
Universal Robots A/S

Energivej 25, DK-5260 Odense S

Annual Report for 2023

CVR No. 29 13 80 60

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 8/3 2024

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 2023.

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 2023 of the Company and the Group and of the results of the Company and Group operations for 2023.

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, 8 March 2024

Executive Board

Kim Ulletved Povlsen
CEO

Jette Bay Withers
General Counsel

Board of Directors

Ryan Erik Driscoll
Chairman

Michael Dennis Callahan

Amy Rose McAndrews

Jean Pierre Hathout

Independent Auditor's report

To the shareholders 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 2023 and of the results of the Group's and the Parent Company's operations for the financial year 1 January - 31 December 2023 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 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company ("the Financial Statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Parent 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 Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

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 Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's report

- 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 Parent 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 Group and the Parent 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 M, 8 March 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mikael Johansen

State Authorised Public Accountant

mne23318

Claus Damhave

State Authorised Public Accountant

mne34166

Company information

The Company	Universal Robots A/S Energivej 25 DK-5260 Odense S Email: accounting@universal-robots.com CVR No: 29 13 80 60 Financial period: 1 January - 31 December Municipality of reg. office: Odense
Board of Directors	Ryan Erik Driscoll, chairman Michael Dennis Callahan Amy Rose McAndrews Jean Pierre Hathout
Executive Board	Kim Ulletved Povlsen Jette Bay Withers
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Munkebjergvænget 1, 3. og 4. sal DK-5230 Odense M

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	2,114,668	2,285,850	1,943,372	1,437,762	1,658,558
Operating profit/loss	210,688	340,049	379,009	200,777	274,324
Profit/loss of primary operations	210,688	339,418	378,958	200,000	273,662
Profit/loss of financial income and expenses	-9,303	3,296	6,959	-17,067	192
Net profit/loss for the year	152,915	274,747	299,333	151,264	213,307
Balance sheet					
Balance sheet total	1,799,754	1,269,741	1,243,698	936,683	922,124
Investment in property, plant and equipment	257,671	155,054	39,960	34,359	37,674
Equity	887,420	736,732	663,432	601,549	591,990
Number of employees	937	744	573	575	541
Ratios					
Profit margin	10.0%	14.8%	19.5%	13.9%	16.5%
Return on assets	11.7%	26.7%	30.5%	21.4%	29.7%
Solvency ratio	49.3%	58.0%	53.3%	64.2%	64.2%
Return on equity	18.8%	39.2%	47.3%	25.3%	40.8%

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

Management's review

Key activities

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

Development in the year

The Group reported a profit before tax for 2023 of DKK 201,385k, and equity amounts to DKK 887,416k on 31 December 2023. The results are overall considered satisfactory in the light of a continued challenging macroeconomic year for many industries, in the light of the war in Ukraine, dispute in the middle-east and development in inflation and interest rates. As a result, revenue decreased by 7.5 % compared to the prior year.

Last year the expectations presented in the annual report for 2023 was a net profit before tax in the range of DKK 291,3m to DKK 394,1m, however growth was lower than anticipated due to the macroeconomic circumstances, primarily driven by high inflation in the world and development in interest rates impacting heavily on clients cancelling or postponing investments.

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

Expected development of the company, including specific prerequisites and uncertainties

The current macroeconomic environment with significant inflation and high interest rates across the world, as well as war in Ukraine and dispute in the Middle-east, makes it a difficult environment to operate in and predict. Despite this, the Group will continue to execute on its strategy and deliver solid revenue growth and profits in 2024, however Management remains mindful of the uncertain macroeconomic environment. Revenue growth is expected to be driven by new products and channel improvements, which together with a continued execution of the strategy and significant investments in innovation and R&D, will maintain Universal Robots' position as market leader. Management expects a net profit before tax for the Group in 2024 to be in line with or slightly better than 2023.

Uncertainties associated with the expected development of the company

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

Currency risk

The Group has a natural currency exposure, primarily in EUR, 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.

