



## ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 716704

### Enheten

Organisasjonsnummer: 998 068 266  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: SAFRAN SENSING TECHNOLOGIES NORWAY AS  
Forretningsadresse: Langmyra 6  
3185 SKOPPUM

### Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av  
årsregnskapet til selskapet: Regnskapslovens alminnelige regler  
Har utarbeidet 'land-for-land' rapport: Ja

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Pierre Claude Syx  
Dato for fastsettelse av årsregnskapet: 17.06.2024

### Grunnlag for avgivelse

År 2023: Årsregnskap er elektronisk innlevert.  
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023.

*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, 05.08.2024

Organisasjonsnr: 998 068 266  
 SAFRAN SENSING TECHNOLOGIES NORWAY  
 AS

## RESULTATREGNSKAP

Beløp i: NOK	Note	2023	2022
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	2	157 431 529	120 917 628
Annen driftsinntekt		-5 382 030	
<b>Sum inntekter</b>		<b>152 049 499</b>	<b>120 917 628</b>
<b>Kostnader</b>			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer	3	3 113 622	30 125 629
Endring i beholdning av egentilvirkede anleggsmidler	6	-12 742 381	
Varekostnad		30 864 250	24 421 528
Lønnskostnad	4, 5	59 626 445	61 359 781
Avskrivning	6, 7	8 006 611	6 726 337
Annen driftskostnad	4, 8	50 497 340	45 504 953
<b>Sum kostnader</b>		<b>139 365 887</b>	<b>168 138 228</b>
<b>Driftsresultat</b>		<b>12 683 612</b>	<b>-47 220 600</b>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt	10	1 280 566	2 517 182
<b>Sum finansinntekter</b>		<b>1 280 566</b>	<b>2 517 182</b>
Annen finanskostnad	10	9 150 498	12 009 524
<b>Sum finanskostnader</b>		<b>9 150 498</b>	<b>12 009 524</b>
<b>Netto finans</b>		<b>-7 869 932</b>	<b>-9 492 342</b>
<b>Ordinært resultat før skattekostnad</b>			
Skattekostnad på ordinært resultat	12		13 000 000
<b>Ordinært resultat etter skattekostnad</b>		<b>4 813 680</b>	<b>-69 712 942</b>
<b>Årsresultat</b>		<b>4 813 680</b>	<b>-69 712 942</b>
<b>Overføringer og disponeringer</b>			
Udekket tap	13	4 813 680	-34 039 440
Overføringer annen egenkapital	13		-35 673 502
<b>Sum overføringer og disponeringer</b>		<b>4 813 680</b>	<b>-69 712 942</b>

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**BALANSE**

Beløp i: NOK	Note	2023	2022
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Forskning og utvikling	6, 14	16 001 669	4 886 630
<b>Sum immaterielle eiendeler</b>		<b>16 001 669</b>	<b>4 886 630</b>
<b>Varige driftsmidler</b>			
Maskiner og anlegg	7, 26	13 971 509	19 713 228
Driftsløsøre, inventar, verktøy, kontormaskiner ol	7, 26	5 055 975	3 251 801
<b>Sum varige driftsmidler</b>		<b>19 027 484</b>	<b>22 965 029</b>
<b>Finansielle anleggsmidler</b>			
Investeringer i aksjer og andeler	18	68 969	68 969
<b>Sum finansielle anleggsmidler</b>		<b>68 969</b>	<b>68 969</b>
<b>Sum anleggsmidler</b>		<b>35 098 122</b>	<b>27 920 628</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Sum varer</b>	3, 26	<b>60 025 142</b>	<b>69 703 755</b>
<b>Fordringer</b>			
Kundefordringer	19, 26	40 283 356	30 122 432
Andre fordringer	16	8 048 703	7 960 941
<b>Sum fordringer</b>		<b>48 332 059</b>	<b>38 083 373</b>
<b>Bankinnskudd, kontanter og lignende</b>			
<b>Sum bankinnskudd, kontanter og lignende</b>	17	<b>39 354</b>	<b>2 323 682</b>
<b>Sum omløpsmidler</b>		<b>108 396 555</b>	<b>110 110 810</b>
<b>SUM EIENDELER</b>		<b>143 494 677</b>	<b>138 031 438</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital	13, 20	2 752 446	2 752 446
Beholdning av egne aksjer	13	6 422 374	
<b>Sum innskutt egenkapital</b>		<b>9 174 820</b>	<b>2 752 446</b>

<b>Opptjent egenkapital</b>			
Annen egenkapital	13	-648 134	-34 039 440
<b>Sum opptjent egenkapital</b>		<b>-648 134</b>	<b>-34 039 440</b>
<b>Sum egenkapital</b>		<b>8 526 686</b>	<b>-31 286 994</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Obligasjonslån	26	3 634 232	4 909 628
Øvrig langsiktig gjeld	8, 25	1 370 610	1 538 860
<b>Sum annen langsiktig gjeld</b>		<b>5 004 842</b>	<b>6 448 488</b>
<b>Sum langsiktig gjeld</b>		<b>5 004 842</b>	<b>6 448 488</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	21	9 067 454	8 629 954
Skyldige offentlige avgifter		4 362 415	4 279 814
Annen kortsiktig gjeld	22	23 081 707	12 103 154
<b>Sum kortsiktig gjeld</b>		<b>129 963 149</b>	<b>162 869 944</b>
<b>Sum gjeld</b>		<b>134 967 991</b>	<b>169 318 432</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>143 494 677</b>	<b>138 031 438</b>

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AS

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall

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Antall aksjer og aksjeeiere

<u>Aksjeklasse</u>	<u>Ant. aksjer</u>	<u>Pålydende</u>	<u>Bokført verdi</u>
Ordinary shares	917482.00	3.00	2752446.00

<u>Aksjeeiere - fritekst</u>	<u>Antall</u>	<u>Eierandel</u>	<u>Aksjeklasse</u>
Sensor Holding AG	917482.00	100.00%	Ordinary shares

<u>Sum</u>	<u>Sum antall</u>	<u>Sum eierandel</u>	
	917482.00	100.00%	

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Lønn og ytelser

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	46690167.00	47935507.00

<u>Arbeidsgiveravgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	7582819.00	7367135.00

<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	3519063.00	3610107.00

<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	1834396.00	2447033.00

<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	59626445.00	61359782.00

Safran Sensing Technologies Norway's CEO has been employed by the Group, and has received no salary from the company. The parent company has invoiced Safran Sensing Technologies Norway for management services of NOK 1,8 million in 2023. No remuneration to the Board in 2023. There has not been issued any loans or securities to management or shareholders. There has not been agreed any option-, pension- or severance arrangements for the management or the Board of Directors.

Note



## **Notes to the accounts for 2023**

### **Note - 1 Accounting Principles**

The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles.

#### *Sales revenue*

Sales revenues are recognized at the time of delivery. Revenue from services are recognized at execution. The share of sales revenue associated with future services are recorded in the balance sheet as deferred sales revenue, and are recognized at the time of execution.

