



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 921 045 379  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ROLLS-ROYCE ELECTRICAL NORWAY AS  
Forretningsadresse: Jarleveien 8A  
7041 TRONDHEIM

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: James Whiteley  
Dato for fastsettelse av årsregnskapet: 23.06.2022

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 12.10.2022



## Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Revenue	12	119 009 931	141 964 024
<b>Sum inntekter</b>		<b>119 009 931</b>	<b>141 964 024</b>
<b>Kostnader</b>			
Raw materials and consumables used		9 437 751	25 690 200
Employee benefits expense	1	40 814 985	39 216 214
Depreciation and amortisation expenses	2, 3	6 306 157	6 649 720
Nedskrivning av varige driftsmidler og immaterielle eiendeler	2, 3		
Other expenses	1, 4, 12	48 881 843	43 835 885
<b>Sum kostnader</b>		<b>105 440 736</b>	<b>115 392 019</b>
<b>Driftsresultat</b>		<b>13 569 196</b>	<b>26 572 005</b>
<b>Finansinntekter og finanskostnader</b>			
Renteinntekt fra foretak i samme konsern	5		
Annen renteinntekt	5	4 491	7 564
Other financial income	5	43 103	837 775
<b>Sum finansinntekter</b>		<b>47 594</b>	<b>845 339</b>
Rentekostnad til foretak i samme konsern	5		
Annen rentekostnad	5		39 348
Other financial expenses	5	395 572	2 300 309
<b>Sum finanskostnader</b>		<b>395 572</b>	<b>2 339 657</b>
<b>Netto finans</b>		<b>-347 978</b>	<b>-1 494 318</b>
<b>Ordinært resultat før skattekostnad</b>		<b>13 221 217</b>	<b>25 077 687</b>
Income tax expense	6	2 916 706	5 538 578
<b>Ordinært resultat etter skattekostnad</b>		<b>10 304 511</b>	<b>19 539 109</b>
<b>Årsresultat</b>		<b>10 304 511</b>	<b>19 539 109</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>10 304 511</b>	<b>19 539 109</b>



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Totalresultat</b>		<b>10 304 511</b>	<b>19 539 109</b>
<b>Overføringer og disponeringer</b>			
Other equity		10 304 511	19 539 109
<b>Sum overføringer og disponeringer</b>		<b>10 304 511</b>	<b>19 539 109</b>



### Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Research and development	2, 3		
Patents, licenses, trademarks, and similar rights	3	2 060 767	2 148 885
Utsatt skattefordel	6	372 310	94 795
Goodwill	3		1 083 623
<b>Sum immaterielle eiendeler</b>		<b>2 433 077</b>	<b>3 327 304</b>
<b>Varige driftsmidler</b>			
Machinery and equipment	2	1 881 118	2 164 701
Equipment and other movables	2	13 620 067	12 998 454
<b>Sum varige driftsmidler</b>		<b>15 501 185</b>	<b>15 163 155</b>
<b>Finansielle anleggsmidler</b>			
Lån til foretak i samme konsern	12		
Lån til tilknyttet selskap og felles kontrollert virksomhet	12		
<b>Sum anleggsmidler</b>		<b>17 934 261</b>	<b>18 490 459</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Sum varer</b>	10	<b>2 389 119</b>	<b>2 099 603</b>
<b>Fordringer</b>			
Accounts receivables		7 590 096	5 393 107
Other short-term receivables	11	10 744 520	12 905 742
Konsernfordringer	12	20 259 999	23 680 673
<b>Sum fordringer</b>		<b>38 594 615</b>	<b>41 979 521</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	7	55 589 135	52 764 975
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>55 589 135</b>	<b>52 764 975</b>
<b>Sum omløpsmidler</b>		<b>96 572 869</b>	<b>96 844 100</b>



