SAMSUNG Electronics Slovakia s.r.o.

Financial Statements
for the year ended 31 December 2021

in accordance with International Financial Reporting Standards
(IFRS) as adopted by the European Union (EU)

(Translation from Slovak original)

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Translation of the Auditors' Report originally prepared in Slovak language

Independent Auditors' Report

To the Owners and Directors of SAMSUNG Electronics Slovakia s.r.o.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SAMSUNG Electronics Slovakia s.r.o. ("the Company"), which comprise the statement of financial position as at 31 December 2021, statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section. We are independent of the Company in accordance with the ethical requirements of the Act No. 423/2015 Coll. on statutory audit and on amendments to Act No. 431/2002 Coll. on accounting as amended ("the Act on Statutory Audit") including the Code of Ethics for an Auditor that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Statutory Body and Those Charged with Governance for the Financial Statements

The statutory body is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the statutory body 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, the statutory body 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 unless the statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 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 in accordance with ISAs, 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.

- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

KPMG

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.

Report on Other Legal and Regulatory Requirements

Reporting on other information in the Annual Report

The statutory body is responsible for the other information. The other information comprises the information included in the Annual Report prepared in accordance with the Act No. 431/2002 Coll. on Accounting as amended ("the Act on Accounting") but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information in the Annual Report.

In connection with our audit of the financial statements, our responsibility is to read the other information in the Annual Report that we have obtained prior to the date of the auditors' report on the audit of the financial statements, and, in doing so, consider whether the other information is materially inconsistent with the audited financial statements or our knowledge obtained in the audit of the financial statements, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The Annual Report was not available to us as of the date of this auditors' report on the audit of the financial statements.

When we obtain the Annual Report of the Company, based on the work undertaken in the course of the audit of the financial statements we will express an opinion as to whether, in all material respects:

- the other information given in the Annual Report for the year 2021 is consistent with the financial statements prepared for the same financial year; and
- the Annual Report contains information required by the Act on Accounting.

In addition, we will report whether we have identified any material misstatement in the other information in the Annual Report in light of the knowledge and understanding of the Company and its environment that we have acquired during the course of the audit of the financial statements.

24 January 2022
Bratislava, Slovak Republic

Slovenská komora audítorov
SKAU
Č. licencie 96
KPMG
Slovensko spol. s r.o.

Auditing company:
KPMG Slovensko spol. s r.o.
License SKAU No. 96

Responsible auditor:
Ing. Peter Balážik
License UDVA No. 1178

In thousands of euro	*Note*	Year ended 31 December 2021	Year ended 31 December 2020
Revenue	*6*	1 693 778	1 305 042
Cost of sales	*7*	(1 600 087)	(1 225 347)
Gross profit		**93 691**	**79 695**
Administrative and selling expenses	*8*	(17 968)	(20 592)
Operating profit		**75 723**	**59 103**
Finance income	*9*	17 882	10 329
Finance costs	*9*	(19 609)	(9 068)
Other non-operating expense, net	*9*	(761)	(2 605)
Profit before tax		**73 235**	**57 759**
Income tax expense	*10*	(16 308)	(11 885)
Profit for the period		**56 927**	**45 874**
Other comprehensive income			
Other comprehensive income, net of tax		-	-
Total comprehensive income for the period		**56 927**	**45 874**

The notes on pages 5 to 33 are an integral part of these financial statements.

In thousands of euro	*Note*	31 December 2021	31 December 2020
Assets			
Property, plant and equipment	*11*	44 452	50 330
Intangible assets	*12*	12	10
Deferred tax asset	*2*	6 582	5 774
Total non-current assets		***51 046***	***56 114***
Inventories	*3*	347 430	201 660
Trade and other receivables	*15*	158 846	117 887
Cash and cash equivalents	*16*	668 132	691 582
Total current assets		**1 174 408**	**1 011 129**
Total assets		**1 225 454**	**1 067 243**
Equity			
Share capital	*6*	43 098	43 098
Legal reserve fund	*6*	4 310	4 310
Retained earnings	*17*	927 035	870 108
Total equity		**974 443**	**917 516**
Liabilities			
Trade and other payables	*20*	150	296
Total non-current liabilities		**150**	**296**
Trade and other payables	*20*	248 350	146 994
Current tax payables		2 511	2 437
Total current liabilities		**250 861**	**149 431**
Total liabilities		**251 011**	**149 727**
Total equity and liabilities		**1 225 454**	**1 067 243**

The notes on pages 5 to 33 form an integral part of these financial statements.

In thousands of euro	Share capital (Note 6)	Legal reserve fund (Note 6)	Retained earnings (Note 17)	Total
Balance as of 1 January 2020	**43 098**	**4 310**	**824 234**	**871 642**
Increase in share capital	-	-	-	-
Contribution to legal reserve fund	-	-	-	-
Total comprehensive income for the year ended 31 December 2020	-	-	45 874	45 874
Dividend declared	-	-	-	-
Balance as of 31 December 2020	**43 098**	**4 310**	**870 108**	**917 516**
Balance as of 1 January 2021	**43 098**	**4 310**	**870 108**	**917 516**
Increase in share capital	-	-	-	-
Contribution to legal reserve fund	-	-	-	-
Total comprehensive income for the year ended 31 December 2021	-	-	56 927	56 927
Dividend declared	-	-	-	-
Balance as of 31 December 2021	**43 098**	**4 310**	**927 035**	**974 443**

The notes on pages 5 to 33 are an integral part of these financial statements.

In thousands of euro	*Note*	Year ended 31 December 2021	Year ended 31 December 2020
Cash flows from operating activities			
Profit for the period		56 927	45 874
Adjustments for:			
Depreciation and amortization	*7, 8*	12 223	14 253
Write-off of inventory	*14*	2 347	5 351
Creation / (reversal) of provision to inventory		1 038	13 393
Net financing expense		6	6
Net foreign exchange unrealized differences (income)/expense		89	(1 054)
(Gain)/loss on revaluation of currency forwards		(848)	416
Income tax expense	*10*	16 308	11 883
Gain on sale of property, plant and equipment		(299)	(947)
Operating profit before changes in working capital and provisions		**87 791**	**89 175**
Increase in inventories		(146 582)	(55 758)
Increase in receivables		(42 251)	(10 622)
Increase / (decrease) in payables		100 947	(1 737)
Cash generated from / (used in) operations		**(95)**	**21 058**
Interest paid, net		(6)	(6)
Income taxes paid, net		(17 052)	(4 346)
Net cash from / (used in) operating activities		**(17 153)**	**16 706**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		1 526	4 670
Acquisition of property, plant and equipment		(7 278)	(8 868)
Net cash used in investing activities		**(5 752)**	**(4 198)**
Cash flows from financing activities			
Payment of lease liabilities		(545)	(515)
Net cash used in financing activities		**(545)**	**(515)**
Net increase / (decrease) in cash and cash equivalents		(23 450)	11 993
Cash and cash equivalents at 1 January		691 582	679 589
Cash and cash equivalents at 31 December		**668 132**	**691 582**
Cash and cash equivalents:			
Cash in banks	*16*	691 582	679 589
Balance as at 1 January		**691 582**	**679 589**
Cash in banks	*16*	668 132	691 582
Balance as at 31 December		**668 132**	**691 582**

The notes on pages 5 to 33 are an integral part of these financial statements.