#### *Balance sheet classification*

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

#### *Trade and other receivables*

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

#### *Inventories*

Inventories are valued at the lower of cost or market value. Cost is estimated using the FIFO method. Finished goods and work in progress are valued at full production cost. Write-downs are carried out for foreseeable obsolescence.

#### *Foreign currency translation*

Foreign currency transactions are translated using the year end exchange rates.

#### *Property, plant and equipment*

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

#### *Pensions*

Pension costs and pension liabilities are estimated on the basis of linear earnings and future salary. The calculation is based on assumptions of discount rate, future wage adjustments, pension and other payments from the national insurance fund, future return on pension funds and actuarial assumptions for deaths, voluntary resignation etc. Pension funds are valued at fair value and deducted from net pension liabilities in the balance sheet. Changes in the pension obligations due to changes in pension plans are recognized over

**Notes to the accounts for 2023**

the estimated average remaining service period. When the accumulated effect of changes in estimates, changes in assumptions and deviations from actuarial assumptions exceed 10 percent of the higher of pension obligations and pension plan assets, the excess amount is recognized over the estimated average remaining service period.

*Income tax*

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 28 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

To what extent group contribution not is registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.

*Cash flow statement*

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

**Note 2 - Sales**

	<b>2023</b>	<b>2022</b>
<i>Geographical distribution</i>		
Norway	12 737 435	6 921 346
Rest of Europe	47 379 413	34 863 692
North America	26 445 060	31 094 171
Rest of World	65 487 591	48 038 419
	<u>152 049 499</u>	<u>120 917 628</u>

**Note 3 - Inventories**

	<b>2023</b>	<b>2022</b>
Raw materials	20 851 869	28 420 870
Work in progress / Semi-finished products	36 395 367	40 552 364
Finished products	2 221 433	0
Spare parts	556 473	730 521
Total	<u>60 025 142</u>	<u>69 703 755</u>

Accumulated write-downs on inventories are included in the figures above with 9,2 million at 31.12.22 and 9,2 million at 31.12.22. The impairment of inventories is based on both technical and commercial obsolescence reviews. Materials in stock that are currently not parts of the company's primary sales and growth strategy have been written off completely. Furthermore, the company has written down the value of material in stock with technical discrepancies, where a repairment does not appear financially justifiable or not expected to be prioritized.

**Note 4 - Payroll expenses, number of employees and loans to employees and auditor's fee**

**Notes to the accounts for 2023**

<i>Wage costs</i>	<b>2023</b>	<b>2022</b>
Salaries	46 690 167	47 935 507
Social security tax	7 582 819	7 367 135
Pension costs	3 519 063	3 610 107
Other payroll expenses	1 834 396	2 447 033
Total payroll expenses	<u>59 626 445</u>	<u>61 359 782</u>

The total number of FTE's during the year: 53,4

**Management remuneration**

Safran Sensing Technologies Norway's CEO has been employed by the Group, and has received no salary from the company. The parent company has invoiced Safran Sensing Technologies Norway for management services of NOK 1,8 million in 2023.

No remuneration to the Board in 2023.

There has not been issued any loans or securities to management or shareholders. There has not been agreed any option-, pension- or severance arrangements for the management or the Board of Directors.

**Note 5 - Pensions**

The company is obligated to have pension arrangements for their employees in accordance with Norwegian regulations. The company pension plan is in accordance with these regulations. All employees are members of the company's ordinary define contribution pension plan.

**Note 6 - Intangible assets**

	<b>Capitalized develo</b>
Acquisition cost at 01.01.	44 157 686
Capitalized development expenses	12 742 381
Acquisition cost 31.12.	56 900 067
Acc.amortization at 31.12.	-40 898 398
Net carrying amount at 31.12.	<u>16 001 669</u>
Amortization for the year	1 629 745
Useful economic life	5 år
Amortization plan	Lineær

Capitalized development expenses consist of projects within current and future product portfolio of sensor units with both gyro, accelerometers and electronic compass for use in demanding positioning, guidance and navigational systems. No expenses has been capitalized in 2023.

The net book value as at 31.12.23 refers to the development of a hermetic encapsulation for a wider range of Safran Sensing Technologies Norway's product portfolio. The hermetic encapsulation is an important and

**Notes to the accounts for 2023**

necessary product improvement for certain applications for Safran Sensing Technologies Norway's customers. Based on an analysis of the products' technical features, the current and future market situation and the company's financial ability and willingness to complete the projects, the company is confident that it is likely that future economic benefits will flow to the company at an amount above the capitalized net costs.

The company's total expenses on research and development activities amounts to 11 million in 2022 and 9,8 million in 2021.

**Note 7 - Tangible assets**

	<b>Production equipment</b>	<b>Financial leasing</b>	<b>Other assets</b>	<b>Total</b>
Acquisition cost at 01.01.20	60 067 502	5 101 606	9 459 619	74 628 727
Purchased tangibles	0	0	2 423 654	2 423 654
<b>Acquisition cost at 31.12.20</b>	<b>60 067 502</b>	<b>5 101 606</b>	<b>11 883 273</b>	<b>77 052 381</b>
Acc.amortization at 31.12.20	-49 754 089	-1 443 510	-6 827 298	-58 024 897
<b>Net carrying amount at 31.12.20</b>	<b>10 313 413</b>	<b>3 658 096</b>	<b>5 055 975</b>	<b>19 027 484</b>
Depreciation for the year	4 483 931	1 273 456	619 479	6 376 866
Useful economic life	5 years	5 years	5 years	
Depreciation	Linear	Linear	Linear	

**Note 8 - Operating leases**

		<b>2023</b>	<b>2022</b>
<i>Expensed rent of the following premises:</i>			
Knudsrødveien 7 - seksjon 2 (*)	30.03.2032	0	2 920 766
Knudsrødveien 7	30.06.2023	0	1 715 371
Langmyra 6 (*)	30.03.2032	0	4 563 752
		<u>0</u>	<u>9 199 889</u>

(\*) In a period up to 1 January 2016, Sensoror had agreed to reduced rental payments in exchange for increased annual rent over the remaining rental period. As at 31 December 2021 the company has made a provision of NOK 1,713,940 to cover the obligations under this agreement.

**Note 9 - Customer contributions**

The company's R&D projects are conducted in cooperation with certain customers. The ownership of the projects is withheld by the company, whereas the contributions are classified as gross income. No customer contributions received in 2023 or 2022.

**Note 10 - Financial income and expenses**

**Notes to the accounts for 2023**

	<b>2023</b>	<b>2022</b>
Interest income	60 245	54 304
Foreign currency gain (*)	1 220 321	2 462 878
	<u>1 280 566</u>	<u>2 517 182</u>
Interest costs	6 014 765	1 904 824
Foreign currency loss	2 850 519	9 302 379
Other financial expenses	285 214	802 321
	<u>9 150 498</u>	<u>12 009 524</u>

(\*) Safran Sensing Technologies Norway has recognized a significant currency loss on their Group loan in EUR in 2023. The Group loan has been converted to a cash pooling facility at end of 2022.