## Balanse

Beløp i: NOK	Note	2021	2020
<b>SUM EIENDELER</b>		<b>114 507 130</b>	<b>115 334 558</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	8, 9	30 030 000	30 030 000
Overkurs	8	27 000 000	27 000 000
<b>Sum innskutt egenkapital</b>		<b>57 030 000</b>	<b>57 030 000</b>
<b>Opptjent egenkapital</b>			
Other equity	8	35 755 672	25 451 161
Udekket tap			1
<b>Sum opptjent egenkapital</b>		<b>35 755 672</b>	<b>25 451 161</b>
<b>Sum egenkapital</b>		<b>92 785 672</b>	<b>82 481 161</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	6		
<b>Annen langsiktig gjeld</b>			
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		7 739 004	8 937 370
Tax payable	6	3 194 221	5 788 923
Public duties payable		2 315 780	2 392 624
Utbytte	8		
Kortsiktig konserngjeld	12		
Other current liabilities	11	8 472 453	15 734 481
<b>Sum kortsiktig gjeld</b>		<b>21 721 458</b>	<b>32 853 398</b>
<b>Sum gjeld</b>		<b>21 721 458</b>	<b>32 853 398</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>114 507 130</b>	<b>115 334 558</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 578710

#### Enheten

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årsregnskapet til selskapet: Regnskapslovens alminnelige regler

#### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: James Whiteley  
Dato for fastsettelse av årsregnskapet: 23.06.2022

#### Revisjon

Årsregnskapet er utarbeidet av ekstern  
autorisert regnskapsfører: Ja

#### Grunnlag for avgivelse

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År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021.

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Brønnøysundregistrene, 06.07.2022



Organisasjonsnr: 921 045 379  
ROLLS-ROYCE ELECTRICAL NORWAY AS

## RESULTATREGNSKAP

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<b>Totalresultat</b>		<b>10 304 511</b>	<b>19 539 109</b>
<b>Overføringer og disponeringer</b>			



Other equity	10 304 511	19 539 109
Sum overføringer og disponeringer	10 304 511	19 539 109



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ROLLS-ROYCE ELECTRICAL NORWAY AS

## BALANSE

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Organisasjonsnr: 921 045 379  
ROLLS-ROYCE ELECTRICAL NORWAY AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall aksjer og aksjeeiere

Note

6

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:  
39.00

Omløpsmidler                      Startdato      Sluttdato      Endring

Skattemessig fremf.undersk. Startdato      Sluttdato      Endring

Kortsiktig gjeld                      Startdato      Sluttdato      Endring



To the General Meeting of Rolls-Royce Electrical Norway AS

## *Independent Auditor's Report*

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### *Opinion*

We have audited the financial statements of Rolls-Royce Electrical Norway AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

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### *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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

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### *Other Information*

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

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PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen  
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no  
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Independent Auditor's Report - Rolls-Royce Electrical Norway AS



Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

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*Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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*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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Bergen, 20 May 2022  
**PricewaterhouseCoopers AS**

Jan Roger Hånes  
State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

**Signers:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
Hånes, Jan Roger	BANKID_MOBILE	2022-05-20 17:48

**This document package contains:**

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- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



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The seal is a guarantee for the authenticity  
of the document.



# Annual Report 2021

## Rolls-Royce Electrical Norway AS

**Directors' Report**  
**Income statement**  
**Balance sheet**  
**Cash flows**  
**Notes to the Accounts**

**Org.no.: 921 045 379**





## Directors' annual report 2021 for Rolls-Royce Electrical Norway AS

### The nature of the business

Rolls-Royce Electrical Norway AS is 100% owned by Rolls-Royce plc. The ultimate parent company being Rolls-Royce Holdings plc, which has its business address in London, is listed on the London Stock Exchange, and prepares consolidated accounts within which Rolls-Royce Electrical Norway AS is consolidated. The company is located in Trondheim municipality.

Rolls-Royce Electrical Norway AS is a company whose business includes electrification in aircraft, marine and subsea. Deliveries include R&D, testing, commissioning and product deliveries.

