0	-1.620	0
Cost at 31 December	<u>176.395</u>	<u>36.289</u>	<u>28.215</u>	<u>240.899</u>
Impairment losses and depreciation at 1 January	91.459	20.851	0	112.310
Exchange adjustment	-46	28	0	-18
Depreciation for the year	27.370	4.045	0	31.415
Reversal of impairment and depreciation of sold assets	-1.368	-158	0	-1.526
Impairment losses and depreciation at 31 December	<u>117.415</u>	<u>24.766</u>	<u>0</u>	<u>142.181</u>
Carrying amount at 31 December	<u>58.980</u>	<u>11.523</u>	<u>28.215</u>	<u>98.718</u>

Notes to the Financial Statements

	Parent company	
	2021	2020
	TDKK	TDKK
8 Investments in subsidiaries		
Cost at 1 January	5.399	5.399
Carrying amount at 31 December	5.399	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%	20.491	2.662
Universal Robots (India) Private Limited	Bangalore, India	99%	2.104	213
Universal Robots (Spain) S.L.	Barcelona, Spain	100%	3.801	792
Universal Robots (Singapore) Pte. Ltd.	Singapore	100%	963	126
Universal Robots (Germany) GmbH	München, Germany	100%	7.678	2.224
Universal Robots Mexico S.A. de C.V.	Mexico City, Mexico	100%	1.250	479
Universal Robot (UK) Ltd.	London, United Kingdom	100%	770	374
			<u>37.057</u>	<u>6.870</u>

Notes to the Financial Statements

9 Other fixed asset investments

	Group	Parent company	
	Deposits	Receivables from group enterprises	Deposits
	TDKK	TDKK	TDKK
Cost at 1 January	9.279	6.692	5.335
Exchange adjustment	0	-1	0
Additions for the year	1.271	0	269
Cost at 31 December	10.550	6.691	5.604
Carrying amount at 31 December	10.550	6.691	5.604

10 Prepayments

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

11 Distribution of profit

	Parent company	
	2021	2020
	TDKK	TDKK
Extraordinary dividend paid	95.000	40.000
Proposed dividend for the year	200.000	145.000
Retained earnings	14.043	-36.798
	309.043	148.202

Notes to the Financial Statements

	Group		Parent company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	TDKK	TDKK	TDKK	TDKK
12 Provision for deferred tax				
Provision for deferred tax at 1 January	17.372	16.972	20.605	20.064
Amounts recognised in the income statement for the year	<u>-631</u>	<u>400</u>	<u>1.445</u>	<u>541</u>
Provision for deferred tax at 31 December	<u>16.741</u>	<u>17.372</u>	<u>22.050</u>	<u>20.605</u>

The recognized tax asset of DKK 5.309k relates to the tax effect of accrued expenses in a group subsidiary. Since the subsidiary historically has been profit-making and management expects this to continue, it is the expectation that the tax asset will be utilized.

	Group		Parent company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	TDKK	TDKK	TDKK	TDKK
13 Other provisions				
Warranty provisions	<u>16.600</u>	<u>15.100</u>	<u>16.600</u>	<u>15.100</u>
	<u>16.600</u>	<u>15.100</u>	<u>16.600</u>	<u>15.100</u>

Notes to the Financial Statements

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:

	Group		Parent company	
	<u>2021</u> TDKK	<u>2020</u> TDKK	<u>2021</u> TDKK	<u>2020</u> TDKK
Deferred income				
Between 1 and 5 years	68.014	69.032	64.286	61.165
Long-term part	<u>68.014</u>	<u>69.032</u>	<u>64.286</u>	<u>61.165</u>
Within 1 year	0	0	0	0
Other deferred income	<u>52.938</u>	<u>40.341</u>	<u>41.315</u>	<u>35.856</u>
	<u>120.952</u>	<u>109.373</u>	<u>105.601</u>	<u>97.021</u>

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	
	2021 TDKK	2020 TDKK	2021 TDKK	2020 TDKK
Rental and lease obligations				
Rent and lease liabilities	53.231	62.006	26.616	39.500
Guarantee obligations				
The company has issued guarantee commitments covering bankfacilities of group companies at a maximum of	0	0	2.953	3.862
Other contingent liabilities				
Parent company				
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.				
Including to group enterprises				
Guarantee obligations	0	0	2.953	3.862

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	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
18 Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Audit fee	350	385	350	350
Other assurance engagements	22	0	22	0
Tax advisory services	0	256	0	256
Other services	84	54	84	54
	456	695	456	660
KPMG				
Audit fee	270	226	0	0
Tax advisory services	111	0	0	0
	381	226	0	0
	837	921	456	660

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 2021 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 2021 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.

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.

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

Notes to the Financial Statements

20 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

20 Accounting Policies (continued)

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	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$