**Note 11 - Financial risk**

Safran Sensing Technologies Norway AS is exposed to financial risks in various areas.

**Foreign currency risk:**

The company's income is generally in EUR and USD. Significant parts of purchases are in NOK. The company are highly exposes to foreign currency risk. Current strategy does not involve use for f/x contracts.

**Interest risk:**

The cash flow statement is showing a positive cash flow from operating activities in 2023.

**Credit risk:**

Safran Sensing Technologies Norway AS has ordinary credit terms to its customer base. Prepayments are requested for new customer. The company has no credit losses of significance the past years. Credit risk are in general considered low, but may increase going forward.

**Liquidity risk:**

Safran Sensing Technologies Norway AS are not exposed to any interes risk of significance.

**Note 12 - Income taxes**

<i>Tax base estimation</i>	<b>2023</b>	<b>2022</b>
Ordinary result before tax	4 813 679	0
Permanent differences	-2 113 380	0
Change in temporary differences	3 070 932	0
Tax base	5 771 231	0
Losses carried forward	-5 771 231	0
Tax base	0	0
Tax payable	-2 113 853	0
Net tax receivable at 31.12	-2 113 853	0
<i>Temporary differences outlined</i>	<b>2023</b>	<b>2022</b>

**Notes to the accounts for 2023**

Fixed assets	-4 545 523	0
Inventories	175 567	0
Accounts receivables	-152 878	0
Provisions	-1 640 000	0
	814 246	0
Total	-5 348 588	0
Losses carried forward	-138 572 491	0
Interest on group loan carried forward	525 600	0
	-143 395 479	0
	-144 446 679	0
Total	1 051 200	0
Deferred tax asset (22%)	231 264	0
<i>Effective tax rate</i>	<b>2023</b>	
Expected income taxes, statutory tax rate 22%	1 059 009	
Change in deferred tax asset not recognized	-594 066	
Permanent differences (22%)	-464 944	
Income tax expense	-1	

**Note 13 - Owners equity**

	Share capital	Share capital changes (not registered)	Reserve fond non-realised gains	Other equity	Total
Owners equity 31.12.	2 752 446	0	0	-34 039 440	-31 286 994
Owners equity 01.01.	2 752 446	0	0	-34 039 440	-31 286 994
Profit for the year	0	0	0	4 813 680	4 813 680
Owners equity 31.12.	2 752 446	0	0	-29 225 760	-26 473 314

**Note 14 - Government grants**

Safran Sensing Technologies Norway AS receives different types of government grants as contributions to their development programs. The grants refer to specific projects from Norsk Forskningsråd and Innovasjon Norge. The grants are based on standard terms and conditions with reference to the progress on each project. The project costs include payroll expenses, external services and other direct costs. In total, the company has received government grants of NOK 4,897,900 in 2021 and NOK 5,545,292 in 2022.

**Note 15 - Related parties**

Sensoror Holding AG has in 2021 charged NOK 3.4 million in consultancy fees for work performed by the Chairman of the Board, Thomas Bull-Larsen. The consultancy fee is calculated based on a standard cost-plus model (10 %). In 2020, the charged amount was 3.5 million.

The subsidiary, Sensoror Noth America LLC was established in October 2020. In 2021, total sales to the subsidiary amounts to 2.1 million. Total cost from consultancy fees for sales and marketing work amounts to

**Notes to the accounts for 2023**

NOK 5.5 million. In 2020, the subsidiary charged NOK 0.8 million in consultancy fees for sales and marketing work.

Skylight Navigation Technology has in 2021 charged Sensoror NOK 0.1 million in consultancy fees for work performed by Michael Perlmutter (Member of the Board of Sensoror). In 2020, the charged amount was 0.1 million.

**Note 16 - Other short-term receivables**

	<b>2023</b>	<b>2022</b>
VAT receivable	1 311 778	1 202 183

**Note 17 - Cash deposits****Note 18 - Shares in other companies****Note 19 - Accounts receivables**

The company has signed a factoring agreement to fund their accounts receivables on certain pre-approved customers under the agreement. Under this agreement, the company sells 90 % of running invoices to the financial institution within a creditlimit of NOK 20 million.

**Note 20 - Share capital and shareholder information**

Share capital:

	<b>Number of shares</b>	<b>Face value</b>	<b>Book value</b>
Ordinary shares	917 482	3	2 752 446

Shareholders per 31.12:

	<b>Ordinary shares</b>	<b>Ownership share</b>	<b>Voting rights</b>
Sensoror Holding AG	917 482	100 %	100 %

**Note 21 - Intra-group payables**

The intra Group loan is currently not interest-bearing.

**Note 22 - Other short-term liabilities**

	<b>2023</b>	<b>2022</b>
Salaries, holiday pay etc.	6 413 043	5 901 216

**Notes to the accounts for 2023**

Prepayments from R&D projects and customers	510 306	693 943
Warranty provisions	1 640 000	1 640 000
Other	3 742 967	2 727 757
Total	<u>12 306 316</u>	<u>10 962 916</u>

**Note 23 - Covid19 pandemic and war in Ukraine**

The Covid19 outbreak has not affected Sensoror operations significantly in 2020. On the other hand, the significant increase in USD/NOK currency rate in the outbreak phase of the pandemic in March to May 2020 did release an additional installment on the company's USD loan of USD 275,000. On the other hand, Sensoror had significant currency gains on cash holdings in USD from the same period.

Sensoror operations are dependend on a global supplier network. In 2021 the company has experienced challenges in the supply for certain electronic components.

Going forward, delays in inbound supplier deliveries may still occur, customer projects may be postponed or cancelled and critical staff may suffer from sickness or quarantine regulations. Sensoror has currently a significant buffer in its inventories which reduces the risk to a certain extent. The ongoing war in Ukraine, may have addtional negative effects on certain supplies, but the situation is still uncertain.

To the extent, the covid19 and the war in Ukraine, should have a material impact on sales or key purchases in 2022 beyond what Sensoror has taken into account when setting a conservative budget for 2022, the situation may require additonal liquidity from external sources.

The management and the Board are closely monitoring the situation and will seek to respond rapidly if the company's business operations and/or financial situation should be affected.

**Note 24 - Credits and covenants**

The long-term loan has been fully repaid in 2021. Sensoror has cash overdraft facility of 5 million with an annual renewal policy.

**Note 25 - Other long-term liabilities**

	2023	2022
Rental payment accrual (See note 8)	1 370 610	1 538 860

(\*) The licence fee liability has been fully repaid in 2021.