The cash flow from operating activities is NOK 8,2 million in 2021, cash flow from investing activities is NOK -5,4 million, and cash flow from financing activities is NOK 0,0 million. The favourable cash position at the year end is NOK 55,6 million and gives a year-end current ratio of 4,45.

### Going concern

In accordance with the regnskapslovens § 3-3a, it is confirmed that the conditions required for continued operation are present, and that this assumption is used as the basis for the preparation of the accounts.

### Statement of the annual accounts

The board does not know of any matters of importance for judging the company's position and results that do not appear in the profit and loss statement and the balance sheet with notes.

The corona epidemic that began at the beginning of 2020 has had significant consequences and created greater uncertainty for companies both nationally and internationally. For 2021 this has affected the sick leave to a greater extent. It has also given restrictions on the ability to travel with the consequences it has. The situation is ongoing but the uncertainty is reduced. The pandemic will continue to be monitored with working procedure adjusted as necessary

Electrification in our core markets continue to be important to reach global CO2 targets. This is the main driver for continued operation and growth in Rolls-Royce Electrical Norway AS.

Other than those mentioned above, no post financial year end events or transactions have occurred which, in the board's view, are important in assessing the financial statement.

### Outlook for 2022

Contracts entering 2022 are proximately as budgeted. By the end of Q1 2022 is engineering delivered in accordance with the annual budget. Product are contracted and deliveries will improve in Q2 - Q4. The forecast for 2022 is that the company will deliver in accordance with the budget both in terms of turnover and profit.

### Financial risk

The company's revenues and costs are primarily in Norwegian Kroner. Where the company does invoice customers in a foreign currency the revenue is calculated based on Norwegian Kroner price, the financial risk being foreign exchange movement during debtor day period. If deemed necessary hedging is available via Rolls-Royce Group Treasury. The company undertakes no hedging of interest rates and has no long-term borrowings in place. No significant financial risk exists.

### Market Risk





The global trend towards electrification is the driving force behind Rolls-Royce Electrical Norway AS's business. The market for electrification in specific business sectors can change for many reasons effecting those business sectors, for example the effect Corona has had on aviation. These market changes can have knock on effects of temporarily reducing R&D towards electrification. However the general trend towards electrification across all Rolls-Royce business sectors continues, this should allow Rolls-Royce Electrical Norway AS to benefit from this market growth in our core markets.

## Liquidity risk

The company has minimal large investments and related financial outlays.

## Working environment, gender equality and discrimination

The board considers the working environment in the company to be good. There are continuous ongoing measures to maintain this status. Employees in the company have not been exposed to accidents or injuries in connection with the performance of their work. Total sickness absence last year has been a total of 4,6% of total working hours in the financial year.

Rolls-Royce Electrical Norway AS aims to be a workplace where there is full equality between women and men. It has incorporated a personnel policy which is considered to be gender neutral in all areas. At the end of the year, the company had 39 employees, 5 women and 34 men. The company's board consists of 5 people, of which 2 are women.

## Environmental reporting

The company does not conduct activities that pollute the external environment.

## Liability insurance

There is a general insurance for Directors & Officer's Liability signed with Nightingale Insurance Ltd.

## Annual result and dispositions

In 2021, the company had a profit after tax expense of NOK 10.304.511,- which is to be allocated to other equity in full.

## Allocation of earnings

Allocated to dividend 0,-  
To other equity 10.304.511,-

20.05.2022

The board of Rolls-Royce Electrical Norway AS

---

Robert Emmerson Watson  
chairman of the board

---

Stig Ove Stornes  
member of the board

---

Julia Adelheid Gross  
member of the board

---

Sigurd Øvrebø  
general Manager





## Income Statement

### Rolls-Royce Electrical Norway AS

Operating income and operating expenses	Note	2021	2020
Revenue	12	119 009 931	141 964 024
<b>Total income</b>		<b>119 009 931</b>	<b>141 964 024</b>
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<b>Operating profit</b>		<b>13 569 196</b>	<b>26 572 005</b>
<b>Financial income and expenses</b>			
Other interest income	5	4 491	7 564
Other financial income	5	43 103	837 775
Other interest expenses	5	0	39 348
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<b>Net financial items</b>		<b>-347 978</b>	<b>-1 494 318</b>
Net profit before tax		13 221 217	25 077 687
Income tax expense	6	2 916 706	5 538 578
<b>Net profit</b>		<b>10 304 511</b>	<b>19 539 109</b>
<b>Allocated to</b>			
Other equity		10 304 511	19 539 109
<b>Total</b>		<b>10 304 511</b>	<b>19 539 109</b>





