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BDO Statsautoriseret revisionsaktieselskab  
Kystvejen 29  
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CVR no. 20 22 26 70

**STMICROELECTRONICS A/S**  
**PALUDAN MÜLLERSVEJ 40B, 8200 AARHUS N**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2021**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 25 May 2022**

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**Christoph Herrmann**

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**COMPANY DETAILS**

<b>Company</b>	STMicroelectronics A/S Paludan Müllersvej 40B 8200 Aarhus N
	CVR No.: 36 09 04 99 Established: 9 September 2014 Municipality: Aarhus Financial Year: 1 January - 31 December
<b>Board of Directors</b>	Edoardo Marco Sirtori, chairman Ricardo Antonio De Sa Earp Thierry Clément Alphonse Bauchon
<b>Executive Board</b>	Ricardo Antonio De Sa Earp
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Kystvejen 29 8000 Aarhus C

## 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 2021.*

*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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.*

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

Aarhus, 25 May 2022

Executive Board

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Ricardo Antonio De Sa Earp

Board of Directors

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Edoardo Marco Sirtori  
Chairman

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Ricardo Antonio De Sa Earp

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Thierry Clément Alphonse  
Bauchon

## INDEPENDENT AUDITOR'S REPORT

*To the Shareholder of STMicronics A/S*

### **Opinion**

*We have audited the Financial Statements of STMicronics A/S for the financial year 1 January - 31 December 2021, 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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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.*

## INDEPENDENT AUDITOR'S REPORT

- *Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.*
- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.*
- *Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.*
- *Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.*

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

### **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, 25 May 2022

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Gert Malmkvist  
State Authorised Public Accountant  
MNE no. mne27792

## 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 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	2021 DKK	2020 DKK
<b>GROSS PROFIT</b> .....		<b>14.135.784</b>	<b>13.248.251</b>
Staff costs.....	1	-12.909.039	-11.837.278
Depreciation, amortisation and impairment losses.....		-322.477	-220.710
<b>OPERATING PROFIT</b> .....		<b>904.268</b>	<b>1.190.263</b>
Other financial income.....	2	100.834	13.308
Other financial expenses.....	3	-96.749	-24.126
<b>PROFIT BEFORE TAX</b> .....		<b>908.353</b>	<b>1.179.445</b>
Tax on profit/loss for the year.....	4	-199.957	-259.461
<b>PROFIT FOR THE YEAR</b> .....		<b>708.396</b>	<b>919.984</b>
<b>PROPOSED DISTRIBUTION OF PROFIT</b>			
Retained earnings.....		708.396	919.984
<b>TOTAL</b> .....		<b>708.396</b>	<b>919.984</b>



**BALANCE SHEET AT 31 DECEMBER**

ASSETS	Note	2021 DKK	2020 DKK
Other plants, machinery, tools and equipment.....		352.137	527.852
Leasehold improvements.....		578.886	666.118
<b>Property, plant and equipment.....</b>	<b>5</b>	<b>931.023</b>	<b>1.193.970</b>
Rent deposit and other receivables.....		122.395	122.395
<b>Financial non-current assets.....</b>	<b>6</b>	<b>122.395</b>	<b>122.395</b>
<b>NON-CURRENT ASSETS.....</b>		<b>1.053.418</b>	<b>1.316.365</b>
Receivables from group enterprises.....		5.556.763	5.048.632
Deferred tax assets.....		17.067	0
Other receivables.....		610.290	123.469
Prepayments and accrued income.....		2.740	13.326
<b>Receivables.....</b>		<b>6.186.860</b>	<b>5.185.427</b>
Cash and cash equivalents.....		1.141.412	1.019.577
<b>CURRENT ASSETS.....</b>		<b>7.328.272</b>	<b>6.205.004</b>
<b>ASSETS.....</b>		<b>8.381.690</b>	<b>7.521.369</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital.....		500.000	500.000
Retained earnings.....		-5.695.063	-6.403.459
<b>EQUITY.....</b>		<b>-5.195.063</b>	<b>-5.903.459</b>
Provision for deferred tax.....		0	36.218
<b>PROVISIONS.....</b>		<b>0</b>	<b>36.218</b>
Payables to group enterprises.....		9.432.957	9.423.570
<b>Non-current liabilities.....</b>	<b>7</b>	<b>9.432.957</b>	<b>9.423.570</b>
Trade payables.....		54.321	92.254
Payables to group enterprises.....		1.874.391	1.133.538
Corporation tax.....		253.242	243.628
Other liabilities.....		1.961.842	2.495.620
<b>Current liabilities.....</b>		<b>4.143.796</b>	<b>3.965.040</b>
<b>LIABILITIES.....</b>		<b>13.576.753</b>	<b>13.388.610</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>8.381.690</b>	<b>7.521.369</b>
Contingencies etc.	8		

## EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2021.....	500.000	-6.403.459	-5.903.459
Proposed profit allocation.....		708.396	708.396
<b>Equity at 31 December 2021.....</b>	<b>500.000</b>	<b>-5.695.063</b>	<b>-5.195.063</b>

## NOTES

	2021 DKK	2020 DKK	Note
<b>Staff costs</b>			<b>1</b>
Average number of employees	15	14	
Wages and salaries.....	10.753.876	9.858.819	
Pensions.....	1.791.151	1.550.612	
Social security costs.....	128.522	99.147	
Other staff costs.....	235.490	328.700	
	<b>12.909.039</b>	<b>11.837.278</b>	
<b>Other financial income</b>			<b>2</b>
Other interest income.....	100.834	13.308	
	<b>100.834</b>	<b>13.308</b>	
<b>Other financial expenses</b>			<b>3</b>
Other interest expenses.....	96.749	24.126	
	<b>96.749</b>	<b>24.126</b>	
<b>Tax on profit/loss for the year</b>			<b>4</b>
Calculated tax on taxable income of the year.....	253.242	243.628	
Adjustment of deferred tax.....	-53.285	15.833	
	<b>199.957</b>	<b>259.461</b>	
<b>Property, plant and equipment</b>			<b>5</b>
	Other plants, machinery, tools and equipment	Leasehold improvements	
Cost at 1 January 2021.....	796.262	743.186	
Additions.....	46.030	13.500	
Disposals.....	-26.457	0	
<b>Cost at 31 December 2021.....</b>	<b>815.835</b>	<b>756.686</b>	
Depreciation and impairment losses at 1 January 2021.....	268.410	77.068	
Reversal of depreciation of assets disposed.....	-17.545	0	
Depreciation for the year.....	212.833	100.732	
<b>Depreciation and impairment losses at 31 December 2021...</b>	<b>463.698</b>	<b>177.800</b>	
<b>Carrying amount at 31 December 2021.....</b>	<b>352.137</b>	<b>578.886</b>	

## NOTES

		Note
<b>Financial non-current assets</b>		<b>6</b>
	Rent deposit and other receivables	
Cost at 1 January 2021.....	122.395	
Cost at 31 December 2021.....	<b>122.395</b>	
<b>Carrying amount at 31 December 2021.....</b>	<b>122.395</b>	
 <b>Long-term liabilities</b>		 <b>7</b>
	31/12 2021 total liabilities	Debt outstanding after 5 years
		31/12 2020 total liabilities
Payables to group enterprises.....	9.432.957	0 9.423.570 9.423.570
.....	0	0 1.194.932
	<b>9.432.957</b>	<b>0 9.423.570 10.618.502</b>
 <b>Contingencies etc.</b>		 <b>8</b>
<b>Contingent liabilities</b>		
The company has signed a rental contract with a monthly rent for 63 t.kr. The contract has a notice period of 10 months. The rent in the notice period amounts to 629 t.kr.		
The company has signed lease agreements for the next 34 months, with a monthly fee of 6 t.kr. The total liability in the lease period is 196 t.kr.		

## ACCOUNTING POLICIES

*The Annual Report of STMicroelectronics A/S for 2021 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**

*Net revenue from sale of services is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.*

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

### **Cost of sales**

*Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials, consumables and external assistance.*

### **Other external expenses**

*Other external costs include costs relating to distribution, sale, advertising, administration, premises, operating lease expenses and similar expenses.*

### **Staff costs**

*Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.*

### **Financial income and expenses**

*Financial income and expenses include interest income and expenses and unrealised gains and losses arising from debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc.*

*Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.*

### **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 portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.*

**ACCOUNTING POLICIES**

**BALANCE SHEET**

**Tangible fixed assets**

Leasehold improvements, machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-down.

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

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	Residual value
Other plant, fixtures and equipment.....	2-5 years	0 %
Leasehold improvements.....	3-10 years	0 %

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

**Fixed asset investments**

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

**Impairment of fixed assets**

The carrying amount of tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis 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 net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

**Receivables**

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

**Accruals, assets**

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

**Cash and cash equivalents**

Cash and cash equivalents include cash at bank.

## ACCOUNTING POLICIES

### ***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.*

*Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date would 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***

*Amortised cost of current liabilities usually corresponds to nominal value.*

### ***Foreign currency translation***

*Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.*

*Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.*