**Note 26 - Securities**

<i>Book value of liabilities with pledged securities</i>	2023	2022
Liabilities to financial institusions	0	0
Bank overdraft facility	0	0
	0	0

**Notes to the accounts for 2023**

Total book value of liabilities with pledged securities

00*Book value of assets pledged as security:***2023****2022**

Fixed assets

19 027 484

22 965 029

Trade receivables

40 283 356

30 122 432

Inventories

60 025 142

69 703 755

Total

119 335 982122 791 216



Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
22.04.2020	02.04.2020	Lars Waalorp
800 80 000	Din/Deres referanse	Telefon
Skatteetaten.no	AR367961966	32212244
Org.nr	Vår referanse	Postadresse
974761076	2020/5334727	Postboks 9200 Grønland 0134 OSLO

SENSOROR AS  
Knudsrødveien 7  
3189 HORTEN

Att. Thomas Bull-Larsen

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Sensoror AS, org.nr. 998 068 266

Vi viser til deres brev innsendt 2. april 2020 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Sensoror AS.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Sensoror 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

Sensoror AS er eid av et utenlandsk selskap. Selskapet driver i en internasjonal bransje med leveranse av sensorprodukter til kunder i Nord-Amerika, Europa og Asia. Kundene består hovedsakelig av større internasjonale aktører med engelsk som arbeidsspråk. Et av styremedlemmene er utenlandsk, og styrets arbeidsspråk er engelsk.

### 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 dispensasjons-søknad. 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 internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp  
seniorrådgiver  
Brukerdialog, brukerkontakt  
Skatteetaten

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

## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Safran Sensing Technologies Norway AS

### Opinion

We have audited the financial statements of Safran Sensing Technologies Norway AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and statement of cash flows 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 legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### 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 in accordance with the requirements of the relevant laws and regulations in Norway 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.

### Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, 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 or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

### Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements 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 and using the



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going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 management.
- Conclude on the appropriateness of management'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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and 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.

We communicate with the board of directors 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.

Tønsberg, 31 July 2024  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Morten Mobråthen  
State Authorized Public Accountant (Norway)

# PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

## Mobråthen, Morten

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: no\_bankid:9578-5994-4-470218

IP: 147.161.xxx.xxx

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## **Annual report 2023**

### **Board of directors' report**

#### **Annual accounts**

- Income statement**
- Balance sheet**
- Cash flow statement**
- Notes**

### **Auditors' report**

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## **Board of Directors report Safran Sensing Technologies Norway – 2023**

We have the honor to report the situation and the activity of the Company during the financial year ended on December 31st, 2023.

### **1. SITUATION AND ACTIVITY OF THE COMPANY**

Safran Sensing Technologies Norway AS (SSTN), located in Horten and Skoppum, Norway, designs and manufactures high-precision tactical grade gyro sensors, gyro modules and IMUs for demanding applications. The company serves a global customer base in the Defense, Industrial, Aerospace and Commercial markets with ITAR-free solutions utilized in a wide range of applications. SSTN operates its own wafer fabrication facility for production of the key sensor components in its products and Sensor MEMS Foundry Services can provide you with access to decades of experience and mature MEMS processes. Assembly, test and calibration are all in-house processes to secure the product performance.

The tight integration between sensor fabrication, testing and assembly is what puts the company in a position to offer the highest performing sensors in the market.

SSTN is a global leader in MEMS technology and has extensive experience since 1985 in developing and manufacturing reliable sensor solutions for demanding applications involving high vibration, high shock and harsh environments.

After a difficult year in 2022, the recovery plan of 2022 was successful in 2023 and the order intake increased. In 2023 the company had a positive EBIT. The sales were more important in Asia, and sales in US are still too low but the prospecting is very promising.

The new organization in place allowed to improve flexibility and reactivity.

The one operation department invested in training to allow polyvalence of the operators and in yellow belt culture. A big improvement plan was done to reduce the lead time and to improve the process flow. The culture of lean manufacturing has been deployed and all employees followed the yellow belt training. A new production lay out is done with introduction of a GEMBA walk.

A New supply chain process organized in 2022, with production planning meeting every week, continued with more and more efficiency in 2023. Thanks to this organization, the inventory has been reduced with 32% in 2 years (88 MNOK year end 2021 to 60 MNOK year end 2023).

A plan to save energy has been deployed with 25% of energy reduction end 2023.

The improvement plan also included a reduction cost project launched in 2022, continued in cooperation with the R&D team for the STIM300 and STIM200.

Investment in R&D is launched: in fact it is necessary to renew the product line and improve productivity of the die and reduce the cost. Target is the stabilization market, space market and the avionics market.

There is increased competition in the STIM300 market. More and more competitors arrive on the market with higher performance products and lower price.

- A product road map is established in coherence with Safran to enlarge our market – the project STIM007 with a new die is launched.

The STIM007 development project has the objective to increase the performance (lower noise, reduced latency,) of the current STIM, to compete with Honeywell product and to address the stabilization market. The defense market, in US and Europe mainly, is the main target.

The development of the new STIM007 and the new die continued, and is on time, in cooperation with SSTS team of Yverdon and SED.

The cooperation with SED team of Eragny allows a common development of the analog ASIC (Girafe) and access with all transparency for SSTN team to all the means of SED as simulations or system tools.

Thanks to SED, SSTN is now part of EDF project (European project) with SED, Epicure and Actus projects are approved.

The relation with the Norwegian ecosystem is reinforced.

## **2. THE MARKET**

The Company has managed to establish a unique position within high precision MEMS based inertial systems and has a good platform for further growth.

The renovation of the portfolio based on the existing platform will allow the company to keep and enlarge its position

### *2.1. Market trends*

Use and demand for gyroscopes and inertial systems (IMUs) is rapidly increasing. This is driven by some fundamental trends. The most important are:

**Digitalization:** The world is becoming more and more digitalized driven by the internet and other systems. Further, the need for more precise information about position and movement being fed into various algorithms is increasing. As a case in point, digital satellite photos are giving precise information about movements, which are being used to manage flows, e.g. people or traffic. The satellites require precise gyroscopes to perform its task. McKinsey writes in its report "Digital America" that digitalization is the key driver for the increase in productivity in the United States up till 2025. The STIM series is particularly strong since it gives information about position and movement through a flexible interface to many applications.

**Robots and "Autonomous Systems":** robots combined with artificial intelligence are being used in more and more applications, e.g. from robots being integrated in work processes to Self-Driving Cars (SDCs). There is a rapid development within this area and precise and small inertial systems are key to control many of these systems. The key feature of the STIM series is "small and light".

**Combination of GPS signals with inertial systems:** the need for reliable signals about position and its change is steadily increasing. Much is based on GPS systems, but these give information about location (coordinates) and not full information about position. Further, GPS signals are inherently unreliable (fall out in urban areas and can easily be spoofed or spammed) since they require a direct line of sight to the sky. Therefore, the GPS signals are being combined with inertial systems to secure a reliable signal supply in phases when GPS signals are not available.

**Stabilization:** Stable platforms are increasingly important for “leading edge” applications. This is observed in the film/movie industry, in recording of digital libraries for “virtual reality” as well as for modern weapon or camera platforms.