## Balance Sheet 31.12

### Rolls-Royce Electrical Norway AS

Assets	Note	2021	2020
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Patents, licenses, trademarks, and similar rights	3	2 060 767	2 148 885
Deferred tax assets	6	372 310	94 795
Goodwill	3	0	1 083 623
<b>Total intangible assets</b>		<b>2 433 077</b>	<b>3 327 304</b>
<b>Property, plant and equipment</b>			
Machinery and equipment	2	1 881 118	2 164 701
Equipment and other movables	2	13 620 067	12 998 454
<b>Total property, plant and equipment</b>		<b>15 501 185</b>	<b>15 163 155</b>
<b>Total non-current assets</b>		<b>17 934 261</b>	<b>18 490 459</b>
<b>Current assets</b>			
Inventories	10	2 389 119	2 099 603
<b>Debtors</b>			
Accounts receivables		7 590 096	5 393 107
Other short-term receivables	11	10 744 520	12 905 742
Receivables from group companies	12	20 259 999	23 680 673
<b>Total receivables</b>		<b>38 594 615</b>	<b>41 979 521</b>
Cash and cash equivalents	7	55 589 135	52 764 975
<b>Total current assets</b>		<b>96 572 869</b>	<b>96 844 100</b>
<b>Total assets</b>		<b>114 507 130</b>	<b>115 334 558</b>





## Balance Sheet 31.12

### Rolls-Royce Electrical Norway AS

Equity and liabilities	Note	2021	2020
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital	8, 9	30 030 000	30 030 000
Share premium reserve	8	27 000 000	27 000 000
<b>Total paid-up equity</b>		<b>57 030 000</b>	<b>57 030 000</b>
<b>Retained earnings</b>			
Other equity	8	35 755 672	25 451 161
<b>Total retained earnings</b>		<b>35 755 672</b>	<b>25 451 161</b>
<b>Total equity</b>		<b>92 785 672</b>	<b>82 481 161</b>
<b>Current liabilities</b>			
Trade payables		7 739 004	8 937 370
Tax payable	6	3 194 221	5 788 923
Public duties payable		2 315 780	2 392 624
Other current liabilities	11	8 472 453	15 734 481
<b>Total current liabilities</b>		<b>21 721 458</b>	<b>32 853 398</b>
<b>Total liabilities</b>		<b>21 721 458</b>	<b>32 853 398</b>
<b>Total equity and liabilities</b>		<b>114 507 130</b>	<b>115 334 558</b>