Management's review

Knowledge resources

The company is to a large extent a knowledge-based company. To retain and attract highly competent employees, there is a high focus on targeted competence development of all employees. The company's knowledge resources consist primarily of knowledge of employees and products. Knowledge resources among the employees play a major role in the continued development of the company's product range and the demand that comes from the company's customers.

Research and development

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

External environment

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

Subsequent events

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

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/1829993/csr-report-2023.pdf>

Gender distribution cf. section 99 b of the Danish Financial Statements Act

The gender distribution as of December 2023 at other management levels in Universal Robots is not considered an equal gender distribution. However, our efforts within this area have contributed to maintaining the increase from 2017 to 2023 in gender equality in our workforce: in 2017 22% of employees were female, in 2023 that stood at 25%.

Universal Robots is committed to helping to increase the number of women in engineering. It supports programs and initiatives with primary schools, universities, and local communities to change the perception around engineering and robotics and thus encourage women to pursue education and careers in that space.

Our current target for the underrepresented gender on the Board of Directors at Universal Robots is to have one out of a four members Board of Directors be a woman – The Board is currently comprised of one female and three male members, which according to the definitions in Section 99b of the Danish Financial Statements Act, is considered an equal gender distribution. As such, the target has been achieved.

Management's review

In 2023 Universal Robots has implemented a process for filling leader positions internally as well as externally, with process-step checkpoints, to ensure a diversified and representative candidate pool. This also applies through the rest of the organization. We expect to see year-over-year improvements from top management down.

5-year period overview	2023	2024	2025	2026	2027
Top Management level					
Number of members	4				
Underrepresented gender (pct)	25				
Other Management levels					
Number of members	134				
Underrepresented gender (pct)	22				
Target (pct)	40				
Year of achievement of target	2030				

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

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

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

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Revenue	1	2,114,668	2,285,850	2,047,599	2,222,767
Operating expenses	2	-1,050,794	-1,095,499	-1,053,935	-1,096,654
Gross profit		1,063,874	1,190,351	993,664	1,126,113
Distribution expenses	2	-624,747	-595,426	-570,441	-560,775
Administrative expenses	2	-228,113	-254,876	-228,113	-254,876
Operating profit/loss		211,014	340,049	195,110	310,462
Other operating expenses		-326	-631	-326	-631
Profit/loss before financial income and expenses		210,688	339,418	194,784	309,831
Income from investments in subsidiaries		0	0	0	706
Financial income	3	4,880	5,370	4,176	3,377
Financial expenses	4	-14,183	-2,074	-13,923	-2,066
Profit/loss before tax		201,385	342,714	185,037	311,848
Tax on profit/loss for the year	5	-48,470	-67,967	-41,790	-58,057
Net profit/loss for the year	6	152,915	274,747	143,247	253,791

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Completed development projects		55,887	68,375	55,887	68,375
Acquired patents		3,765	2,546	3,765	2,546
Software		23,461	9,924	23,387	9,822
Goodwill		276	482	0	0
Development projects in progress		220,663	157,614	220,663	157,614
Intangible assets	7	304,052	238,941	303,702	238,357
Other fixtures and fittings, tools and equipment		82,918	78,327	68,320	63,569
Leasehold improvements		14,963	10,688	13,337	8,945
Property, plant and equipment in progress		362,963	145,652	362,963	145,652
Property, plant and equipment	8	460,844	234,667	444,620	218,166
Investments in subsidiaries	9	0	0	6,470	5,142
Receivables from group enterprises	10	0	0	5,218	6,741
Deposits	10	10,350	8,503	4,542	4,972
Fixed asset investments		10,350	8,503	16,230	16,855
Fixed assets		775,246	482,111	764,552	473,378
Raw materials and consumables		233,921	274,180	233,921	274,180
Finished goods and goods for resale		61,422	54,654	44,680	42,813
Prepayments for goods		104,467	48,848	104,467	48,848
Inventories		399,810	377,682	383,068	365,841

