



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

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

### Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021
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### Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Valerie Marie Sebastianne Dulong
Dato for fastsettelse av årsregnskapet:	22.04.2022

### 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, 08.08.2023



## Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	3	157 234 664	163 684 540
Annen driftsinntekt		289 796	276 654
<b>Sum inntekter</b>		<b>157 524 460</b>	<b>163 961 194</b>
<b>Kostnader</b>			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer	13	-7 015 196	-13 694 751
Endring i beholdning av egentilvirkede anleggsmidler	10		-2 951 281
Varekostnad		40 000 161	42 847 155
Lønnskostnad	6,7	62 090 170	52 211 402
Avskrivning på varige driftsmidler og immaterielle eiendeler	10,11	10 073 550	7 867 467
Annen driftskostnad	6,8	47 681 103	46 627 605
<b>Sum kostnader</b>		<b>152 829 788</b>	<b>132 907 597</b>
<b>Driftsresultat</b>		<b>4 694 672</b>	<b>31 053 597</b>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt	9	2 350 055	13 152 526
<b>Sum finansinntekter</b>		<b>2 350 055</b>	<b>13 152 526</b>
Annen finanskostnad	9	6 725 991	9 174 218
<b>Sum finanskostnader</b>		<b>6 725 991</b>	<b>9 174 218</b>
<b>Netto finans</b>		<b>-4 375 936</b>	<b>3 978 308</b>
<b>Ordinært resultat før skattekostnad</b>		<b>318 736</b>	<b>35 031 905</b>
Skattekostnad på ordinært resultat	23		-6 400 000
<b>Ordinært resultat etter skattekostnad</b>		<b>318 736</b>	<b>41 431 905</b>
<b>Årsresultat</b>		<b>318 736</b>	<b>41 431 905</b>
<b>Overføringer og disponeringer</b>			
Udekket tap	24		6 077 140
Overføringer til/fra annen egenkapital	24	318 736	35 354 765



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Sum overføringer og disponeringer		318 736	41 431 905



## Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Forskning og utvikling	5,10	6 516 375	11 416 348
Utsatt skattefordel	23	13 000 000	13 000 000
<b>Sum immaterielle eiendeler</b>		<b>19 516 375</b>	<b>24 416 348</b>
<b>Varige driftsmidler</b>			
Maskiner og anlegg	11,17	11 782 817	10 190 088
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	11,17	1 560 723	1 720 501
<b>Sum varige driftsmidler</b>		<b>13 343 540</b>	<b>11 910 589</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	12	68 969	68 959
<b>Sum finansielle anleggsmidler</b>		<b>68 969</b>	<b>68 959</b>
<b>Sum anleggsmidler</b>		<b>32 928 884</b>	<b>36 395 896</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer	13,17	88 044 524	82 306 318
<b>Sum varer</b>		<b>88 044 524</b>	<b>82 306 318</b>
<b>Fordringer</b>			
Kundefordringer	14,17	11 112 512	14 283 237
Andre fordringer	15	4 722 417	6 459 585
<b>Sum fordringer</b>		<b>15 834 929</b>	<b>20 742 822</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	2	1 980 442	1 880 783
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>1 980 442</b>	<b>1 880 783</b>
<b>Sum omløpsmidler</b>		<b>105 859 895</b>	<b>104 929 923</b>
<b>SUM EIENDELER</b>		<b>138 788 779</b>	<b>141 325 819</b>



## Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	24,25	2 752 446	42 204 172
Ikke registrert kapitalforhøyelse	24		-39 451 726
<b>Sum innskutt egenkapital</b>		<b>2 752 446</b>	<b>2 752 446</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	24	35 673 502	35 354 766
<b>Sum opptjent egenkapital</b>		<b>35 673 502</b>	<b>35 354 766</b>
<b>Sum egenkapital</b>		<b>38 425 948</b>	<b>38 107 212</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	16,17	0	63 239 400
Langsiktig konserngjeld	19	74 000 000	0
Øvrig langsiktig gjeld	18	1 713 940	15 255 703
<b>Sum annen langsiktig gjeld</b>		<b>75 713 940</b>	<b>78 495 103</b>
<b>Sum langsiktig gjeld</b>		<b>75 713 940</b>	<b>78 495 103</b>
<b>Kortsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	16,17	1 212 433	4 791 212
Leverandørgjeld	19	7 889 782	7 919 150
Skyldige offentlige avgifter		3 779 680	3 586 031
Annen kortsiktig gjeld	20	11 766 996	8 427 111
<b>Sum kortsiktig gjeld</b>		<b>24 648 891</b>	<b>24 723 504</b>
<b>Sum gjeld</b>		<b>100 362 831</b>	<b>103 218 607</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>138 788 779</b>	<b>141 325 819</b>



## Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	3	157 528 855	163 684 540
Annen driftsinntekt		289 796	276 654
<b>Sum inntekter</b>		<b>157 818 651</b>	<b>163 961 194</b>
<b>Kostnader</b>			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer	13	-7 015 196	-13 694 751
Endring i beholdning av egentilvirkede anleggsmidler	10		-2 951 281
Varekostnad		40 023 944	42 847 155
Lønnskostnad	6,7	64 128 115	52 211 402
Avskrivning på varige driftsmidler og immaterielle eiendeler	10,11	10 073 550	7 867 467
Annen driftskostnad	6,8	45 607 453	46 627 605
<b>Sum kostnader</b>		<b>152 817 866</b>	<b>132 907 597</b>
<b>Driftsresultat</b>		<b>5 000 785</b>	<b>31 053 597</b>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt	9	2 350 055	13 152 526
<b>Sum finansinntekter</b>		<b>2 350 055</b>	<b>13 152 526</b>
Annen finanskostnad	9	6 725 991	9 174 218
<b>Sum finanskostnader</b>		<b>6 725 991</b>	<b>9 174 218</b>
<b>Netto finans</b>		<b>-4 375 936</b>	<b>3 978 308</b>
<b>Ordinært resultat før skattekostnad</b>		<b>624 849</b>	<b>35 031 905</b>
Skattekostnad på ordinært resultat	23		-6 400 000
<b>Ordinært resultat etter skattekostnad</b>		<b>624 849</b>	<b>41 431 905</b>
<b>Årsresultat</b>		<b>624 849</b>	<b>41 431 905</b>
<b>Overføringer og disponeringer</b>			
Udekket tap	24		6 077 140
Overføringer til/fra annen egenkapital	24	624 849	35 354 765



## Konsernets resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Sum overføringer og disponeringer		624 849	41 431 905



## Konsernets balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
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Utsatt skattefordel	23	13 000 000	13 000 000
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<b>Varige driftsmidler</b>			
Maskiner og anlegg	11,17	11 782 817	10 190 088
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	11,17	1 560 723	1 720 501
<b>Sum varige driftsmidler</b>		<b>13 343 540</b>	<b>11 910 589</b>
<b>Finansielle anleggsmidler</b>			
Investeringer i aksjer og andeler	12	68 969	68 959
<b>Sum finansielle anleggsmidler</b>		<b>68 969</b>	<b>68 959</b>
<b>Sum anleggsmidler</b>		<b>32 928 884</b>	<b>36 395 896</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer	13,17	88 044 524	82 306 318
<b>Sum varer</b>		<b>88 044 524</b>	<b>82 306 318</b>
<b>Fordringer</b>			
Kundefordringer	14,17	11 112 512	14 283 237
Andre fordringer	15	4 722 417	6 459 585
<b>Sum fordringer</b>		<b>15 834 929</b>	<b>20 742 822</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	2	2 268 980	1 904 598
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>2 268 980</b>	<b>1 904 598</b>
<b>Sum omløpsmidler</b>		<b>106 148 433</b>	<b>104 953 738</b>
<b>SUM EIENDELER</b>		<b>139 077 317</b>	<b>141 349 634</b>