20.05.2022

The board of Rolls-Royce Electrical Norway AS

Robert Emmerson Watson  
chairman of the board

Stig Ove Stornes  
member of the board

Julia Adelheid Gross  
member of the board

Sigurd Øvrebø  
general Manager





## Cash Flow Statement

### Rolls-Royce Electrical Norway AS

	Note	2021	2020
<b>Cash flows from operating activities</b>			
Profit/loss before tax		13 221 217	25 077 687
Taxation paid		5 788 923	4 348 679
Ordinary depreciation		6 306 157	6 649 720
Change in inventory		-289 516	-584 632
Change in accounts receivable		-2 196 989	2 111 803
Change in accounts payable		-1 198 365	-2 882 796
Change in other accrual items		-1 756 977	-10 494 189
<b>Net cash flows from operating activities</b>		<b>8 296 603</b>	<b>15 528 914</b>
<b>Cash flows from investment activities</b>			
Payments to buy tangible assets		5 472 445	3 083 665
<b>Net cash flows from investment activities</b>		<b>-5 472 445</b>	<b>-3 083 665</b>
<b>Cash flows from financing activities</b>			
Payment of dividend		0	10 000 000
<b>Net cash flows from financing activities</b>		<b>0</b>	<b>-10 000 000</b>
Net change in cash and cash equivalents		2 824 159	2 445 250
Cash and cash equivalents at the start of the period		52 764 975	50 319 726
<b>Cash and cash equivalents at the end of the period</b>		<b>55 589 134</b>	<b>52 764 975</b>



## Notes to the financial statement 2021

### Accounting principles

The annual accounts have been prepared in accordance with the Accounting Act and generally accepted accounting principles, and under the assumption of continued operations.

### Use of estimates

The preparation of accounts in accordance with the Accounting Act requires the use of estimates. It also requires management to exercise judgment in applying the company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in the notes.

### Revenue

Income from sale of goods and services are recognised at fair value, net after deduction of VAT, returns, discounts and reductions.

### Revenue from sale of goods

Revenue from sale of goods are recognised in the income statement when both risk and control have passed on to the buyer. The risk being the asset's profit and loss potential, whilst control is defined as having both the decision-making rights as well as the jurisdiction. Historical data is applied to estimate and make provisions for quantity discount and returns at the date of sales.

### Revenue from sale for services

Revenues for services are recognised when the services are performed.

### Classification and assessment of balance sheet items

Assets intended for long term ownership or use are classified as fixed assets. Fixed assets are valued at acquisition cost.

Current assets and current liabilities include items due for payment within one year of the balance sheet date, along with inventory items. Current assets are valued at the lower of acquisition cost and estimated fair value.

Receivables are classified as current assets if they are to be repaid within one year. Similar criteria apply to current liabilities.

First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

Some items are assessed according to other rules. The items in question will be among the items covered below.

### Intangible assets

Expenditure on Research and Development is capitalised providing a future economic benefit relating to the development of an identifiable intangible asset can be identified and the expenses can be measured reliably. Otherwise, such expenditure is expensed as and when incurred. Capitalised development costs are depreciated on a straight-line basis over the asset's expected useful life.

### Fixed assets

Tangible fixed assets are capitalised and depreciated on a straight-line basis down to the residual value over the expected useful economic life of the assets. When the depreciation plan is changed, the effect is distributed over the remaining depreciation period. Maintenance of operating equipment is expensed on an ongoing basis.

Upgrades or improvements are added to the acquisition cost of the asset and depreciated in line with the asset. The difference between maintenance and upgrade / improvement is assessed based on the condition of the asset when purchased. Land is not depreciated.

Leased fixed assets are capitalized as fixed assets if the lease is considered financial.

Expenses for renting other fixed assets are expensed as operating costs. Prepayments are reflected in the



## Notes to the financial statement 2021

balance sheet as a prepaid expense, and are distributed over the rental period.

### Impairment of fixed assets

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent ingoing cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and the value in use (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the value in use. Value in use is the present value of future cash flows related to the asset.

Previous impairment charges, except write-down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

### Inventory

The inventory of purchased goods is valued at the lower of acquisition cost according to the FIFO principle and net sales value. Finished goods of own production and work in progress are valued at production cost.

### Receivables

Trade receivables and other receivables are recorded in the balance sheet at face value after deduction of provisions for expected loss. Provisions for losses are made on the basis of individual assessments of the individual receivables.

### Pensions

Pension schemes financed via hedged schemes are not capitalized. The pension premium is considered in these cases such as pension costs and are classified together with wage costs

### Tax

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at 22 % on the basis of the temporary differences that exist between accounting and tax values, as well as any possible taxable loss carried forwards at the end of the accounting year. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been offset and netted.

Deferred tax on surplus values in connection with acquisitions of subsidiaries will not be settled.