Driven by these developments, the market for MEMS based gyroscopes and IMUs have increased significantly over the past years. The market is still growing and the increased product performance will even increase the rate of growth

## *2.2. Customers and applications*

The Company has entered into contracts with leaders in their respective application areas over the last years, and has today a vibrant global customer base. The Company has a very strong position in the fields of:

**Satellites:** Satellite operators find the STIMs very useful due to its low weight and high precision. As a result, a number of the new satellite programs have chosen the STIMs as the gyroscope for both navigation as well as camera stabilization. Customers say that the Company is the global leader in Low Orbit Satellites (LEOs).

**Robotics:** leading robotics companies use the STIMs for getting stability into their robotic platforms.

**Integration with GPS systems:** a number of customers use the STIMs to integrate with GPS based systems to allow for functionality in GPS denied environments.

**Pipeline inspections:** STIMs have been defined as the gyroscope solution for the leading pipeline inspection companies in the world.

STIMs are being used by the leading LIDAR and mapping companies in the world.

**Defense:** the Company is an attractive supplier to the defense industry with its strong position for platform stabilization. The company pays close attention to adhering to the applicable regulatory frameworks, in particular the regulations regarding export control.

The ownership of Safran will reinforce its position and will give to the customers the perennity of the product. Many commercial synergies have been identified and will be developed in 2024.

## **3. FINANCIAL RESULTS – CONSOLIDATION AND ADAPTATION**

The company had revenues of MNOK 152,0 in 2023, up from MNOK 120,9 for 2022. Net profit was MNOK 4,8 in 2023, compared to a loss of MNOK 69,7 in 2022.

The Company reports a positive cash flow from operating activities of MNOK 23,6 and a positive operating result of MNOK 12,6 in 2023. There was also a capital contribution from the owners of MNOK 35 in 2023. The equity is now positive with MNOK 8,5 at the end of 2023.

The Company has invested MNOK 2,4 in 2023 compared to 12.4 in 2022. It has been invested mainly in facility structure to reduce operating cost.

The Board confirms that the annual accounts for 2023 provides a true and fair view of the company's assets, liabilities, financial position, its results, and cash flows.

#### **4. FINANCIAL OUTLOOK – FURTHER GROWTH AND STRONGER PROFITABILITY**

The sales outlook for 2023 is positive, as the Company is starting to harvest from a focused product solution strategy, a developed and proven gyro product range and growing sales to a broader global customer base. The Company is increasingly starting to get stable and predictable recurring business as a consequence of the customers using our products in their ongoing production.

#### **5. GOING CONCERN**

The company invests significantly in R&D in 2023, and onwards, to secure and increase its market share. The company will develop a new die as well as new and improved IMU and gyro products. The board is confident that there is a secured foundation for the continuation of the business.

The budget/forecast for 2024 is largely built on binding agreements and concrete requests from customers using our products. The budget/forecast for 2024 will be sufficient to improve the equity situation. The company is a part of the cash pool agreement of the parent company. This means that SSTN has available liquidity.

The Directors confirms that the annual accounts for 2023 have been prepared under the going concern assumption.

#### **6. ORGANISATION AND HR**

The Company had in 2023 52 employees. The number of employees in 2023 is lower than the year before due to the termination process late 2022.

#### **7. EQUAL OPPORTUNITIES**

The Directors and the management give equal opportunities to men and women in all occupations at the company. Working hours and working places are individually arranged with flexible working hours and possible home-offices. There are no differences in the salaries of men and women in the same position with equal qualifications. Together with yearly salary increase the company facilitates a Roundtable for aligning salary level in different departments, positions and between genders. The Company acknowledge the Employees rights for absence taking care of own children. There are 11 women and 41 men employed by the company. Two employees work part-time due to their Industrial Master Students agreements. The Management group contains of 3 women and 3 men. The mother Company has a spoken policy for non-discrimination that rules for all Safran companies worldwide.

#### **8. SUSTAINABILITY**

The Company has started a materiality analysis that should reveal our footprints and define measurements for reporting in 2024.

#### **9. HEALTH, SAFETY AND ENVIRONMENT**

Health, Safety and environment (HSE) is an integrated part of SAFRAN SENSING TECHNOLOGY NORWAY's business processes. The internal control system and employee representation system encompass and support HSE. The Company is participating in a government initiative to follow up long term sick-leave, integrate employees with disabilities and maintain the statutory age of retirement, supported by the company's routines.

HSE data indicate a good working environment. The total sick leave for the Company was 3,81 % and short-term sick-leave (less than 16 days) was 2,17%. It was reported 26 HSE deviations and potentials where none was personnel injury leading to sick leave. The H-value is 0 (number of injuries with sick leave divided by the number for work hours times one million). The increase in number of HSE deviations and potentials is based on more focus on "If you see something say something".

Emissions from the production facilities, including products that could be harmful to the environment, are well within government regulations and granted permits. The production largely takes place in clean rooms and follows strict quality regulations, especially related to dust and other particles. Special category waste is collected according to regulations and is delivered to hazardous waste landfills. Regular waste materials are sorted.

During 2023 the Company facilitated a materiality assessment and took actions accordingly, such as analyses of consumption of gasses, chemicals and other elements, water and electricity consumption and focus on sustainability in Product development processes.

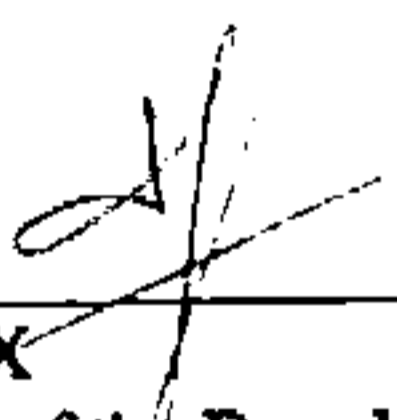
## **9. SHAREHOLDERS**


The 100 % shareholder in SAFRAN SENSING TECHNOLOGIES NORWAY AS is Sensoror Holding AG in Zürich, Switzerland. Sensoror Holding AG is a 100 % subsidiary of Safran Electronics and Defense.

## **10. PROFIT DISTRIBUTION**

The Directors' proposal is that the net result for the financial year 2023 of NOK 4 813 680 for the Safran STN should be transferred to uncovered losses.