1. Reporting entity

SAMSUNG Electronics Slovakia s.r.o. (hereinafter referred to as "the Company") was established on 30 May 2002 and was registered as a limited liability Company in the Commercial Register of the Slovak Republic on 10 June 2002 under the identification number 36 249 564 at the legal address:

SAMSUNG Electronics Slovakia s.r.o.

Hviezdoslavova 807

924 27 Galanta

The principal activities of the Company comprise manufacturing of visual displays.

These individual financial statements have been prepared as at 31 December 2021 and for the year then ended and were prepared and authorized for issue by the Company's directors on 21 January 2022.

The Company's bodies:

Directors	Hack Bum BAE
	Chung SECHIN

Information about the ultimate parent

The Company is consolidated into the financial statements of SAMSUNG Electronics Co. Ltd., Maetan-dong 129, Samsung-ro, Yeongtong-gu, Suwon-si, Gyeonggi-do, Korea. These consolidated financial statements are available at the registered office of this company.

Legal reason for the preparation of the Financial Statements

The Financial Statements of the Company as at 31 December 2021 have been prepared as ordinary financial statements in accordance with Article 17a paragraph 2 of Slovak Act No. 431/2002 Coll. on Accounting for the accounting period from 1 January 2021 to 31 December 2021.

Approval of the 2020 Financial Statements

The financial statements of SAMSUNG Electronics Slovakia s.r.o. for the year ended 31 December 2020, prepared in accordance with IFRS as adopted by the European Union, were approved by the ordinary General Meeting held on 21 June 2021. In 2020, the net profit for the year amounted to EUR 45 874 thousand. In 2021, general assembly decided on the transfer of 2020 profit to the retained earnings in the amount of EUR 45 874 thousand.

Unlimited guarantee

The Company is not an owner or investor in any unlimited liability company.

2. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

(b) Basis of measurement

The financial statements have been prepared using the accrual principle and going concern assumption that the Company will continue in operation for the foreseeable future.

Going concern basis of accounting

The Company operates as a producer of consumer electronics that has not been significantly affected by the outbreak of COVID-19 and over the last few weeks the Company realized stable revenues and its operations including supplies were uninterrupted. Based on the publicly available information at the date these financial statements were prepared, management has considered the potential development of the outbreak and its expected impact on the Company and economic environment, in which the Company operates, including the measures already taken by the Slovak government and governments in other countries, where the Company's major business partners and customers are located.

Based on currently publicly available information, the Company's current KPI's and in view of the actions initiated by management, the management does not anticipate a direct immediate and significant adverse impact of the COVID-19 outbreak on the Company, its operations, financial position and operating results.

However, the management cannot preclude the possibility that extended lock down periods, an escalation in the severity of such measures, or a consequential adverse impact of such measures on the economic environment the Company operates in will not have an adverse effect on the Company, and its financial position and operating results, in the medium and longer term. Management continues to monitor the situations closely and will respond to mitigate the impact of such events and circumstances as they occur.

The financial statements have been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value.

(c) Functional currency

The financial statements are presented in euro (EUR), which is the Company's functional currency, and are rounded to the nearest thousand.

(d) Use of estimates and judgment

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, quantitative information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

- Note 11 – Impairment of property, plant and equipment
- Note 14 – Net realizable value of inventories

Impairment of property, plant and equipment
Factors considered important to identify possible impairment include the following:

- Technological advancements in the industry;
- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of our use of the acquired assets or the strategy for our overall business;
- Obsolescence of products.

When determined that the carrying value of property, plant and equipment may not be recoverable based upon the existence of one or more of the above indicators of impairment, any impairment is measured based on estimates of projected net discounted cash flows expected to result from that asset, including eventual disposition. Estimated impairment could prove insufficient if analysis overestimated the cash flows or conditions change in the future.

Allowance for slow-moving and obsolete inventory
The Company evaluates the recoverability of the inventory on a case-by-case basis and makes adjustments to the inventory provision based on the estimates of expected losses. Inventory for which no further processing or re-processing can be performed is written-off. The Company also considers recent trends in revenues for various inventory items and instances where the realizable value of inventory is likely to be less than its carrying value.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except changes in accounting policies applied in the financial year beginning on 1 January 2021, (Note 3m), described below.

a) Foreign currency

Transactions in foreign currencies are translated to euro at the foreign exchange rate ruling at the date of the accounting transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to euro at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to euro at foreign exchange rates ruling at the dates the fair value is determined. Foreign exchange differences arising on retranslation are recognized in profit or loss.

b) Financial instruments

The Company classifies financial assets as measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss based on the basis of both:

- the Company's business model for managing the financial assets, and
- the contractual cash flow characteristics of the financial asset.
-

Financial assets carried at amortized cost
A financial asset is measured at amortized cost if both of the following conditions are met:

- the asset is held within a portfolio with a business model whose objective is to hold assets in order to collect the contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are recognized in the statement of financial position within trade and other receivables, cash and cash equivalents.

Financial assets carried at fair value through other comprehensive income
A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- the asset is held within a business model whose objective is achieved by collecting the contractual cash flows as well as selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company applied an irrevocable election at initial recognition, for particular investments in equity instruments that are not held for sale and that would otherwise be measured at fair value through profit or loss, to present subsequent changes in fair value including exchange rate gains and losses in other comprehensive income.

Debt securities within financial asset are measured at fair value through other comprehensive income, if they are held within a business model whose objective is achieved by collecting the contractual cash flows as well as selling financial assets. The Company does not hold any debt securities.

Financial assets carried at fair value through profit or loss
If the financial asset is not measured at amortized cost or at fair value through other comprehensive income, it is measured at fair value through profit or loss. Financial assets at fair value through profit or loss are those held by the Company for trading in order to obtain short term gains and derivative financial instruments. Such financial assets are recognized within trade and other receivables in the statement of financial position.