List of deferred tax assets on net tax-reducing differences that have not been offset and losses to carry forward, is justified by assumed future earnings. Deferred tax assets that can be capitalized and deferred tax is entered net in the balance sheet.

### Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate at the end of the accounting year. Agio gains and losses relating to sales and purchases of goods in foreign currencies are recognised as financial income and expenses.

### Warranties, guarantee commitments/complaints and service

Provision for warranties and service work for completed projects / sales is recorded at the expected cost of such work. The estimate is based on historical figures for service and warranty repairs. The amount is recorded under other current liabilities and is recognised in the income statement on a straight-line basis over the warranty and service period.

### Cash Flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.





## Notes to the financial statement 2021

### Note 1 Personnel expenses, number of employees, remuneration, loan to employees

<b>Payroll expenses</b>	<b>2021</b>	<b>2020</b>
Salaries/wages	32 684 394	32 157 167
Social security fees	4 966 828	4 828 892
Pension expenses	1 761 664	1 735 312
Other remuneration	1 402 099	494 843
<b>Total</b>	<b>40 814 985</b>	<b>39 216 214</b>

Average number of employees during the accounting year 39 39

<b>Remuneration to executives</b>	<b>General Manager</b>	<b>Board</b>
Salaries/wages	1 489 234	0
Pension expenses	83 630	0
Other remuneration	123 627	0
<b>Total</b>	<b>1 696 491</b>	<b>0</b>

The General Managers salary includes a management and performance bonus calculated by Rolls-Royce Group, his other remuneration includes share based payment paid as a retention bonus. No salary or other benefits have been paid to others on the board. No loan or security has been provided to the general manager or other leading persons.

#### OTP (Statutory occupational pension)

The company is required to have a pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirement of this law.

#### Liability insurance

There is a general insurance for Directors & Officer's Liability signed with Nightingale Insurance Ltd.

#### Auditors

PWC has been elected as auditor for 2021. In 2021 NOK 280 000 has been expensed to the P&L in this regard (2020: NOK 240 000) along with additional audit fees of NOK 6 200 relating to other assurance services (2020: 79 570), all numbers are presented ex vat.





## Notes to the financial statement 2021

### Note 2 Tangible assets

	Construction in process	Plant & machinery	Equipment, fixtures & fittings	Total
Acquisition cost 01.01.2021	0	2 701 917	20 326 907	23 028 824
Inflow of purchased tangible assets	1 749 836	0	3 258 455	5 008 291
<b>Acquisition cost 31.12.2021</b>	<b>1 749 836</b>	<b>2 701 917</b>	<b>23 585 362</b>	<b>28 037 115</b>
Accumulated depreciations 31.12	0	820 800	11 715 131	12 535 931
<b>Book value 31.12.2021</b>	<b>1 749 836</b>	<b>1 881 117</b>	<b>11 870 231</b>	<b>15 501 184</b>
Acc. depreciations and write-downs 01.01.2021	0	537 216	7 328 453	7 865 669
This year's depreciation	0	283 584	4 386 678	4 670 262
<b>Acc. depreciations and write-downs 31.12.2021</b>	<b>0</b>	<b>820 800</b>	<b>11 715 131</b>	<b>12 535 931</b>
Economic lifetime	0 years	3-10 years	3-5 years	

### Note 3 Intangible assets

	Licenses	Goodwill	Total
Acquisition cost 01.01.2021	2 895 612	4 644 100	7 539 712
Inflow of purchased intangible assets	464 154	0	464 154
<b>Acquisition cost 31.12.2021</b>	<b>3 359 766</b>	<b>4 644 100</b>	<b>8 003 866</b>
Accumulated depreciations 31.12	1 298 999	4 644 100	5 943 099
<b>Book value 31.12.2021</b>	<b>2 060 767</b>	<b>0</b>	<b>2 060 767</b>
Acc. depreciations and write-downs 01.01.2021	746 727	3 560 476	4 307 203
This year's depreciation	552 272	1 083 624	1 635 896
<b>Acc. depreciations and write-downs 31.12.2021</b>	<b>1 298 999</b>	<b>4 644 100</b>	<b>5 943 099</b>
Economic lifetime	3-10 years	2,5 years	