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Trade receivables		325,016	245,576	308,187	228,411
Receivables from group enterprises		4,160	3,887	66,534	20,453
Other receivables		26,135	18,183	24,117	18,058
Deferred tax asset	12	1,963	1,258	0	0
Corporation tax		11,997	5,277	11,987	5,264
Prepayments	11	9,577	11,413	7,078	8,257
Receivables		378,848	285,594	417,903	280,443
Cash at bank and in hand		245,850	124,354	205,144	92,930
Current assets		1,024,508	787,630	1,006,115	739,214
Assets		1,799,754	1,269,741	1,770,667	1,212,592

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Share capital		546	546	546	546
Reserve for development costs		0	0	215,709	175,654
Reserve for exchange rate conversion		-2,828	-601	-663	-179
Retained earnings		889,700	736,785	632,136	528,944
Equity attributable to shareholders of the Parent Company		887,418	736,730	847,728	704,965
Minority interests		2	2	0	0
Equity		887,420	736,732	847,728	704,965
Provision for deferred tax	12	46,389	30,539	46,390	30,539
Other provisions	13	37,635	17,899	37,635	17,899
Provisions		84,024	48,438	84,025	48,438
Deferred income		74,800	72,715	73,500	72,131
Long-term debt	14	74,800	72,715	73,500	72,131
Credit institutions		0	1,356	0	1,356
Prepayments received from customers		5,437	6,749	5,403	6,749
Trade payables		152,476	108,333	149,984	103,182
Payables to group enterprises		394,851	109,759	443,602	133,120
Corporation tax		4,579	3,761	0	0
Other payables		145,111	132,837	116,350	97,591
Deferred income	14, 15	51,056	49,061	50,075	45,060
Short-term debt		753,510	411,856	765,414	387,058
Debt		828,310	484,571	838,914	459,189
Liabilities and equity		1,799,754	1,269,741	1,770,667	1,212,592

Balance sheet 31 December

Liabilities and equity

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Statement of changes in equity

Group

	Share capital	Reserve for exchange rate conversion	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	546	-601	736,785	736,730	2	736,732
Exchange adjustments	0	-2,227	0	-2,227	0	-2,227
Net profit/loss for the year	0	0	152,915	152,915	0	152,915
Equity at 31 December	546	-2,828	889,700	887,418	2	887,420

Parent company

	Share capital	Reserve for development costs	Reserve for exchange rate conversion	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	546	175,654	-179	528,944	704,965
Exchange adjustments	0	0	-484	0	-484
Transfer	0	87,375	0	-87,375	0
Depreciation, amortisation and impairment for the year	0	-47,320	0	47,320	0
Net profit/loss for the year	0	0	0	143,247	143,247
Equity at 31 December	546	215,709	-663	632,136	847,728

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
3. Financial income				
Interest received from group enterprises	78	188	78	258
Other financial income	4,110	199	3,852	0
Exchange gains	692	4,983	246	3,119
	4,880	5,370	4,176	3,377

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
4. Financial expenses				
Interest paid to group enterprises	7,223	816	6,977	816
Other financial expenses	3,718	1,258	3,714	1,250
Exchange loss	3,242	0	3,232	0
	14,183	2,074	13,923	2,066

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
5. Income tax expense				
Current tax for the year	33,108	57,205	25,628	51,943
Deferred tax for the year	15,145	12,313	15,851	8,205
Adjustment of tax concerning previous years	217	-1,551	311	-2,091
	48,470	67,967	41,790	58,057

	Parent company	
	2023	2022
	TDKK	TDKK
6. Profit allocation		
Retained earnings	143,247	253,791
	143,247	253,791