The Company uses derivative financial instruments to hedge against risks arising from its operating activities. In accordance with the financial policy, the Company does not hold nor does it issue financial derivatives for trading purposes. As none of the derivatives fulfil the criteria for hedge accounting under IFRS as adopted by EU, they are treated as trade instruments.

Trade and other receivables
Receivables represent non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables arise, when Company provides cash equivalents, goods or services directly to the debtor without intention of trading with the receivable. Receivables are recognized in the statement of financial position of the Company within trade and other receivables.

Cash and cash equivalents
Cash and cash equivalents include bank accounts and cashpooling account.

Financial liabilities
Financial liabilities are classified in one of the following categories: financial liabilities carried at fair value through profit or loss or carried at amortized cost (IFRS 9).

Financial liabilities carried at fair value through profit or loss
Financial liabilities carried at fair value through profit or loss represent financial liabilities held for trading, including derivative financial instruments. Financial derivative instruments are recognized within trade and other payables in the statement of financial position of the Company.

The Company is using derivative financial instruments to hedge against risks arising from operating activities. In accordance with the financial policy of the Company, the Company does not hold, nor does it issue financial derivatives for trading purposes. As none of the derivatives fulfil the criteria for hedge accounting under IFRS as adopted by EU, they are treated as trade instruments.

Financial liabilities carried at amortized cost (IFRS 9),
Financial liabilities carried at amortized cost (IFRS 9) are various financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at amortized cost, recognized in the statement of the financial position, are trade and other payables.

Initial recognition of financial instruments

Financial assets carried at fair value through profit or loss and financial asset carried at fair value through other comprehensive income (IFRS 9) are recognized at the date that Company commits to purchase them. Regular purchases and sales of these financial instruments are recognized at the trading date. Financial assets carried at amortized cost (IFRS 9), are recognized at the date of acquisition.

Financial liabilities are initially recognized at the trading date.

Measurement of financial instruments

Financial assets carried at fair value through profit or loss

Financial assets carried at fair value through profit or loss are initially carried at fair value without costs related to acquisition. Subsequently, they are carried at fair value, gains and losses from the change in fair value as well as interest income and dividends are recorded through profit or loss. All costs associated to transactions are recognized in profit or loss.

Financial liabilities carried at fair value through profit or loss

Financial liabilities carried at fair value through profit or loss are initially recognized at their fair value. After initial recognition, they are measured at fair value. Gains and losses, as well as interest expense are recorded through profit or loss. All costs related to transactions are recorded through profit or loss.

Financial liabilities carried at amortized cost (IFRS 9)

Interest-bearing borrowings are initially recognized at fair value decreased by related transaction costs. In subsequent periods they are recognized in the statement of financial position of the Company in amortized cost. Difference between this amount and the amount in which borrowings are repaid, is recognized as expense in profit or loss using effective interest rate method.

Trade and other financial liabilities are initially recognized at nominal value, at the time of their take over are valued at acquisition costs.

Offset of financial instruments

Financial assets and financial liabilities are offset in the statement of financial position of the Company and only net amount is recognized when the Company has legally enforceable right to offset the amounts and an intention exists to settle the transactions based on their net amount.

Derecognition of financial instruments

Financial asset is derecognized when:

- the asset is repaid or the rights to cash flows from the investment are terminated, or,
- the Company transfers the rights to cash flows from the investment or enters into a transfer agreement, thereby (i) in principle the Company transfers all the risks and potential gains associated with ownership; or (ii) the Company does not transfer all the risk or potential gains, leaving no control over the investment. It will retain control if the counterparty does not have a real possibility to sell the asset as a whole to an unrelated third party without additionally restricting sales.

Financial liabilities are derecognized when the obligation of the Company specified in the contract ceases to exist, is settled or cancelled.

Difference between gross amount of derecognized financial asset and consideration paid is recognized through profit or loss.

c) Property, plant and equipment

i. Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and accumulated impairment losses (see accounting policy f). The cost of self-constructed assets includes the cost of materials, direct labor, any other costs directly attributable to bringing the asset to working condition for its intended use, and, where relevant, the costs of dismantling and removing the items and restoring the site on which they are located.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other non-operating income/(expense) in profit or loss.

ii. Leased assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate.

For contracts entered into before 1 January 2019, at inception of an arrangement, the Company determined whether such an arrangement was or contained a lease. An asset was the subject of a lease if fulfilment of the arrangement was dependent on the use of that specified asset and the arrangement conveyed the right to use the asset. At inception or upon reassessment of the arrangement, the Company separated payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. Subsequently the liability was reduced as payments were made and an imputed finance charge on the liability is recognized using the Company’s incremental borrowing rate.

iii. Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

iv. Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land and assets under construction are not depreciated.

The estimated useful lives are as follows:

• buildings	25 years
• plant and equipment	5 years
• information technology	5 years
• moulds	13 months

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

d) Intangible assets

i. Owned assets

Intangible assets acquired by the Company have finite useful lives and are measured at cost less accumulated amortization and accumulated impairment losses (see accounting policy f).

ii. Subsequent costs

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other costs are recognised in profit or loss as incurred.

iii. Amortization

Amortization is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of intangible assets. The amortization commences in the month when the asset was put into use. The estimated useful lives are as follows:

• software	5 years

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

e) Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the weighted average cost formula (except material in transit) and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred bringing them to their existing location and condition. The cost of material in transit is based on actual costs. In the case of manufactured inventories of finished goods, semi-finished goods and work in progress cost includes an appropriate share of production overheads based on normal operating capacity.

f) Impairment

i. Financial assets

The Company recognizes impairment loss of expected credit loss, ("ECL") for:

- financial assets measured at amortized cost
- contract assets

The Company measures impairment losses in the amount that equals to the expected credit losses over the whole lifetime (lifetime ECL). These impairment losses are measured at 12-month ECL.

The impairment losses of trade receivables and contract assets are always measured at lifetime ECL.
In assessing whether the credit risk of a financial asset has significantly increased since initial recognition and in estimating ECL, the Company uses reasonable and substantiated information that is relevant and available without undue cost or effort. It includes quantitative and qualitative information and analysis, based on the Company's past experience and informed credit evaluation, including the information about future.

The Company considers a financial asset to be defaulted when:

- it is not probable that a debtor will pay its credit obligations to the Company in full, without using the collateral (if any); or
- financial asset is more than 90 days overdue.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset.

12-month ECLs are ECLs that result from all possible default events within 12 months after the reporting date (or a shorter period when expected lifetime of a financial asset does not exceed 12 months). The maximum period over which ECL should be measured is the maximum contractual period over which the Company is exposed to a credit risk.

Measurement of ECL's
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted using the effective interest rate of the financial asset.