## Konsernets balanse

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<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	24,25	2 752 446	42 204 172
Ikke registrert kapitalforhøyelse			-39 451 726
<b>Sum innskutt egenkapital</b>		<b>2 752 446</b>	<b>2 752 446</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	24	35 962 039	35 378 581
<b>Sum opptjent egenkapital</b>		<b>35 962 039</b>	<b>35 378 581</b>
<b>Sum egenkapital</b>		<b>38 714 485</b>	<b>38 131 027</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	16,17	0	63 239 400
Langsiktig konserngjeld	19	74 000 000	
Øvrig langsiktig gjeld	18	1 713 940	15 255 703
<b>Sum annen langsiktig gjeld</b>		<b>75 713 940</b>	<b>78 495 103</b>
<b>Sum langsiktig gjeld</b>		<b>75 713 940</b>	<b>78 495 103</b>
<b>Kortsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	16,17	1 212 433	4 791 212
Leverandørgjeld	19	7 889 782	7 919 150
Skyldige offentlige avgifter		3 779 680	3 586 031
Annen kortsiktig gjeld	20	11 766 997	8 427 111
<b>Sum kortsiktig gjeld</b>		<b>24 648 892</b>	<b>24 723 504</b>
<b>Sum gjeld</b>		<b>100 362 832</b>	<b>103 218 607</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>139 077 317</b>	<b>141 349 634</b>



Skatteetaten

Vår dato  
22.04.2020

Din/Deres dato  
02.04.2020

Saksbehandler  
Lars Waaltorp

800 80 000  
Skatteetaten.no

Din/Deres referanse  
AR367961966

Telefon  
32212244

Org.nr  
974761076

Vår referanse  
2020/5334727

Postadresse  
Postboks 9200 Grønland  
0134 OSLO

SENSOR AS  
Knudsrødveien 7  
3189 HORTEN

Att. Thomas Bull-Larsen

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Sensor 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 Sensor AS.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Sensor 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

Sensor 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.*



**Sensor AS**

Company registration no.: 998 068 266

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## **Annual report 2021**

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

#### **Sensor AS – Statutory Accounts**

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

#### **Sensor AS – Group Accounts**

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

### **Auditors' report**



**DIRECTORS' ANNUAL REPORT 2021 OF**

**SENSOROR AS**

(reg. no 998 068 266)

(the "Company")

Dear Shareholder,

We have the honour to report the situation and the activity of the Company during the financial year ended on December 31<sup>st</sup>, 2021 and to submit it for your approval.

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

The Company has in 2021 expanded its position in the rapidly growing gyro business, while maintaining a high level of technology competence. Significant effort has gone into building the platform for further growth in this area.

In 2022, the Company expects to continue its growth and improve its market position.

Key points are:

- The Company is building a leading and robust position in the growing market for gyroscopes and inertial systems;
- The Company (and its affiliate Sensoror North America LLC) had MNOK 157.8 in revenues in 2021, down from NOK 163.9 in 2020; a decrease of – 3 %. The Company was profitable at all levels;
- All indications point in direction of further growth and increased profitability in 2022 and beyond.

A key event has been that Safran Electronics & Defense have acquired Sensoror Holding AG, the 100 % owner of Sensoror AS ("the Sole Shareholder"), a subsidiary of the Safran Group. Thus, Sensoror AS is a member of the Safran Group.

**2. FOCUS ON BUILDING A LEADING POSITION WITHIN GYROSCOPES AND INERTIAL SYSTEMS**

The Company has spent 2021 to increase focus on its strong products within the inertial area. The Company has managed to establish a unique position within high precision MEMS based inertial systems. This area has shown strong growth from 2012 to 2021 (sales increase from MNOK 38 to MNOK 157). The Company has a good platform for further growth.

**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

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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. Products

The Company has developed high precision gyroscope sensors for the measurement of angular acceleration as well as associated products utilizing the inertial technology platform. The products are sold under the STIM name in the product families STIM 202/210 (gyro clusters) and STIM 300/318 (IMUs). The STIM products have established a strong market position and have been classified as "best of breed" by several market research organizations (e.g. Yole).