Skoppum, June 17th, 2024, Board of Directors  
Safran Sensing Technologies Norway AS

  
\_\_\_\_\_  
Pierre SYX  
Chairman of the Board

  
\_\_\_\_\_  
Board Member– employee representative  
Vegard Dalsrud

\_\_\_\_\_  
Valérie DULONG called REDRON  
Board Member / CEO

# Safran Sensing Technologies Norway AS

Company registration no.: 998 068 266

## Income statement

	Note	2023	2022
<b>Revenue</b>			
Sales revenue	2	152 049 499	120 917 628
Total revenue		<u>152 049 499</u>	<u>120 917 628</u>
<b>Operating expenses</b>			
Changes in stocks of work in progress/finished goods	3	3 113 622	30 125 629
Capatilization of development expenses		-12 742 381	0
Cost of stocks		30 864 250	24 421 528
Payroll expenses	4, 5	59 626 445	61 359 781
Depreciation	6, 7	8 006 611	6 726 337
Other operating expenses	4, 8	50 497 340	45 504 953
Total operating expenses		<u>139 365 887</u>	<u>168 138 228</u>
Operating result		<u>12 683 612</u>	<u>-47 220 600</u>
<b>Financial income and expenses</b>			
Financial income	10	1 280 566	2 517 182
Financial expenses	10	9 150 498	12 009 524
Net financial items		<u>-7 869 932</u>	<u>-9 492 342</u>
Profit/loss before tax		<u>4 813 680</u>	<u>-56 712 942</u>
Tax expense	12	<u>0</u>	<u>13 000 000</u>
Net profit/loss		<u>4 813 680</u>	<u>-69 712 942</u>
<b>Allocations</b>			
Transferred to other equity	13	0	-35 673 502
Uncovered losses	13	4 813 680	-34 039 440
Total allocations		<u>4 813 680</u>	<u>-69 712 942</u>

**Safran Sensing Technologies Norway AS**

Company registration no.: 998 068 266

**Balance sheet as of December 31**

	Note	2023	2022
<b>Fixed assets</b>			
<i>Intangible assets</i>			
Capitalized development expenses	6, 14	<u>16 001 669</u>	<u>4 886 630</u>
Total intangible assets		<u>16 001 669</u>	<u>4 886 630</u>
<i>Tangible assets</i>			
Production equipment	7	<u>13 971 509</u>	<u>19 713 228</u>
Other equipment, tools etc.	7	<u>5 055 975</u>	<u>3 251 801</u>
Total tangible assets		<u>19 027 484</u>	<u>22 965 029</u>
<i>Financial assets</i>			
Investments in shares		<u>68 969</u>	<u>68 969</u>
Total financial assets		<u>68 969</u>	<u>68 969</u>
Total fixed assets		<u>35 098 122</u>	<u>27 920 628</u>
<b>Current assets</b>			
Inventories	3	<u>60 025 142</u>	<u>69 703 755</u>
<i>Receivables</i>			
Trade receivables		<u>40 283 356</u>	<u>30 122 432</u>
Other receivables	15	<u>8 048 703</u>	<u>7 960 941</u>
Total receivable		<u>48 332 059</u>	<u>38 083 373</u>
Cash	16	<u>39 354</u>	<u>2 323 682</u>
Total current assets		<u>108 396 555</u>	<u>110 110 810</u>
Total assets		<u>143 494 677</u>	<u>138 031 438</u>

**Safran Sensing Technologies Norway AS**  
 Company registration no.: 998 068 266

**Balance sheet as of December 31**

	Note	2023	2022
<b>Equity</b>			
<i>Paid-in capital</i>			
Share capital	13, 17	2 752 446	2 752 446
Share capital not registered	13	6 422 374	0
Total paid-in capital		<u>9 174 820</u>	<u>2 752 446</u>
<i>Retained earnings</i>			
Uncovered losses	13	-648 134	-34 039 440
Total retained earnings		<u>-648 134</u>	<u>-34 039 440</u>
Total equity		<u>8 526 686</u>	<u>-31 286 994</u>
<b>Liabilities</b>			
<i>Other long-term liabilities</i>			
Financial leases	18	3 634 232	4 909 628
Other long-term liabilities	8	1 370 610	1 538 860
Total long term liabilities		<u>5 004 842</u>	<u>6 448 488</u>
<i>Short-term liabilities</i>			
Loan from Group companies	19	93 451 573	137 857 022
Trade creditors		9 067 454	8 629 954
Public duties payable		4 362 415	4 279 814
Other short-term liabilities	20	23 081 707	12 103 154
Total current liabilities		<u>129 963 149</u>	<u>162 869 944</u>
Total liabilities		<u>134 967 991</u>	<u>169 318 432</u>
Total equity and liabilities		<u>143 494 677</u>	<u>138 031 438</u>

31 December 2023  
 Horten, 17. June 2024

  
 Pierre Claude Maurice Syx

Chairman of the Board

  
 Vegard Dalsrud  
 Board Member

Valerie Marie Sebastienne  
 Dulong  
 Board Member/CEO



**Safran Sensing Technologies Norway AS**

Company registration no.: 998 068 266

**Cash flow statement**

	Note	2023	2022
<b>Cash flow from operating activities</b>			
Profit/loss before tax		4 813 680	-56 712 942
Depreciation		8 006 611	6 726 337
Changes in inventories, trade receivables and trade payables		-44 811	71 021
Effect of changes in exchange rates without cash effect		0	6 974 960
Changes in other current balance sheet items		10 787 072	-2 577 314
Net cash flow from operating activities		<u>23 562 552</u>	<u>-45 517 938</u>
<b>Cash flow from investing activities</b>			
Development of intangible assets		-12 742 381	0
Purchase of tangible fixed assets		-2 423 654	-9 616 473
Net cash flow from investing activities		<u>-15 166 035</u>	<u>-9 616 473</u>
<b>Cash flow from financing activities</b>			
Net change in bank overdraft		0	-1 212 433
Net change in group cash pooling facility / group loan		-44 405 449	56 882 062
Installments on financial leases		-1 275 396	-191 978
Capital contributions from owner		35 000 000	0
Net cash flow from financing activities		<u>-10 680 845</u>	<u>55 477 651</u>
Net change in cash and cash equivalents		-2 284 328	343 240
Cash at 01.01		2 323 682	1 980 442
Cash at 31.12		<u>39 354</u>	<u>2 323 682</u>

## **Notes to the accounts for 2023**

### **Note - 1 Accounting Principles**

The annual report is prepared according to the Norwegian Accounting Act and generally accepted accounting principles.

#### *Sales revenue*

Sales revenues are recognized at the time of delivery. Revenue from services are recognized at execution. Costs relating to recognized revenues are recognized at the same time as the related revenues. Costs not relating to any revenues are recognized when they are accrued.

#### *Balance sheet classification*

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

#### *Trade and other receivables*

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments.

#### *Inventories*

Inventories are valued at the lower of cost or market value. Finished goods and work in progress are valued at lower of full production cost and market value. Full production cost includes direct material and labor and an allocation of fixed and variable production overheads that incurred in converting materials into work in progress and finished goods. Write-downs are carried out for foreseeable obsolescence.

#### *Government grants*

Government grants related to certain costs are recognized as a reduction to these costs. The timing of recognition of government grants follows the accruals principle with reference to the associated costs. Other government grants are recognized as gross income and presented as other operating income in the income statement. In case the grants are related to a R&D project, the basis for recognition in the income statement is the progress of the project. The share of the grants that can be related to capitalized development expenses or other assets in the balance sheet are balanced as a reduction to the investment and recognized in the income statement according to the depreciation rate of the asset.