Impaired financial asset
The Company's financial assets measured at amortized cost are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication, causing the negative impact on the future cashflows of a financial asset exists, the financial asset is impaired.

Observable indicators of impairment of a financial asset (decreased credit risk):

- significant financial difficulties of the debtor or issuer;
- breach of the contract, e.g. payment delay or more than 90 days overdue;
- restructuralization of a loan or an advance payment by the Company upon conditions that would otherwise not be accepted by the Company;
- it is probable, that debtor enters into liquidation or other financial reorganization; or
- termination of an active stock market due to financial difficulties.
- Presentation of impairment loss to ECL in the statement of financial position
- Impairment loss to financial assets measured at amortised cost are deducted from the gross amount of financial assets.

Impairment loss is reviewed at each reporting date.

ii. Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories (see accounting policy e) and deferred tax asset (see accounting policy k), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of the assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable asset group that generates cash inflows that are largely independent from other assets and groups. Impairment losses are recognized in profit or loss.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

g) Dividends

Dividends are recognized as a liability in the period in which they are declared.

h) Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer.

A significant element of the Company's revenue is with related parties (see Note 24).

Sale of finished goods

The Company recognizes the revenue from sale of goods (TVs), when the control passes to its customers, which is determined using INCOTERMS. The Company usually uses the INCOTERMS conditions, where the control passes at a point the goods are loaded to the first carrier. The Company invoice a full amount on TV delivery to the customer.

Sale of raw materials

The Company recognizes the revenue from sales of raw materials, when the control passes to its customers, which is determined using INCOTERMS. The Company usually uses INCOTERMS conditions, where the control passes at a point the goods are loaded to the first carrier.

Revenue from transportation of goods

The revenue from transportation services is part of the invoiced price for sale of the finished good (TV) to the customer and it is presented in the line "Revenue" (Sale of finished goods). The costs of transporting goods are recognized in cost of goods sold. The Company is fully exposed to the risks related with organization of transportation services on which basis management concluded the Company acts as a principal.

j) Expenses

i. Finance costs and finance income

Finance costs and finance income comprise interest expense on borrowings calculated using the effective interest rate method, interest income on funds invested, foreign exchange gains and losses, and gains and losses on derivative instruments that are recognized in profit or loss.

Interest income and expense are recognized in profit or loss as they accrue, using the effective interest rate method.

k) Income tax

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet method, recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences relating to the initial recognition of assets or liabilities in a transaction that is not a business combination and that affect neither accounting nor taxable profit are not provided for. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

l) Employee benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

m) International Financial Reporting Standards

Issued International Financial Reporting Standards as adopted by EU that are not yet effective

The following new and amended standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted. The Company has not early adopted any of these new and amended standards and does not expect that they will have a significant impact on the Company's financial statements when become effective.

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1);
- Reference to the Conceptual Framework (Amendments to IFRS 3);
- Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16);
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Disclosure of Accounting Policies (Amendments to IAS 1);
- Definition of Accounting Estimates (Amendments to IAS 8);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12);
- IFRS 17 Insurance contracts and amendments to IFRS 17 Insurance contracts;
- Annual Improvements to IFRS Standards 2018-2020.

New or amended Standards and Interpretations, as endorsed by the EU as at 10 December 2021, that are effective for annual periods beginning after 1 January 2021

Amendments to IFRS 16 Leases COVID-19-Related Rent Concessions beyond 30 June 2021

Effective for annual periods beginning on or after 1 April 2021. Earlier application is permitted, including in financial statements not authorised for issue at 31 March 2021.

The amendments extends by one year the application period of the optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. The original expedient was issued in May 2020 and has not been applied[1] by the Company in its financial statements for the year ended 31 December 2021.

The Company expects that the amendment, if initially applied, will not have a material impact on the financial statements of the Company.

Amendment to IAS 16 Property, Plant and Equipment. Property, Plant and Equipment – Proceeds before Intended Use

Effective for annual periods beginning on or after 1 January 2022 Early application is permitted.

The amendments to IAS 16 require that the proceeds from selling items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended must be recognised, together with the cost of those items, in profit or loss and that the entity must measure the cost of those items applying the measurement requirements of IAS 2.

The amendments must be applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The cumulative effect of initially applying the amendments will be recognised as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented (if necessary).

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[1] The original version of the practical expedient was, and remains, optional. However, the 2021 amendments are, in effect, not optional. This is because a lessee that chose to apply the practical expedient introduced by the 2020 amendments has to consistently apply the extension to eligible contracts with similar characteristics and in similar circumstances.

The Company does not expect that the amendments, when initially applied, will have material impact on the financial statements of the Company.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Onerous Contracts – Cost of Fulfilling a Contract

Effective for annual periods beginning on or after 1 January 2022 Early application is permitted.

In determining costs of fulfilling a contract, the amendments require an entity to include all costs that relate directly to a contract. Paragraph 68A clarifies that the cost of fulfilling a contract comprises both: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

An entity shall apply those amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). The entity shall not restate comparative information. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The Company does not expect that the amendments, when initially applied, will have material impact on the financial statements of the Company.

Annual Improvements to IFRS Standards 2018-2020

Effective for annual periods beginning on or after 1 January 2022 Early application is permitted.

Amendment to IFRS 9 Financial Instruments

The improvements clarify that, when assessing whether an exchange of debt instruments between an existing borrower and lender are on terms that are substantially different, the fees to include together with the discounted present value of the cash flows under the new terms include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

Amendment to Illustrative Examples accompanying IFRS 16 Leases

The improvements remove from illustrative Example 13 accompanying IFRS 16 reference to a reimbursement by the lessor to the lessee for leasehold improvements as well as an explanation of a lessee's accounting for such reimbursement.

Amendment to IAS 41 Agriculture

The improvements remove the requirement to use pre-tax cash flows to measure fair value of agriculture assets. Previously, IAS 41 had required an entity to use pre-tax cash flows when measuring fair value but did not require the use of a pre-tax discount rate to discount those cash flows.

The Company does not expect that the amendments, when initially applied, will have material impact on the financial statements of the Company.

New or amended Standards and Interpretations that are effective for annual periods beginning after 1 January 2021, not yet endorsed by the EU as at 10 December 2021

Amendments to IAS 12 Income Taxes Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for annual periods beginning on or after 1 January 2023. Early application is permitted.

The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date[2]. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

The Company does not expect that the amendments, when initially applied, will have material impact on the financial statements of the Company.

Amendments to IAS 1 Presentation of Financial Statements Classification of Liabilities as Current or Non-current

Effective for annual periods beginning on or after 1 January 2023[3] Early application is permitted.