The STIMs excel compared to its competition by being less resource intensive (size, power and price) while having a comparable performance to significantly more expensive technologies (Fiber Optic Gyros (FOGs) or Ring Laser Gyros (RLGs)). This is made possible by the Company's ability to combine MEMS sensors with electronics as well as advanced algorithms for inertial systems. In 2021, the products have improved in their performance.

## 2.3. Geographies

The Company has a global customer base and has significant sales in most relevant geographies. In the Americas, the Company has a customer base of industry leading customers. In Europe, the Company is delivering into programs of the leading defence contractors as well as globally leading industrial companies. In Asia, the market is rapidly growing and the Company is well placed in the key markets.

The Company has a mix of direct sales representatives and distributors in its markets. The significant investments in building a distributor network are now starting to bear fruits.

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#### 2.4. Customers and applications

The Company has entered into contracts with leaders in their respective application areas over the last 36 months. The Company has today a vibrant global customer base with global leaders within their respective application areas. The Company has a very strong position in the fields of:

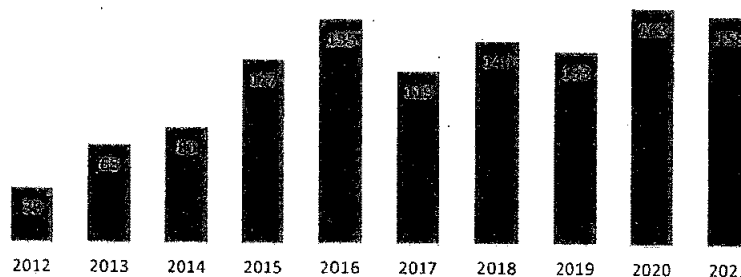
- **Satellites:** Satellite operators find the STIMs very useful due to its low weight and high precision. As a result, a number of the new satellite programs have chosen the STIMs as the gyroscope for both navigation as well as camera stabilization. Customers say that the Company is the global leader 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.
- **Self Driving Cars (SDCs)** is currently an area of great attention and multiple of the leading companies in this field use the STIMs as a key element of their navigation system.
- **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.
- **Defence:** the Company is an attractive supplier to the defence 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 Company believes it has a strong position in an attractive market, and is expecting significant growth.

### 3. FINANCIAL RESULTS – CONSOLIDATION AND ADAPTATION

Sensor Group (the Company and Sensor North America LLC) had revenues of MNOK 157.8 for 2021, down from MNOK 163.9 in 2020. Net profit were MNOK 0.6 in 2021, compared to MNOK 41.4 in 2020. The net profit includes a change in the deferred tax asset of MNOK 6.4 in 2020.

#### REVENUES - MNOK



The Company reports a positive cash flow from operations of MNOK 13.1 and an operating result of MNOK 5 in 2021. The key difference was primarily in depreciation and changes in working capital.

The equity amounts to MNOK 38.7 at the end of 2021.

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The Company has invested MNOK 6.5 in 2021 compared to MNOK 2.2 in 2020. It has been invested in assets and equipment to improve the yield of the components as well securing robust operations over time.

The Board confirms that the annual accounts for 2021 provides a true and fair view of the company's assets, liabilities, financial position, its results and cash flows.

#### **4. ACQUISITION OF THE SENSOROR HOLDING AG BY SAFRAN ELECTRONISC & DEFENSE**

On September 30 2021, the Company became a part of the SAFRAN. Safran Electronics and Defense bought 100 % of the shares of the Sole Shareholder and took thereby control of Sensoror AS.

As immediate action, the loan from the Company's bank, DNB, was repaid and replaced by a loan from SAFRAN. Further, the outstanding royalty payment to Infineon was repaid. Currently, the Company has a loan from SAFRAN amounting to MNOK 74. Apart from this, no major financial effects have taken place.

The Company has taken part in a process to identify synergies among the companies and define the right level of integration. There is much complementarity among the companies.

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

The sales outlook for 2022 is positive, as the Company is starting to harvest from a focused product solution strategy, a developed and proven gyro product range and rapidly 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.