#### *Customer contributions*

Customer contributions are recognized as gross operating income or as reduction to cost based on an evaluation of the underlying agreement. The distinction between recognizing the contribution in the balance sheet or the income statement follows the same principles as government grants.

#### *Foreign currency translation*

Foreign currency items are translated using the year end exchange rates.

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## **Notes to the accounts for 2023**

### *Financial derivatives and hedging*

As long as a financial derivative is not defined as an effective hedging instrument for a hedged item, the derivative is valued at fair value with changes recognized in the income statement.

If the financial derivative is designated as an effective hedging instrument for a hedged item, changes in fair value of the hedging instrument are not recognized as profit or loss until the underlying hedged item affects the income statement. Fair value of the hedging instrument is not presented in the balance sheet.

A designated hedging relationship between a hedging instrument and a hedged item exists if changes in fair value of the hedging instrument effectively offset changes in the hedged item. An effective cash flow hedge exists if there is a close relationship between due dates for the hedging instrument and the hedged item. In addition, the future hedged transaction has to be reasonably likely to occur.

### *Property, plant and equipment*

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

### *Property, plant and equipment*

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

### *Leasing and lease agreements*

Leases are classified as an operating lease or a finance lease based on an evaluation of the lease agreement. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Other leases are classified as operating leases. In case of finance lease an asset and a liability are recognized in the balance sheet at amounts equal to the fair value of the leased asset. The asset is classified as tangible equipment, while the liability is classified as other long-term debt.

In case of an operating lease, leasing costs are expensed in the income statement and classified as other operating costs.

### *Intangible assets*

Research and development costs are capitalized providing that a future economic benefit associated with a development project can be identified. Recognition in the balance sheet occur when it is probable that the project will result in technological and commercial success, the R&D costs can be measured reliably and that the company has the ability and intention to complete the project. Otherwise, the costs are expensed as incurred. Capitalized research and development are amortized linearly over the economic lifetime.

Acquisitions of other intangible assets are recognized at cost and are depreciated based on an evaluation of economic life.

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# Safran Sensing Technologies Norway AS

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## Notes to the accounts for 2023

### *Pensions*

Cash payments to the define contribution plan are expensed as pension costs.

### *Income tax*

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized. Tax expenses are recognized directly to equity if the tax items refer to equity transactions.

### *Cash flow statement*

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

### **Note 2 - Sales**

	<b>2022</b>	<b>2021</b>
<i>By business area</i>		
Sensor products	152 049 499	110 597 588
R&D Services	0	8 656 313
Intercompany	0	1 663 727
	<u>152 049 499</u>	<u>120 917 628</u>
 <i>Geographical distribution</i>		
Norway	12 737 435	6 921 346
Rest of Europe	47 379 413	34 863 692
North America	26 445 060	31 094 171
Rest of World	65 487 591	48 038 419
	<u>152 049 499</u>	<u>120 917 628</u>

### **Note 3 - Inventories**

	<b>2023</b>	<b>2022</b>
Raw materials	20 851 869	28 420 870
Work in progress / Semi-finished products	36 395 367	40 552 364
Finished products	2 221 433	0
Spare parts	556 473	730 521
Total	<u>60 025 142</u>	<u>69 703 755</u>

Accumulated write-downs on inventories are included in the figures above with 9,2 million at 31.12.23 and 9,2 million at 31.12.22. The Impairment of inventories is based on both technical and commercial obsolescence reviews. Materials in stock that are currently not parts of the company's primary sales and growth strategy have been written off completely. Furthermore, the company has written down the value of material in stock with technical discrepancies, where a repairment does not appear financially justifiable or not expected to be prioritized.

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## Safran Sensing Technologies Norway AS

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### Notes to the accounts for 2023

#### Note 4 - Payroll expenses, number of employees and loans to employees and auditor's fee

<i>Wage costs</i>	2023	2022
Salaries	46 690 167	47 935 507
Social security tax	7 582 819	7 367 135
Pension costs	3 519 063	3 610 107
Other payroll expenses	1 834 396	2 447 033
Total payroll expenses	<u>59 626 445</u>	<u>61 359 782</u>

The total number of FTE's during the year: 53,4

#### *Management remuneration*

Safran Sensing Technologies Norway's CEO has been employed by the Group, and has received no salary from the company. The parent company has invoiced Safran Sensing Technologies Norway for management services of NOK 1,8 million in 2023.

No remuneration to the Board in 2023.

There has not been issued any loans or securities to management or shareholders. There has not been agreed any option-, pension- or severance arrangements for the management or the Board of Directors.

<i>Auditor fee has been divided as follows</i>	2023
Statutory audit fee	433 365
Other services	57 295

VAT is not included in the auditor fees.

#### Note 5 - Pensions

The company is obligated to have pension arrangements for their employees in accordance with Norwegian regulations. The company pension plan is in accordance with these regulations. All employees are members of the company's ordinary define contribution pension plan.

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## Safran Sensing Technologies Norway AS

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### Notes to the accounts for 2023

#### Note 6 - Intangible assets

	<b>Capitalized development</b>
Acquisition cost at 01.01.	44 157 686
Capitalized development expenses	12 742 381
Acquisition cost 31.12.	56 900 067
Acc.amortization at 31.12.	-40 898 398
Net carrying amount at 31.12.	16 001 669
Amortization for the year	1 629 745
Useful economic life	5 år
Amortization plan	Lineær

Capitalized development expenses consist of projects within current and future product portfolio of sensor units with both gyro, accelerometers and electronic compass for use in demanding positioning, guidance and navigational systems. Safran Sensing Technology Norway has started a new development program in 2023. In the STIM007 project the company will develop a new MEMS gyro that is required to enable the company to access new customers and markets in the aerospace, defense, and industrial segments and to maintain its existing business.

In addition to the STIM007 program, the net book value as at 31.12.23 refers to the development of a hermetic encapsulation for a wider range of Safran Sensing Technologies Norway's product portfolio. The hermetic encapsulation is an important and necessary product improvement for certain applications for Safran Sensing Technologies Norway's customers. Based on an analysis of the products' technical features, the current and future market situation and the company's financial ability and willingness to complete the projects, the company is confident that it is likely that future economic benefits will flow to the company at an amount above the capitalized net costs.

The company's total expenses on research and development activities amounts to 46 million in 2023 and 11 million in 2022.