The amendments clarify that the classification of liabilities as current or non-current shall be based solely on the Company's right to defer settlement at the end of the reporting period. The Company's right to defer settlement for at least 12 months from the reporting date need not be unconditional but must have substance. The classification is not affected by management's intentions or expectations about whether and when the Company will exercise its right. The amendments also clarify the situations that are considered settlement of a liability.

The Company does not expect that the amendments, when initially applied, will have material impact on the financial statements of the Company.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments

Effective for annual periods beginning on or after 1 January 2023 Early application is permitted.
The amendments to IAS 1 require companies to disclose their material accounting policy information rather than significant accounting policies.

The Company does not expect that the amendments, when initially applied, will have material impact on the financial statements of the Company.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Effective for annual periods beginning on or after 1 January 2023 Early application is permitted.

The amendments introduced a definition of 'accounting estimates' and included other amendments to IAS 8 clarifying how to distinguish changes in accounting policies from changes in estimates. The distinction is important as changes in accounting policies are generally applied retrospectively while changes in estimates are accounted for in the period in which the change occurs.

The Company does not expect that the amendments, when initially applied, will have material impact on the financial statements of the Company.

[2] If a company previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.
[3] On 15 July 2020 the IASB has issued an amendment to defer the effective date to 1 January 2023.

4. Fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods.

Based on inputs used to determine the fair value of assets and liabilities, different levels of fair value were defined:

- Level 1: quoted market prices (not adjusted) in active markets for identical assets and liabilities
- Level 2: inputs other than quoted prices in Level 1 that are observable for the assets or liabilities, either directly (eg. as prices) or indirectly (eg. derived from prices) and are quoted on non-active markets for identical asset and liability entries.
- Level 3: inputs for assets and liabilities that are not based on observable market inputs (unobservable inputs).

Trade and other receivables
The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Derivatives
The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Non-derivative financial liabilities
Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

The fair value of trade and other receivables, cash and cash equivalents and non-derivative financial liabilities does not significantly differ from their carrying amounts.

5. Financial risk management

Overview
The Company has exposure to the following risks from its use of financial instruments and from its operations:

- credit risk
- liquidity risk
- market risk
- operational risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework
The Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Directors monitor compliance with the Company's risk management policies and procedures and review the adequacy of the risk management framework in relation to the risks faced by the Company.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

Trade and other receivables

Approximately 98 percent of the Company's revenue is attributable to sales transactions with a single customer that is a related party - Samsung Electronics Europe Logistics B.V. This is due to Samsung Headquarter's decision that the Company has to sell the majority of its products via a special entity that concentrates on logistics services. In the past, the Company has never suffered losses from Samsung Electronics Europe Logistics B.V.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past due nor impaired is shown in the following table:

In thousands of euro	**31 December 2021**	**31 December 2020**
Group 1	52	46
Group 2	143 439	104 553
Group 3	-	-
	143 491	**104 599**

Group 1 – new customers (less than 6 months)
Group 2 – existing customers (more than 6 months) with no defaults in the past
Group 3 – existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers outside the Samsung Electronics group requiring credit. The Company does not require collateral in respect of financial assets.

The carrying amount of financial assets, including derivative financial instruments represents the maximum accounting loss that would be recognised at the balance sheet date if counterparties failed to perform completely as contracted and any collateral or security proved to be of no value. The amount therefore greatly exceeds expected losses.

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Company. Transactions involving derivative financial instruments are with counterparties recommended by headquarter based on their sound credit ratings. Given their high credit ratings, management does not expect any counterparty to derivative transactions to fail to meet its obligations.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, to the extent possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains access to group cash-pool accounts.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

The Company is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the Euro. The currencies giving rise to this risk are primarily the U.S. Dollars (USD).

From time to time the Company hedges its open position of monetary assets and liabilities repayable in foreign currencies using forward exchange contracts. The foreign currency exposure in respect of forecasted sales and purchases is not hedged. In respect of other monetary assets and liabilities held in currencies other than the functional currency, the Company ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

It is estimated that an increase/decrease of one percentage point in the value of the euro against other foreign currencies as at 31 December 2021 would change the Company's profit before tax by approximately EUR 627 thousand (31 December 2020: EUR 345 thousand).

Interest rate risk

Management has entered into loan contracts which are exposed to floating interest rates in the normal course of business. The Company does not enter into derivative contracts to manage interest rate risk. This is performed by the parent Company on the Group basis. Loan contracts which are exposed to fixed interest rates do not have an impact on interest rate risk.

An increase or decrease of interest rate by 100 basis points, considering all other factors remain unchanged, would not significantly affect profit before tax for the period ended 31 December 2021 and 31 December 2020.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to Directors and senior management. This responsibility is supported by the development of overall Company standards for the management of operational risk.

Capital management

The Company defines capital as its Equity in amount of EUR 43 098 thousand as at 31 December 2021 and 31 December 2020. The Company's policy is to maintain a strong capital base so as to sustain future development of the business. The Company does not provide any employees shares. There were no changes in the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

6. Revenue

Revenue according to the main divisions is presented in the table below:

In thousands of euro	Year ended 31 December 2021	Year ended 31 December 2020
LCD TV – LED, LED module	1 626 795	1 252 980
LCM panels	2 206	955
LCD Large Format Displays	3 097	2 355
Subtotal – Sale of finished goods	**1 632 098**	**1 256 290**
Sale of raw material	61 679	48 684
Semi-finished goods	1	68
Total	**1 693 778**	**1 305 042**

The major portion of the revenue represents LCD TVs – LED. The company also produced LCM panels for the purposes of own TV production and for sale to other Samsung group entities.

7. Cost of sales

Cost of sales comprises:

In thousands of euro	Year ended 31 December 2021	Year ended 31 December 2020
Material	1 557 651	1 176 316
Personnel expenses	13 469	19 595
Depreciation and amortization	9 950	12 183
Other	19 017	17 253
Total	**1 600 087**	**1 225 347**

The average number of employees for the year ended 31 December 2021 was 645 out of that 2 employees at managerial positions (year ended 31 December 2020: 782 out of that 2 employees at managerial positions).