A key priority is to secure the liquidity. The cash balance forecast for the next 12 months shows cash surplus, and a satisfactory liquidity situation. Key contributors include the positive sales momentum, a continuous high margin, good management of working capital and secured orders committed from Sensoror's largest clients.

#### **6. GOING CONCERN**

The equity situation has improved markedly over the last 2 years. Further, the positive trading situation and outlook as well as the liquidity situation gives the board confidence that there is a secured foundation for the continuation of the business.

The budget/forecast for 2022 is to a large extent built on binding agreements and concrete requests from customers using our products. The budget/forecast for 2022 will be sufficient to build further equity and liquidity reserves and meet all commitments.

The Directors confirms that the annual accounts for 2021 have been prepared under the going concern assumption.

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## 7. COVID19 PANDEMIC AND WAR IN UKRAINE

Despite of the Covid19 outbreak resulted in delays in sales to customers in certain geographical markets in 2020 & 2021, total sales in 2021 was in line with the budget.

The Company operates in a global market and are dependent on suppliers both locally and from outside Norway. Delays in inbound deliveries may occur. Certain difficulties have been experienced in getting supplies of critical electronic components, and this is managed with great attention and diligence.

Customer projects may be postponed or cancelled. Critical staff may suffer from sickness or quarantine regulations. The Company has currently a buffer in its inventories, which reduces the risk to a certain extent.

The budget for 2022 are prepared based on inherent uncertainties on Covid19, and based on current knowledge management still believes the budget to be conservative. To the extent, the Covid19 or the recent war in Ukraine, should have a material impact on sales in 2022 beyond what the Company has taken into account when setting the budget, it may be challenging to meet the planned liquidity development.

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

## 8. ORGANISATION AND HR

The Company has in 2021 slowly increased the number of employees from 60 in January to 62 in December. The increase in number of employees together with replacement of Head of Production, will strengthen our production capacity.

## 9. EQUAL OPPORTUNITIES

The Directors and the management give equal opportunities to men and women in all occupations at the company. There are no differences in the salaries of men and women in the same position with equal qualifications. There are 14 women and 48 men employed by the company.

## 10. HEALTH, SAFETY AND ENVIRONMENT

Health, Safety and environment (HSE) is an integrated part of Sensoror'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 2,14 % and short-term sick-leave (less than 16 days) was 1,53 %. The slight increase is based on the fact that we have stricter acceptance for staying home upon illness due to Covid-19. It was reported 4 HSE deviations where 1 was personnel injury not leading to any sick leave. The H-value is 0 (number of injuries with sick leave divided by the number for work hours times one million).

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.



## 11. TECHNOLOGY, RESEARCH AND DEVELOPMENT

The Company's long history and experience has built a substantial technology platform to build upon going forward. Since inception and until 31.12.20, MNOK 44,2 has been capitalised after passing commercial and technical milestones. In 2021 total expenses related to R&D amounts to MNOK 9.7 and there were no capitalization. In comparison, R&D expenses for 2020 were MNOK 8.8 whereas 2.9 was capitalized in connection with the finalization of our hermetic encapsulation program.

Further, the Company has several promising development projects; a new development around the current STIM portfolio and more variants around specific customer requirements. This will enable us a position both in the higher end of the market as well as in the price conscious segments. Several of these products have already been launched in the market in 2021.

The evolution of existing products, combined with new technology platforms and investment in application know how, play a significant role in fulfilling the ambitious growth target for the Company.

## 12. SHAREHOLDERS

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

## 13. PROFIT DISTRIBUTION

The Directors' proposal is that the net result for the financial year 2021 of NOK 624 849 for the Sensoror Group and NOK 318 736 for the company should be transferred to other equity.

