

## Arm Denmark ApS

Ragnagade 7, 2100 København Ø

Company reg. no. 41 56 34 51

### Annual report

**5 August 2020 - 31 March 2021**

The annual report was submitted and approved by the general meeting on the 30 June 2021.

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Christoffer Dall  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's report**

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Today, the executive board has presented the annual report of Arm Denmark ApS for the financial year 5 August 2020 - 31 March 2021.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 March 2021 and of the company's results of activities in the financial year 5 August 2020 – 31 March 2021.

The executive board consider the conditions for audit exemption of the 2020/21 financial statements to be met.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Copenhagen, 28 June 2021

### **Executive board**

Kirsty Judith Gill

Christoffer Dall

## **Auditor's report on compilation of the annual accounts**

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### **To the shareholders of Arm Denmark ApS**

We have compiled the financial statements of Arm Denmark ApS for the financial year 5 August 2020 - 31 March 2021 based on the company's bookkeeping and on further information provided by you.

The financial statements comprise the accounting policies, income statement, statement of financial position, statement of changes in equity and notes.

We performed this engagement in accordance with the international standard ISRS 4410 applying to compilation engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us in order to compile the financial statements. Accordingly, we express neither an audit opinion nor a review opinion as to whether the financial statements have been compiled in accordance with the Danish Financial Statements Act.

Copenhagen, 28 June 2021

### **ReviPoint**

Statsautoriserede Revisorer A/S  
Company reg. no. 31 61 15 20

### **Jan Lundqvist**

State Authorised Public Accountant  
mne19740

## **Company information**

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### **The company**

Arm Denmark ApS  
Ragnagade 7  
2100 København Ø

Company reg. no. 41 56 34 51  
Established: 5 August 2020  
Domicile: Copenhagen  
Financial year: 5 August 2020 - 31 March 2021  
1st financial year

### **Executive board**

Kirsty Judith Gill  
Christoffer Dall

### **Auditors**

ReviPoint Statsautoriserede Revisorer A/S  
Ragnagade 7  
2100 København Ø

### **Parent company**

Arm Ltd

## **Management commentary**

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### **The principal activities of the company**

The company's principal activities are regarding information technology and related services

### **Unusual matters**

The outbreak and spread of COVID-19 has had no effect on the annual report for 2020/21 and no action has been taken between the day and until today to advance the assessment of the annual report.

### **Development in activities and financial matters**

The gross profit for the year totals DKK 2.775.775. Income or loss from ordinary activities after tax totals DKK 150.028.

Management considers the net profit or loss for the year satisfactory.

### **Events subsequent to the financial year**

The outbreak and spread of COVID-19 has had no effect on the annual report for 2020/21 and no action has been taken between the day and until today to advance the assessment of the annual report.

## **Accounting policies**

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The annual report for Arm Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

### **Recognition and measurement in general**

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concern matters existing on the balance sheet date.

### **Foreign currency translation**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

## **Accounting policies**

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Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or writedown for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

### **Income statement**

#### **Gross profit**

Gross profit comprises the revenue and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external costs comprise costs for administration.

#### **Staff costs**

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

#### **Financial expenses**

Financial expenses are recognised in the income statement with the amounts concerning the financial year. Financial expenses comprise interest expenses, surcharges and reimbursements under the advance tax scheme, etc.



## **Accounting policies**

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### **Tax of the results for the year**

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

### **The balance sheet**

#### **Receivables**

Receivables are measured at amortised cost, which usually corresponds to nominal value.

#### **Accrued income and deferred expenses**

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

#### **Available funds**

Available funds comprise cash at bank.

#### **Income tax and deferred tax**

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Arm Denmark ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

## **Accounting policies**

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Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### **Liabilities other than provisions**

Other liabilities concerning payables to suppliers and other payables are measured at amortised cost which usually corresponds to the nominal value.

## Income statement

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All amounts in DKK.

<u>Note</u>	5/8 2020 - 31/3 2021
<b>Gross profit</b>	<b>2.775.775</b>
1 Staff costs	-2.583.036
<b>Operating profit</b>	<b>192.739</b>
Other financial costs	-313
<b>Pre-tax net profit or loss</b>	<b>192.426</b>
2 Tax on net profit or loss for the year	-42.398
<b>Net profit or loss for the year</b>	<b>150.028</b>
 <b>Proposed appropriation of net profit:</b>	
Transferred to retained earnings	150.028
<b>Total allocations and transfers</b>	<b>150.028</b>

## Statement of financial position

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All amounts in DKK.

<b>Assets</b>	31/3 2021
<u>Note</u>	<u></u>
<b>Current assets</b>	
Amounts owed by group enterprises	365.673
Deferred tax assets	45.162
Other receivables	1.253.222
Accrued income and deferred expenses	384
Total receivables	<u>1.664.441</u>
Available funds	<u>960.214</u>
<b>Total current assets</b>	<b><u>2.624.655</u></b>
<b>Total assets</b>	<b><u>2.624.655</u></b>

## Statement of financial position

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All amounts in DKK.

### Equity and liabilities

<u>Note</u>	<u>31/3 2021</u>
<b>Equity</b>	
Contributed capital	40.000
Results brought forward	<u>150.028</u>
<b>Total equity</b>	<b><u>190.028</u></b>
<b>Liabilities other than provisions</b>	
Other debts	<u>392.023</u>
Total long term liabilities other than provisions	<u>392.023</u>
Trade creditors	19.185
Tax payables to group enterprises	87.560
Other payables	<u>1.935.859</u>
Total short term liabilities other than provisions	<u>2.042.604</u>
<b>Total liabilities other than provisions</b>	<b><u>2.434.627</u></b>
<b>Total equity and liabilities</b>	<b><u>2.624.655</u></b>

### 3 Contingencies

**Statement of changes in equity**

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All amounts in DKK.

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 5 August 2020	40.000	0	40.000
Profit or loss for the year brought forward	0	150.028	150.028
	<b>40.000</b>	<b>150.028</b>	<b>190.028</b>

## Notes

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All amounts in DKK.

	5/8 2020 - 31/3 2021
<b>1. Staff costs</b>	
Salaries and wages	2.471.116
Pension costs	108.512
Other costs for social security	3.408
	<u>2.583.036</u>
Average number of employees	<u>2</u>
<b>2. Tax on net profit or loss for the year</b>	
Tax of the results for the year, parent company	87.560
Adjustment for the year of deferred tax	-45.162
	<u>42.398</u>

### 3. Contingencies

#### Joint taxation

With Kigen Denmark ApS, company reg. no CVR nr. 38 43 37 09 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.