#### Note 7 - Tangible assets

	<b>Production equipment</b>	<b>Financial leasing</b>	<b>Other assets</b>	<b>Total</b>
Acquisition cost at 01.01.23	60 067 502	5 101 606	9 459 619	74 628 727
Purchased tangibles	0	0	2 423 654	2 423 654
Acquisition cost at 31.12.23	60 067 502	5 101 606	11 883 273	77 052 381
Acc.amortization at 31.12.23	-49 754 089	-1 443 510	-6 827 298	-58 024 897
Net carrying amount at 31.12.23	10 313 413	3 658 096	5 055 975	19 027 484
Depreciation for the year	4 483 931	1 273 456	619 479	6 376 866
Useful economic life	5 years	5 years	5 years	
Depreciation	Linear	Linear	Linear	

## Safran Sensing Technologies Norway AS

Company registration no.: 998 068 266

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### Notes to the accounts for 2023

#### Note 8 - Operating leases

		2023	2022
<i>Expensed rent of the following premises:</i>			
Knudsrødveien 7	30.03.2032	4 864 692	4 636 137
Langmyra 6 (*)	30.03.2032	4 905 996	4 563 752
		<u>9 770 688</u>	<u>9 199 889</u>

(\*) In a period up to 1 January 2016, Sensoror had agreed to reduced rental payments in exchange for increased annual rent over the remaining rental period. As of 31 December 2023 the company has made a provision of NOK 1,370,610 to cover the obligations under this agreement.

#### Note 9 - Customer contributions

The company's R&D projects are conducted in cooperation with certain customers. The ownership of the projects is withheld by the company, whereas the contributions are classified as gross income. No customer contributions received in 2023 or 2022.

#### Note 10 - Financial income and expenses

	2023	2022
Interest income	60 245	54 304
Foreign currency gain	1 220 321	2 462 878
	<u>1 280 566</u>	<u>2 517 182</u>
Interest costs	6 014 765	1 904 824
Foreign currency loss (*)	2 850 519	9 302 379
Other financial expenses	285 214	802 321
	<u>9 150 498</u>	<u>12 009 524</u>

(\*) Safran Sensing Technologies Norway has recognized a significant currency loss on their Group loan in EUR in 2022. The Group loan has been converted to a cash pooling facility at end of 2022.

#### Note 11 - Financial risk

Safran Sensing Technologies Norway AS is exposed to financial risks in various areas.

##### Foreign currency risk:

The company's income is generally in EUR and USD. Significant parts of purchases are in NOK. The company are highly exposes to foreign currency risk. Current strategy does not involve use of f/x contracts.

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# Safran Sensing Technologies Norway AS

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## Notes to the accounts for 2023

### Liquidity risk:

The cash flow statement is showing a positive cash flow from operating activities in 2023. The company liquidity is secured through access to the Safran Group's cash pooling facility.

### Credit risk:

Safran Sensing Technologies Norway AS has ordinary credit terms to its customer base. Prepayments are requested for new customer. The company has no credit losses of significance the past years. Credit risk are in general considered medium, but may increase going forward.

### Interest risk:

Safran Sensing Technologies Norway AS are not exposed to any interest risk of significance.

### Note 12 - Income taxes

<i>Income tax expenses</i>	<b>2023</b>	<b>2022</b>
Change in deferred tax	0	13 000 000
Total income tax expense	0	13 000 000
<i>Tax base estimation</i>	<b>2023</b>	<b>2022</b>
Ordinary result before tax	4 813 680	-56 712 942
Permanent differences	-2 113 380	-979 868
Change in temporary differences	3 070 932	5 900 912
Carry-forward deficit	-5 771 232	0
Tax base	0	-51 791 898
Tax refund government grant	-2 098 931	-1 004 851
Net tax receivable at 31.12	-2 098 931	-1 004 851
<i>Temporary differences outlined</i>	<b>2023</b>	<b>2022</b>
Fixed assets	-4 545 523	-3 931 046
Inventories	175 567	2 775 118
Accounts receivables	-152 878	-187 595
Provisions	-1 640 000	-1 640 000
Financial leasing	814 246	705 867
Total	-5 348 588	-2 277 656
Losses carried forward	-138 572 491	-144 343 722
Interest on group loan carried forward	-525 600	-525 600
	-144 446 679	-147 146 978
Deferred tax asset (22%)	-31 778 269	-32 372 335
Deferred tax asset not recognized	31 778 269	32 372 335
Deferred income tax liability in balance sheet	0	0

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## Safran Sensing Technologies Norway AS

Company registration no.: 998 068 266

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### Notes to the accounts for 2023

<i>Effective tax rate</i>	<b>2023</b>
Expected income taxes, statutory tax rate 22%	1 059 009
Change in deferred tax asset not recognized	-594 065
Permanent differences (22%)	-464 944
Income tax expense	<u>0</u>

#### Note 13 - Owners equity

	Share capital	Share capital changes (not Registered*)	Other equity	Total
Owners equity 01.01.	2 752 446	0	-34 039 440	-31 286 994
Capital increase in debt conversion		6 422 374	28 577 626	35 000 000
Profit for the year	0	0	4 813 680	4 813 680
Owners equity 31.12.	2 752 446	6 422 374	-648 134	8 526 686

\* Registered 11.01.2024

#### Note 14 - Government grants

Safran Sensing Technologies Norway AS receives different types of government grants as contributions to their development programs. The grants refer to specific projects from Norsk Forskningsråd and Innovasjon Norge. The grants are based on standard terms and conditions with reference to the progress on each project. The project costs include payroll expenses, external services and other direct costs. In total, the company has received government grants of NOK 5,547,352 in 2023 and NOK 5,545,292 in 2022.

#### Note 15 - Other short-term receivables

	<b>2023</b>	<b>2022</b>
VAT receivable	1 311 779	1 202 183
Government grants	2 098 931	1 004 850
Prepayments to suppliers	2 019 542	4 399 742
Other	2 618 451	1 354 166
Total	<u>8 048 703</u>	<u>7 960 941</u>

#### Note 16 - Cash deposits

The company has a tax deduction guarantee that is sufficient to cover tax deductions owed.

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# Safran Sensing Technologies Norway AS

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## Notes to the accounts for 2023

### Note 17 - Share capital and shareholder information

Share capital:

	Number of shares	Face value	Book value
Ordinary shares	18 349 640	0,5	9 174 820

Shareholders per 31.12:

	Ordinary shares	Ownership share	Voting rights
SENSOROR HOLDING AG	18 349 640	100 %	100 %

### Note 18 - Financial leasing

Production equipment are partly funded by lease agreements. From an accounting perspective such agreements are classified as financial leases. When calculation the present value of the future lease payments the company has used the internal rate in the leasing contract. Total remaining lease payments amounts to NOK 4 987 653 and are due linearly over the remaining lease period of 4 years.

### Note 19 - Intra-group payables

	2023	2022
Short-term debt from Group company (*)	93 451 573	137 857 022

(\*) Safran Sensing Technologies Norway AS has access to the Safran Group cash pooling facility. This means that bank deposits are formally claims on the parent company and withdrawals on credit associated with the group account arrangement are formally debts to the parent company. The cash pooling facility is a multi-currency facility but is converted to NOK on a daily basis.

### Note 20 - Other short-term liabilities

	2022	2022
Salaries, holiday pay etc.	6 413 043	5 901 216
Prepayments from R&D projects and customers	510 306	693 943
Warranty provisions	1 640 000	1 640 000
Other	14 518 359	3 867 995
Total	<u>23 081 708</u>	<u>12 103 154</u>

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