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STMICROELECTRONICS A/S
PALUDAN MÜLLERSVEJ 40B, 8200 AARHUS N
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 3 June 2024**

Edoardo Marco Sirtori

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Management's Statement.....	4
Independent Auditor's Report.....	5-6
Management Commentary	
Management Commentary.....	7
Financial Statements 1 January - 31 December	
Income Statement.....	8
Balance Sheet.....	9-10
Equity.....	11
Notes.....	12-13
Accounting Policies.....	14-16

COMPANY DETAILS

Company	STMicroelectronics A/S Paludan Müllersvej 40B 8200 Aarhus N
	Website: www.st.com
	CVR No.: 36 09 04 99
	Established: 9 September 2014
	Municipality: Aarhus
	Financial Year: 1 January - 31 December
Board of Directors	Edoardo Marco Sirtori, chairman Ricardo Antonio De Sa Earp Andreas Brenner
Executive Board	Ricardo Antonio De Sa Earp
Auditor	BDO Statsautoriseret revisionsaktieselskab Vestre Ringgade 28 8000 Aarhus C
Bank	Jyske Bank Vestergade 8-10 8600 Silkeborg

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of STMicroelectronics A/S for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Aarhus, 3 June 2024

Executive Board

Ricardo Antonio De Sa Earp

Board of Directors

Edoardo Marco Sirtori
Chairman

Ricardo Antonio De Sa Earp

Andreas Brenner

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of STMicroelectronics A/S

Opinion

We have audited the Financial Statements of STMicroelectronics A/S for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

INDEPENDENT AUDITOR'S REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

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

Aarhus, 3 June 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jonas Lund Jacobsen
State Authorised Public Accountant
MNE no. mne46611

MANAGEMENT COMMENTARY

Principal activities

The company's activities are designing and development of software services to affiliated companies' semiconductor products.

Development in activities and financial and economic position

The company is a research and development unit under the ST Microelectronics Cooperation.

The company's has lost more than half of its share capital and is subject to the rules on capital losses in the Danish Companies Act.

The annual report has been prepared as a going concern.

See note "Going concern assumptions" for further information.

The management are pleased with development of company and the current strategy.

The result for the year was anticipated by management.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
GROSS PROFIT		21.099.013	17.875.250
Staff costs.....	1	-19.257.330	-16.125.058
Depreciation, amortisation and impairment losses for tangible and intangible assets.....		-347.350	-300.993
Other operating expenses.....		-280.981	-205.859
OPERATING PROFIT		1.213.352	1.243.340
Other financial income.....	2	395.120	207.757
Other financial expenses.....	3	-703.756	-356.761
PROFIT BEFORE TAX		904.716	1.094.336
Tax on profit/loss for the year.....	4	-204.504	-240.733
PROFIT FOR THE YEAR		700.212	853.603
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		700.212	853.603
TOTAL		700.212	853.603

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Other plant, fixtures and equipment.....		427.548	474.812
Leasehold improvements.....		420.498	481.069
Property, plant and equipment.....	5	848.046	955.881
NON-CURRENT ASSETS.....		848.046	955.881
Receivables from group enterprises.....		6.349.702	8.347.535
Deferred tax assets.....		0	21.018
Other receivables.....		775.313	140.448
Prepayments.....		163.656	132.097
Receivables.....		7.288.671	8.641.098
Cash and cash equivalents.....		1.951.679	1.815.669
CURRENT ASSETS.....		9.240.350	10.456.767
ASSETS.....		10.088.396	11.412.648

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK
Share Capital.....		500.000	500.000
Retained earnings.....		-4.141.248	-4.841.460
EQUITY.....		-3.641.248	-4.341.460
Provisions for deferred tax.....		2.404	0
PROVISIONS.....		2.404	0
Debt to group enterprises.....		9.438.940	9.514.779
Non-current liabilities.....	6	9.438.940	9.514.779
Trade payables.....		186.115	79.978
Debt to Group companies.....		244.281	3.656.667
Corporation tax payable.....		195.025	244.684
Other liabilities.....		3.662.879	2.258.000
Current liabilities.....		4.288.300	6.239.329
LIABILITIES.....		13.727.240	15.754.108
EQUITY AND LIABILITIES.....		10.088.396	11.412.648
 Contingencies etc.	 7		
Going concern assumptions	8		

EQUITY

DKK	Share Capital	Retained earnings	Total
Equity at 1 January 2023.....	500.000	-4.841.460	-4.341.460
Proposed profit allocation.....		700.212	700.212
Equity at 31 December 2023	500.000	-4.141.248	-3.641.248

NOTES

	2023 DKK	2022 DKK	Note
Staff costs			1
Average number of full time employees	21	19	
Wages and salaries.....	16.609.431	13.822.573	
Pensions.....	2.438.900	2.169.329	
Social security costs.....	196.113	128.244	
Other staff costs.....	12.886	4.912	
	19.257.330	16.125.058	
Other financial income			2
Interest income from group enterprises.....	19.257	0	
Other interest income.....	375.863	207.757	
	395.120	207.757	
Other financial expenses			3
Interest expenses to group enterprises.....	410.048	126.780	
Other interest expenses.....	293.708	229.981	
	703.756	356.761	
Tax on profit/loss for the year			4
Calculated tax on taxable income of the year.....	181.082	244.684	
Adjustment of deferred tax.....	23.422	-3.951	
	204.504	240.733	
Property, plant and equipment			5
	DKK	Other plant, fixtures and equipment	Leasehold improvements
Cost at 1 January 2023.....	1.135.084	763.286	
Additions.....	192.126	47.390	
Disposals.....	-92.432	0	
Cost at 31 December 2023.....	1.234.778	810.676	
Depreciation and impairment losses at 1 January 2023.....	660.272	282.218	
Reversal of depreciation of assets disposed of.....	-92.432	0	
Depreciation for the year.....	239.390	107.960	
Depreciation and impairment losses at 31 December 2023....	807.230	390.178	
Carrying amount at 31 December 2023.....	427.548	420.498	

NOTES

					Note
Long-term liabilities					6
	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities	
Payables to group enterprises.....	9.438.940	0	0	9.514.779	
	9.438.940	0	0	9.514.779	

Contingencies etc. **7**

Contingent liabilities

The company has signed a rental contract with a monthly rent for 44 t.kr. The contract has a notice period of 6 months. The rent in the notice period amounts to 267 t.kr.

Going concern assumptions **8**

The company's equity is negative by 3.641.248 DKK as of December 31, 2023, of which the share capital amounts to 500,000 DKK. Therefore, the company has lost more than half of its share capital and is subject to the rules on capital losses in the Danish Companies Act.

The Company's current assets are adequate to meet its current liabilities, indicating the availability of sufficient liquidity to support its ongoing operations.

Management expects the share capital to be restored through operating earnings. Based on this, the annual report for 2023 has been prepared on a going concern basis.

ACCOUNTING POLICIES

The Annual Report of STMicroelectronics A/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Sale of services is generally recognised on the basis of a measurable degree of completion, using straight-line recognition of services delivered over time in a regular pattern. Where the degree of completion is not measurable or the sales value or the total costs of completion are uncertain, revenue is recognised by the amount that the enterprise as a maximum believes to have a right to claim and is expected to be received for services delivered at the Balance Sheet date.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

Other operating expenses

Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible and tangible fixed assets are also included.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Tangible fixed assets

Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

ACCOUNTING POLICIES

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life
Other plant, fixtures and equipment.....	2-5 years
Leasehold improvements.....	3-10 years

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Impairment of fixed assets

The carrying amount of tangible assets, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

ACCOUNTING POLICIES

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff 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 under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.