Notes to the Financial Statements

7. Intangible fixed assets Group

	Completed develop- ment projects	Acquired patents	Software	Goodwill	Develop- ment projects in progress
	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1. January	251,042	7,254	45,886	2,062	157,614
Additions for the year	48,178	1,715	19,473	0	63,049
Disposals for the year	0	-196	0	0	0
Cost at 31. December	<u>299,220</u>	<u>8,773</u>	<u>65,359</u>	<u>2,062</u>	<u>220,663</u>
Impairment losses and depreciation at 1. January	182,667	4,708	35,962	1,580	0
Depreciation for the year	60,666	398	5,936	206	0
Reversal for the year of previous years impairment losses	0	-98	0	0	0
Impairment losses and depreciation at 31. December	<u>243,333</u>	<u>5,008</u>	<u>41,898</u>	<u>1,786</u>	<u>0</u>
Carrying amount at 31. December	<u>55,887</u>	<u>3,765</u>	<u>23,461</u>	<u>276</u>	<u>220,663</u>

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

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

Notes to the Financial Statements

Parent company

	Completed development projects	Acquired patents	Software	Develop- ment projects in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1. January	251,042	7,254	45,755	157,614
Additions for the year	48,178	1,715	19,473	63,049
Disposals for the year	0	-196	0	0
Cost at 31. December	299,220	8,773	65,228	220,663
Impairment losses and depreciation at 1. January	182,667	4,708	35,933	0
Depreciation for the year	60,666	398	5,908	0
Reversal for the year of previous years impairment losses	0	-98	0	0
Impairment losses and depreciation at 31. December	243,333	5,008	41,841	0
Carrying amount at 31. December	55,887	3,765	23,387	220,663

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

8. Property, plant and equipment

	Group			Parent company		
	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1. January	218,572	41,765	145,652	189,614	37,131	145,652
Exchange adjustment	-1,616	184	0	-362	-17	0
Additions for the year	32,146	8,214	217,311	26,936	7,905	217,311
Disposals for the year	-132	0	0	-132	0	0
Cost at 31. December	<u>248,970</u>	<u>50,163</u>	<u>362,963</u>	<u>216,056</u>	<u>45,019</u>	<u>362,963</u>
Impairment losses and depreciation at 1. January	140,245	31,077	0	126,045	28,186	0
Exchange adjustment	-928	174	0	-312	-17	0
Depreciation for the year	26,867	3,949	0	22,135	3,513	0
Reversal of impairment and depreciation of sold assets	-132	0	0	-132	0	0
Impairment losses and depreciation at 31. December	<u>166,052</u>	<u>35,200</u>	<u>0</u>	<u>147,736</u>	<u>31,682</u>	<u>0</u>
Carrying amount at 31. December	<u>82,918</u>	<u>14,963</u>	<u>362,963</u>	<u>68,320</u>	<u>13,337</u>	<u>362,963</u>

Notes to the Financial Statements

	Parent company	
	2023	2022
	TDKK	TDKK
9. Investments in subsidiaries		
Cost at 1 January	5,142	5,399
Additions for the year	1,328	0
Disposals for the year	0	-257
Cost at 31 December	<u>6,470</u>	<u>5,142</u>
Carrying amount at 31 December	<u>6,470</u>	<u>5,142</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership	Equity	Net profit/loss for the year
Universal Robots (Shanghai) Co. Ltd.	Shanghai, China	100%	38,694	5,243
Universal Robots (India) Private Limited	Bangalore, India	99%	2,367	232
Teradyne Robotics (Spain) S.L.	Barcelona, Spain	100%	6,508	700
Universal Robot (UK) Ltd.	London, United Kingdom	100%	1,660	452
Teradyne Robotics (Germany) GmbH	München, Germany	100%	12,194	2,127
Universal Robots Mexico S.A. de C.V.	Mexico City, Mexico	100%	1,320	415
			<u>62,743</u>	<u>9,169</u>