## Notes to the financial statement 2021

### Note 4 Leases

#### Leases:

<b>Annual rent of off-balance sheet fixed assets</b>	<b>2021</b>	<b>2020</b>
Buildings including real estate	4 612 415	3 271 097
<b>Sum</b>	<b>4 612 415</b>	<b>3 271 097</b>

### Note 5 Specification of financial income and financial expenses

<b>Financial income</b>	<b>2021</b>	<b>2020</b>
Other interest income	15 310	18 742
Agio	32 284	837 775
<b>Total financial income</b>	<b>47 594</b>	<b>856 517</b>

<b>Financial expenses</b>	<b>2021</b>	<b>2020</b>
Other interest expense	0	39 348
Other financial expenses	0	-193 170
Disagio	395 572	2 493 479
<b>Total financial expenses</b>	<b>395 572</b>	<b>2 339 657</b>





## Notes to the financial statement 2021

### Note 6 Tax

<b>This year's tax expense</b>	<b>2021</b>	<b>2020</b>
Entered tax on ordinary profit/loss:		
Payable tax	3 194 221	5 788 923
Changes in deferred tax assets	-277 515	- 250 345
<b>Tax expense on ordinary profit/loss</b>	<b>2 916 706</b>	<b>5 538 578</b>
Taxable income:		
Ordinary result before tax	13 221 217	25 077 687
Permanent differences	36 540	97 667
Changes in temporary differences	1 261 432	1 137 932
<b>Taxable income</b>	<b>14 519 188</b>	<b>26 313 286</b>
Payable tax in the balance:		
Payable tax on this year's result	3 194 221	5 788 923
<b>Total payable tax in the balance</b>	<b>3 194 221</b>	<b>5 788 923</b>
Calculation of effective tax rate		
Profit before tax	13 221 217	25 077 687
Calculated tax on profit before tax	2 908 668	5 517 091
Tax effect of permanent differences	8 039	21 487
<b>Total</b>	<b>2 916 706</b>	<b>5 538 578</b>
Effective tax rate	22,1 %	22,1 %

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	<b>2021</b>	<b>2020</b>	<b>Difference</b>
Tangible assets	-1 584 011	-376 734	1 207 277
Warrenties	-108 308	-54 154	54 154
<b>Total</b>	<b>-1 692 319</b>	<b>-430 888</b>	<b>1 261 431</b>
<b>Basis for deferred tax assets</b>	<b>-1 692 319</b>	<b>-430 888</b>	<b>1 261 431</b>
<b>Deferred tax assets (22 %)</b>	<b>-372 310</b>	<b>-94 795</b>	<b>277 515</b>

### Note 7 Bank deposits

Funds standing on the tax deduction account (restricted funds) are NOK 1 514 663.





## Notes to the financial statement 2021

### Note 8 Equity

	Share capital	Share premium reserve	Retained earnings	Total equity
Equity 01.01	30 030 000	27 000 000	25 451 161	82 481 161
Annual net profit/loss			10 304 511	10 304 511
<b>Equity 31.12</b>	<b>30 030 000</b>	<b>27 000 000</b>	<b>35 755 672</b>	<b>92 785 672</b>

### Note 9 Share capital and shareholder information

Share capital	Number	Nominal value	Book value
Ordinary shares	300	100 100	30 030 000

Shareholders:	Number of shares	Ownership
Rolls-Royce plc	300	100 %
<b>Total</b>	<b>300</b>	<b>100 %</b>
<b>Total number of shares</b>	<b>300</b>	<b>100 %</b>

The company has one share class and all shares have equal voting rights. Rolls-Royce Electrical Norway AS is 100% owned by Rolls-Royce plc. The ultimate parent company being Rolls-Royce Holdings plc which has a business address in London and is listed on the London Stock Exchange, prepares consolidated accounts where Rolls-Royce Electrical Norway AS is included in the consolidation. The consolidated financial statements are available on the website <https://www.rolls-royce.com/investors.aspx>.