8. Administrative and selling expenses

In thousands of euro	Year ended 31 December 2021	Year ended 31 December 2020
Personnel expenses	6 973	6 899
Service charges	4 412	6 393
Depreciation and amortization	2 273	2 070
Transportation	114	422
Other	4 196	4 808
	17 968	**20 592**

9. Finance and other income, expense

In thousands of euro	Year ended 31 December 2021	Year ended 31 December 2020
Finance income / (expense)		
Interest income	-	1
Interest expense	(5)	(5)
Net interest (expense)	(5)	(4)
Foreign exchange gains	3 591	7 874
Foreign exchange losses	(15 271)	(3 507)
Net foreign exchange gains / (losses)	(11 680)	4 367
Gains from forex forward transactions	14 291	2 454
Losses from forex forward transactions	(4 333)	(5 556)
Net gains / (losses) from forex forward transactions	9 957	(3 102)
Finance income / (expense), net	(1 727)	1 261
Presented as:		
Finance income	**17 882**	**10 329**
Finance costs	**(19 609)**	**(9 068)**
Other non-operating expense		
Other	(761)	(2 605)
Other non-operating expense, net	**(761)**	**(2 605)**

10. Income tax expense

In thousands of euro	Year ended 31 December 2021	Year ended 31 December 2020
Current tax expense		
Current tax charge	16 433	14 027
Adjustment for prior years	684	19
Subtotal	**17 117**	**14 046**
Deferred tax (income) / expense		
Origination and reversal of temporary differences	(809)	(2 161)
Total income tax expense in statement of profit and loss and other comprehensive income	**16 308**	**11 885**

Reconciliation of the effective tax rate

In thousands of euro	2021	%	2020	%
Profit before tax	73 235		57 759	
Income tax using the domestic corporate tax rate	15 379	21.0%	12 130	21.0%
Permanent differences	245	0.3%	287	0.5%
Changes in estimates related to prior years	684	0.9%	19	0.0%
Other	-	0.0%	(551)	(0.9)%
Total income tax expense in statement of profit and loss and other comprehensive income	**16 308**	**22.3%**	**11 885**	**20.6%**

11. Property, plant and equipment

In thousands of euro	Land and buildings	Plant, equipment and other	Right of use assets	Under construction	Total
Cost					
Balance as at 1 January 2020	78 872	187 188	1 060	1 286	268 406
Acquisitions	132	6 247	478	2 697	9 554
Transfers	-	1 249	-	(1 249)	-
Disposals	(110)	(75 791)	(202)	-	(76 103)
Balance as at 31 December 2020	**78 894**	**118 893**	**1 336**	**2 734**	**201 857**
Balance as at 1 January 2021	78 894	118 893	1 336	2 734	201 857
Acquisitions	224	6 019	390	1 034	7 667
Transfers	-	2 734	-	(2 734)	-
Disposals	-	(12 319)	(598)	-	(12 917)
Balance as at 31 December 2021	**79 118**	**115 327**	**1 128**	**1 034**	**196 607**
Accumulated depreciation and impairment losses					
Balance as at 1 January 2020	37 732	171 984	297	-	210 013
Depreciation charge for the period	3 082	10 306	511	-	13 899
Impairment loss	-	-	-	-	-
Transfers	-	-	-	-	-
Disposals	(14)	(72 172)	(199)	-	(72 385)
Balance as at 31 December 2020	**40 800**	**110 118**	**609**	**-**	**151 527**
Balance as at 1 January 2021	40 800	110 118	609	-	151 527
Depreciation charge for the period	3 084	8 532	541	-	12 157
Impairment loss	-	-	-	-	-
Transfers	-	-	-	-	-
Disposals	-	(10 930)	(599)	-	11 529
Balance as at 31 December 2021	**43 884**	**107 720**	**551**	**-**	**152 155**
Carrying amounts					
As at 1 January 2020	41 140	15 204	764	1 286	58 393
As at 31 December 2020	**38 094**	**8 775**	**727**	**2 734**	**50 330**
As at 1 January 2021	38 094	8 775	727	2 734	50 330
As at 31 December 2021	**35 234**	**7 607**	**577**	**1 034**	**44 452**

Impairment loss

No impairment losses have been recognized as at 31 December 2021 (31 December 2020: nil).

Insurance

Property, plant and equipment is insured against damage caused by fire up to TEUR 156 874 and against mechanical and electric damage up to TEUR 82 458 (31 December 2020: TEUR 163 192 and TEUR 40 358 respectively).

Security

No property, plant and equipment is pledged or subject to any other form of security as at 31 December 2021 and 31 December 2020.

Ownership

Ownership of property, plant and equipment (production halls) with a net book value of EUR 115 thousand had not been registered in the land register as at 31 December 2021 as Company property. The Company expects such record in the land cadaster during 2022.

Right-of-use assets - amounts recognized in profit or loss

In thousands of euro	**31 December 2021**	**31 December 2020**
Interest on lease liabilities	5	5
Depreciation charge for the year	542	511
Lease payments for short-term leasing, leasing of low-value assets and variable (performance) lease	310	415
Total	**857**	**931**

Cash flows from leases:

In thousands of euro	**31 December 2021**	**31 December 2020**
Interest paid on leases	5	5
Lease principal repayments	545	515
Lease payments for short-term leasing, leasing of low-value assets and variable (performance) lease	310	415
Total	**860**	**935**

12. Intangible assets

In thousands of euro	Software	Total
Cost		
Balance as at 1 January 2020	1 598	1 598
Acquisitions	48	48
Transfers	-	-
Disposals	(15)	(15)
Balance as at 31 December 2020	**1 631**	**1 631**
Balance as at 1 January 2021	1 631	1 631
Acquisitions	16	16
Transfers	-	-
Disposals	(160)	(165)
Balance as at 31 December 2021	**1 487**	**1 482**
Accumulated amortization and impairment losses		
Balance as at 1 January 2020	1 581	1 581
Amortization charge for the period	50	50
Transfers	-	-
Disposals	(10)	(10)
Balance as at 31 December 2020	**1 621**	**1 621**
Balance as at 1 January 2021	1 621	1 621
Amortization charge for the period	14	14
Transfers	-	-
Disposals	(160)	(160)
Balance as at 31 December 2021	**1 475**	**1 475**
Carrying amounts		
As at 1 January 2020	17	17
As at 31 December 2020	**10**	**10**
As at 1 January 2021	10	10
As at 31 December 2021	**12**	**7**

13. Deferred tax

Recognized deferred tax assets are attributable to the following:

In thousands of euro	**31 December 2021**	**31 December 2020**
Inventories	4 575	4 242
Property, plant and equipment	266	594
Other items	1 741	938
Total	**6 582**	**5 774**

All movements in temporary differences were recognized in profit or loss during the relevant periods. The Company has no unrecognized deferred tax assets and liabilities as at 31 December 2021 and 31 December 2020.