10. Other fixed asset investments

	Group	Parent company	
	Deposits	Receivables from group enterprises	Deposits
	TDKK	TDKK	TDKK
Cost at 1. January	8,503	6,741	4,972
Additions for the year	1,847	0	0
Disposals for the year	0	-1,523	-430
Cost at 31. December	<u>10,350</u>	<u>5,218</u>	<u>4,542</u>
Carrying amount at 31. December	<u>10,350</u>	<u>5,218</u>	<u>4,542</u>

Notes to the Financial Statements

11. Prepayments

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

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
12. Provision for deferred tax				
Deferred tax liabilities at 1 January	29,281	16,741	30,539	22,050
Amounts recognised in the income statement for the year	15,145	12,540	15,851	8,489
Deferred tax liabilities at 31 December	44,426	29,281	46,390	30,539
Recognised in the balance sheet as follows:				
Assets	1,963	1,258	0	0
Provisions	-46,389	-30,539	-46,390	-30,539
	44,426	29,281	46,390	30,539

The recognized tax asset of DKK 1.963k relates to the tax effect of accrued income in a group subsidiary.

13. Other provisions

The Company provides warranty of 15 months on its products and is therefore obliged to repair or replace goods which are not satisfactory. The calculation of standard warranty is based on previous experience in respect of the level of repairs and returns, and the expected cost. In addition, a specific warranty provision was made end of year, to cover a specific known repair case. The following have been recognised for expected warranty claims.

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Warranty provisions	37,635	17,899	37,635	17,899
	37,635	17,899	37,635	17,899

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	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Deferred income				
After 5 years	0	0	0	0
Between 1 and 5 years	74,800	72,715	73,500	72,131
Long-term part	74,800	72,715	73,500	72,131
Other deferred income	51,056	49,061	50,075	45,060
	125,856	121,776	123,575	117,191

15. Deferred income

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

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

16. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Rent and lease liabilities	124,211	130,780	59,683	60,046
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Guarantee obligations

The company has issued guarantee commitments covering bankfacilities of group companies at a maximum of

	0	0	3,040	3,137
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Notes to the Financial Statements

16. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

Universal Robots is subject to some legal proceedings and claims which have arisen in the ordinary course of business such as, but not limited to, patent, employment, commercial and environmental matters. Universal Robots believes that it has meritorious defenses against all pending claims and intends to vigorously contest them. While it is not possible to predict or determine the outcomes of any pending claims or to provide possible ranges of losses that may arise, Universal Robots believes the potential losses associated with all of these actions are unlikely to have a material adverse effect on its business, financial position or results of operations.

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the 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 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.

Notes to the Financial Statements

17. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
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 Board of Directors, 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 of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
Teradyne Inc.	North Reading, MA, USA

The Group Annual Report of Teradyne Inc. may be obtained at the following address:

Corporate Headquarters
600 Riverpark Drive
North Reading, MA 01864
USA

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
18. Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Audit fee	575	408	408	408
Non-audit services	16	16	16	16
	591	424	424	424
KPMG				
Audit fee	259	276	0	0
	259	276	0	0
Krogh & Partners Ltd.				
Audit fee	68	61	0	0
	68	61	0	0

Notes to the Financial Statements

19. Accounting policies

The Annual Report of Universal Robots A/S for 2023 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 Financial Statements and the Parent Company Financial Statements for 2023 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.

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.

Notes to the Financial Statements

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."

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.

Segment information on revenue

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

Notes to the Financial Statements

Incentive schemes

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

Income statement

Revenue

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

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

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

Operating expenses

Operating expenses comprise 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.

Notes to the Financial Statements

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.

Balance sheet

Intangible fixed assets

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.

Development projects

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 year.

Other intangible fixed assets

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 agreements, which is 3 years.

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:

Notes to the Financial Statements

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 and investments 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.

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 and costs of completion. 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 measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

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

Equity

Dividend

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

Notes to the Financial Statements

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.

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 liabilities

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.

Financial Highlights

Explanation of financial ratios

Profit margin	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$