### Note 10 Inventory

	2021	2020
Stocks of raw materials	1 872 437	1 325 075
Stocks of goods in manufacture	238 921	79 000
Stocks of self-produced finished goods	277 761	695 527
<b>Total</b>	<b>2 389 119</b>	<b>2 099 602</b>

The inventory value of Rolls-Royce Electrical Norway AS as at 31.12.2021 has been valued at acquisition cost for raw materials, and production cost for work in progress and finished goods.





## Notes to the financial statement 2021

### Note 11 Receivables and liabilities

The company has no debt secured by a mortgage in 2021. The company also has no long-term receivables or liabilities.

### Note 12 Intercompany balances

<u>Receivables</u>	<u>2021</u>	<u>2020</u>
Trade receivables Rolls-Royce plc	16 959 461	37 563 432
Prepayment Rolls-Royce plc		- 15 174 805
Trade receivables Rolls-Royce Corporation	98 688	1 292 045
Trade receivables Rolls-Royce Electrical Bavaria	3 201 850	
<b>Total receivables</b>	<b>20 259 999</b>	<b>23 680 672</b>

In 2021, the company had intercompany sales of 98 253 414 (2020: NOK 110 994 531), divided between Rolls-Royce plc of NOK 69 817 699 (2020: 96 316 307), Rolls-Royce Corporation of NOK 9 117 260 (2020: NOK 14 509 874) and Rolls-Royce Electrical Bavaria NOK 19 318 456 (2020: 0).

### Note 13 Government grants

In 2021 no government grants have been approved or received.

### Note 14 Contingent liabilities

In January 2017, after full cooperation, the Group concluded deferred prosecution agreements (DPA) with the SFO and the US Department of Justice (DoJ) and a leniency agreement with the MPF, the Brazilian federal prosecutors. The terms of both DPAs have now expired; the DPA with the DoJ was dismissed by the US District Court on 19 May 2020 and the SFO filed notice of discontinuance of proceedings with the UK Court on 18 January 2022. Certain authorities are investigating members of the Group for matters relating to misconduct in relation to historical matters. The Group is responding appropriately. Action may be taken by further authorities against the Group or individuals. In addition, the Group could still be affected by actions from customers and customers' financiers. The Directors are not currently aware of any matters that are likely to lead to a material financial loss over and above the penalties imposed to date, but cannot anticipate all the possible actions that may be taken or their potential consequences.





## Verification

Transaction 09222115557471050716

### Document

**Annual Report 2021 final**

Main document

15 pages

*Initiated on 2022-06-09 21:06:41 CEST (+0200) by Fredrik*

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*Finalised on 2022-06-15 18:04:13 CEST (+0200)*

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Vår dato 17.09.2020	Din/Deres dato 03.09.2020	Saksbehandler Vibeke Horne
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Org.nr 974761076	Vår referanse 2020/5866625	Postadresse Postboks 9200 Grønland 0134 OSLO

ROLLS-ROYCE ELECTRICAL NORWAY AS  
Jarleveien 8A  
7041 TRONDHEIM

Att. James Whiteley

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Rolls-Royce Electrical Norway AS, org.nr. 921 045 379

Vi viser til deres brev av 3. september 2020 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Rolls-Royce Electrical Norway AS.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Rolls-Royce Electrical Norway AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

### Bakgrunn

Rolls-Royce Electrical Norway AS er eid av et utenlandsk selskap. Selskapet driver virksomhet knyttet til produksjon av elektromotorer, generatorer og transformatorer. Flere av styremedlemmene i selskapet er utenlandske.

### Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i



samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet er direkte eid av et utenlandsk selskap. Videre er det vektlagt at selskapet driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Vibeke Horne  
rådgiver  
Brukerdialog, brukerkontakt  
Skatteetaten

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*