14. Inventories

In thousands of euro	**31 December 2021**	**31 December 2020**
Raw materials and consumables	329 824	183 120
Other service inventory	12 811	18 203
Work in progress, semi-finished, finished goods and merchandise	4 795	337
Total	**347 430**	**201 660**

During the year ended 31 December 2021 raw materials, consumables and changes in finished good and work in progress recognised as cost of sales amounted to EUR 1 557 651 thousand (year ended 2020: EUR 1 176 316 thousand).

As at 31 December 2021 the Company has recorded an inventory obsolescence provision in the amount of EUR 23 218 thousand (31 December 2020: EUR 20 653 thousand). The Company has recorded an inventory obsolescence charge (inventory write off) during the year ended 31 December 2021 amounting to EUR 2 347 thousand (year ended 31 December 2020: EUR 5 351 thousand).

15. Trade and other receivables

In thousands of euro	**31 December 2021**	**31 December 2020**
Trade receivables (due from related parties)	133 670	101 266
Other receivables	9 821	3 333
Total trade and other receivables financial	**143 491**	**104 599**
Less: Allowance for bad and doubtful debts	-	-
Value added tax receivable	15 354	13 288
Total financial receivables	**158 846**	**117 887**

Most of the trade and other receivables are determined in EUR, as can be seen from the following table:

In thousands of euro	31 December 2021 Balance recalculated to EUR thousand	%	31 December 2020 Balance recalculated to EUR thousand	%
EUR	139 913	97,5%	103 104	98,5%
USD	3 578	2,5%	1 495	1,5%
Total	**143 491**	**100%**	**104 599**	**100%**

The aging of receivables is provided in the table below:

In thousands of euro	31 December 2021			31 December 2020		
	Gross	%	Impairment	Gross	%	Impairment
Not past due	143 413	100%	-	104 553	99,9%	-
Past due 0-30 days	55	0%	-	46	0,1%	-
Past due 31-180 days	23	0%	-	-	-	-
More than 180 days	-	-	-	-	-	-
Total	**143 491**	**100%**		**104 599**	**100%**	

No bad debt provision was recorded as at 31 December 2021 and 31 December 2020.

The Company faces a customer concentration risk 86% of trade and other receivables and 98% of revenues during the year ended 31 December 2021 (31 December 2020: 85% and 98% respectively) has been generated by one related party, Samsung Electronics Europe Logistic B.V.

16. Cash and cash equivalents

In thousands of euro	31 December 2021	31 December 2020
Bank balances (held in EUR)	666 361	691 168
Bank balances (held in USD)	1 771	414
Cash and cash equivalents	**668 132**	**691 582**
Bank overdrafts used for cash management purposes (held in USD)	-	-
Cash and cash equivalents in the statement of cash flows	**668 132**	**691 582**

The Company operates under a Multi Entity Cash Pooling arrangement signed between Citibank, N.A. and various companies within the Samsung group and which is maintained by Samsung Electronics European Holding (SEEH).

Included in the total amount of cash and cash equivalents is an amount of EUR 39 thousand (31 December 2020: EUR 19 thousand) held on the accounts open with bank SLSP Bratislava, Slovakia and EUR 668 093 thousand (31 December 2020: EUR 691 563 thousand) zero balance pooling to SEEH.

As of 31 December 2021, there were bank guarantees provided for the Company in favor of the Custom's office in amount of EUR 15 000 thousand (31 December 2020: EUR 70 000 thousand).

No bad debt provision was recorded as at 31 December 2021 and 31 December 2020.

17. Capital and reserves

Share capital

The total authorized, issued and outstanding share capital of the Company amounts to EUR 43 098 thousand as of 31 December 2021 and 31 December 2020. The ownership structure of the Company is as follows:

	Contribution (EUR thousand)	Share and voting rights (%)
SAMSUNG Electronics Magyar Zártkörűen Működő Részvénytársaság, Samsung tér 1, Jászfényszaru 5216, Hungary	20 938	49%
SAMSUNG Electronics Co. Ltd., Maetan-dong 129, Samsung-ro, Yeongtong-gu, Suwon-si, Gyeonggi-do, Korea	22 160	51%
Total	**43 098**	**100%**

The share capital is fully paid up.

The equity holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company.

Legal reserve fund

The Company is obliged by Slovak law to create a legal reserve in the minimum amount of 5% of net profit (annually) and up to a minimum of 10% of the registered share capital.

As at 31 December 2021 the legal reserve fund balance reached the amount of 10% of the share capital which is the minimum amount as required by law.

18. Interest bearing loans and borrowings

The Company has an intercompany overdraft facility, which is used mainly for the purposes of cash management related to raw material purchases.

More information about the Company`s exposure to interest rate risk, refer to Note 5.

19. Employee benefits

The Company has no significant defined contribution plan (apart from legal social contribution), defined benefit plan or any other long-term employee benefits. Short-term employee benefits as at 31 December 2021 amounted to EUR 2 249 thousand (31 December 2020: EUR 2 588 thousand) and comprise wages and salaries payable including social and health contributions, accrual for untaken vacation and accrual for bonuses. Short-term employee benefits are presented within trade and other payables in the statement of financial position.

20. Trade and other payables

In thousands of euro	31 December 2021	31 December 2020
Trade payables	232 152	131 873
Lease liabilities	578	728
Other payables	18 281	14 689
Total	**251 011**	**147 290**

The contractual cash flows approximate to the carrying amount of the trade and other payables presented at the end of the reporting period and the maturities are within three months, except of the lease liabilities with a maturity up to 3 years.

Trade and other payables are determined in EUR and USD, as can be seen from the following table:

In thousands of euro	31 December 2021 Balance recalculated to EUR thousand	%	31 December 2020 Balance recalculated to EUR thousand	%
EUR	57 865	23%	71 184	48.3%
USD	193 146	77%	76 105	51.7%
Total	**251 011**	**100%**	**147 290**	**100%**

Structure of payables according to maturity

The structure of payables is shown in the table below:

In thousands of euro	31 December 2021	31 December 2020
Payables overdue	458	28
Payables due within 1 year	250 403	146 966
Payables due within 1-5 year	150	296
Total trade and other payables	**251 011**	**147 290**

The Company's exposure to currency and liquidity risk related to trade and other payables is further described in note 5 of these financial statements.

Social fund

In other payables are also presented social fund liabilities, their creation and drawing during the period are presented in the table below:

In thousands of euro	Year ended 31 December 2021	Year ended 31 December 2020
Balance at beginning of the period	148	160
Recognized as expenses	112	147
Drawing	(88)	(159)
Balance at end of the period	**172**	**148**

21. Financial instruments

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Company's business. Derivative financial instruments are used to hedge exposure to fluctuations in foreign exchange rates.

Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

In thousands of euro	31 December 2021	31 December 2020
Cash and cash equivalents	668 132	691 563
Trade and other receivables	143 491	104 599
Foreign exchange forward contracts	1 171	54
Total exposure	**812 794**	**796 216**

Impairment losses
Impairment losses are described in note 15.

Liquidity risk
The following are the contractual maturities of financial assets and financial liabilities as at 31 December 2021:

In thousands of euro	Carrying amount	Contractual cash-flows	3 months or less	3-6 months	More than 6 months
Non-derivative financial assets					
Cash and cash equivalents	668 132	668 132	668 132	-	-
Trade and other receivables	143 491	143 491	143 491	-	-
Derivative financial assets					
Foreign exchange forward contracts	1 171	1 171	1 171	-	-
Non-derivative financial liabilities					
Trade and other payables	(248 027)	(248 027)	(248 027)	-	-
Derivative financial liabilities					
Foreign exchange forward contracts	(323)	(323)	(323)	-	-
Total	**564 444**	**564 444**	**564 444**		

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Currency risk
The Group's exposure to foreign currency risk as at 31 December 2021 and 31 December 2020 was as follows based on notional amounts:

In thousands of currency	**31 December 2021 USD**	**31 December 2020 USD**
Cash and cash equivalents	2 007	508
Receivables	4 053	1 678
Trade and other payables	(218 757)	(93 389)
Gross exposure	*(212 697)*	*(91 203)*
Foreign exchange forward contracts	141 028	48 482
Net exposure	**(71 669)**	**(42 721)**

Interest rate risk
More information about the Company`s exposure to interest rate risk, refer to Note 5.

Recognized assets and liabilities
The fair value of forward exchange contracts as at 31 December 2021 was a profit of EUR 848 thousand (31 December 2020: loss of EUR 416 thousand). These amounts are included among trade and other receivables and payables respectively.

Fair values
Due to either short-term maturities or usage of floating interest rates fair values of all monetary and financial assets, monetary and financial liabilities and derivatives approximate their carrying amounts shown in the statement of financial position.

22. Capital commitments

There are no significant capital commitments as at 31 December 2021.

23. Contingencies

Many parts of Slovak tax legislation remain untested and there is uncertainty about the interpretation that the tax authorities may apply in a number of areas. The effect of this uncertainty cannot be quantified and will only be resolved as legislative precedents are set or when the official interpretations of the authorities are available. Management is not aware of any circumstances that would cause any significant costs for the Company.

24. Related parties

Identity of related parties

The Company has a related party relationship with its parent (Samsung Electronics Co. Ltd) and other group companies within the Samsung Electronics group and with its directors and executive officers. The ultimate controlling party is SAMSUNG Electronics Co. Ltd.

Transactions with key management personnel

There have been no transactions with key management personnel, except their salaries (included in the caption of administrative and selling expense in profit or loss) in the amount of EUR 742 thousand for the year ended 31 December 2021 (year ended 31 December 2020: EUR 517 thousand).

Other related party transactions

The Company carried out various transactions with the following related parties within the Samsung Electronics group:

Samsung Electronics Co., Ltd, Samsung Electronics America, Inc., Samsung International, Inc., Samsung Electronica da Amazonia Ltda., Samsung Electronics (UK) Ltd., Samsung Semiconductor Europe GmbH, Samsung Electronics Hungarian Zrt., Samsung Electronics Europe Logistics B.V., Samsung Display Slovakia s.r.o., Samsung Electronics Romania SRL, Samsung Electronics Polska Sp.zo.o., Samsung Electronics Europe Holding Cooperatief U.A., Samsung Electronics Egypt S.A.E., Samsung Electronics South Africa Production (Pty) Ltd., Samsung Electronics Rus Kaluga LLC, Samsung Electronics Japan Co., Ltd., Samsung Asia Private Ltd., Samsung India Electronics Private Ltd., PT Samsung Electronics Indonesia, Samsung Electronics HCMC CE Complex Co., Ltd., Samsung Electronics Taiwan Co., Ltd., Samsung Electronics Hong Kong Co., Ltd., Samsung Electronics Huizhou Co., Ltd., Tianjin Samsung Electronics Co., Ltd.; Samsung SDS Global SCL Slovakia and other.

Transactions with SAMSUNG Electronics Co. Ltd. (parent)	**Year ended**	**Year ended**
In thousands of euro	**31 December 2021**	**31 December 2020**
Sales of own products and other assets	3	63
Sales of machinery and equipment	-	-
Purchase of raw materials	255 314	458 389
Purchase of machinery and equipment	2 563	7 280
Service and other expenses	1 338	1 524

Transactions with SAMSUNG Electronics Magyar Zártkörűen Működő Részvénytársaság (significant influence)	**Year ended**	**Year ended**
In thousands of euro	**31 December 2021**	**31 December 2020**
Sales of own products and other assets	34 158	8 411
Sales of machinery and equipment	957	2 895
Purchase of raw materials	107 061	83 363
Purchase of machinery and equipment	458	539
Service and other expenses	3	18

Transactions with other group companies *In thousands of euro*	**Year ended 31 December 2021**	**Year ended 31 December 2020**
Sales of own products and other assets	1 658 605	1 294 062
Sales of machinery and equipment	303	533
Purchase of raw materials	727 796	264 316
Purchase of machinery and equipment	759	2
Service and other expenses	49 412	28 162

Selected assets and liabilities arising from related-party transactions are presented in the table below:

Assets and liabilities arising from transactions with SAMSUNG Electronics Co. Ltd. (parent) *In thousands of euro*	**31 December 2021**	**31 December 2020**
Trade, other receivables and prepayments	6	0
Trade and other payables	13 712	46 676
Other accruals payable	573	854

Assets and liabilities arising from transactions with SAMSUNG Electronics Magyar Zártkörűen Működő Részvénytársaság (significant influence) *In thousands of euro*	**31 December 2021**	**31 December 2020**
Trade, other receivables and prepayments	5	2
Trade and other payables	8 367	2 236
Other accruals payable	-	-

Assets and liabilities arising from transactions with other group companies *In thousands of euro*	**31 December 2021**	**31 December 2020**
Trade, other receivables and prepayments	139 774	101 375
Trade and other payables	153 509	51 213
Other accruals payable	466	434

The trade receivables, trade payables and accruals balances are short-term. None of the balances is secured. Usually, these balances are settled via group netting process. Transactions between related parties have been realized on arm's length basis.

25. Events after the end of reporting period

No events with a material impact on presentation of these financial statements occurred after 31 December 2021 that would require disclosure or amendment of these financial statements.

These financial statements were authorized for issue on 21 January 2022.

Hack Bum Bae
Statutory representative

Stanislav Kopecký
Finance manager