Horten, March 16 2022  
Board of Directors Sensoror AS

Pierre SYX  
Chairman and Director of the Board

Olivier RUAS  
Director of the Board

Ingo EFFETZ

Director of the Board – employee representative

Valérie DULONG called REDRON

Chief Executive Officer and Director of the Board



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


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Horten, March 16 2022  
Board of Directors Sensoror AS

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Pierre SYX  
Chairman and Director of the Board

\_\_\_\_\_  
Olivier RUAS  
Director of the Board

  
\_\_\_\_\_  
Ingo EFFETZ  
Director of the Board – employee representative

  
\_\_\_\_\_  
Valérie DULONG called REDRON  
Chief Executive Officer and Director of the Board



## Sensoror AS

Company registration no.: 998 068 266

### Income statement

	Note	2021	2020
<b>Revenue</b>			
Sales revenue	3	157 234 664	163 684 540
Other operating income		289 796	276 654
Total revenue		<u>157 524 460</u>	<u>163 961 194</u>
<b>Operating expenses</b>			
Changes in stocks of work in progress/finished goods	13	-7 015 196	-13 694 751
Capitalization of intangible assets	10	0	-2 951 281
Cost of goods		40 000 161	42 847 155
Payroll expenses	6, 7	62 090 170	52 211 402
Depreciation	10, 11	10 073 550	7 867 467
Other operating expenses	6, 8	47 681 103	46 627 605
Total operating expenses		<u>152 829 788</u>	<u>132 907 597</u>
Operating result		<u>4 694 672</u>	<u>31 053 597</u>
<b>Financial income and expenses</b>			
Financial income	9	2 350 055	13 152 526
Financial expenses	9	6 725 991	9 174 218
Net financial items		<u>-4 375 936</u>	<u>3 978 308</u>
Profit before tax		<u>318 736</u>	<u>35 031 905</u>
Tax expense	23	<u>0</u>	<u>-6 400 000</u>
Net profit		<u>318 736</u>	<u>41 431 905</u>
<b>Allocations</b>			
Transferred to other equity	24	318 736	35 354 765
Uncovered losses	24	0	6 077 140
Total allocations		<u>318 736</u>	<u>41 431 905</u>



## Sensoror AS

Company registration no.: 998 068 266

### Balance sheet as at December 31

	Note	2021	2020
<b>Fixed assets</b>			
<i>Intangible assets</i>			
Capitalized development expenses	5, 10	6 516 375	11 416 348
Deferred tax asset	23	13 000 000	13 000 000
Total intangible assets		<u>19 516 375</u>	<u>24 416 348</u>
<i>Tangible assets</i>			
Production equipment	11, 17	11 782 817	10 190 088
Other equipment, tools etc.	11, 17	1 560 723	1 720 501
Total tangible assets		<u>13 343 540</u>	<u>11 910 589</u>
<i>Financial assets</i>			
Investments in shares	12	68 969	68 959
Total financial assets		<u>68 969</u>	<u>68 959</u>
Total fixed assets		<u>32 928 884</u>	<u>36 395 896</u>
<b>Current assets</b>			
Inventories	13, 17	<u>88 044 524</u>	<u>82 306 318</u>
<i>Receivables</i>			
Trade receivables	14, 17	11 112 512	14 283 237
Other receivables	15	4 722 417	6 459 585
Total receivables		<u>15 834 929</u>	<u>20 742 822</u>
Cash	2	<u>1 980 442</u>	<u>1 880 783</u>
Total current assets		<u>105 859 895</u>	<u>104 929 923</u>
Total assets		<u>138 788 779</u>	<u>141 325 819</u>

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**Sensoror AS**

Company registration no.: 998 068 266

**Balance sheet as at December 31**

	Note	2021	2020
<b>Equity</b>			
<i>Paid-in capital</i>			
Share capital	24, 25	2 752 446	42 204 172
Share capital decrease (not registered)	24	0	-39 451 726
Total paid-in capital		<u>2 752 446</u>	<u>2 752 446</u>
<i>Retained earnings</i>			
Other equity	24	35 673 502	35 354 766
Total retained earnings		<u>35 673 502</u>	<u>35 354 766</u>
Total equity		<u>38 425 948</u>	<u>38 107 212</u>
<b>Liabilities</b>			
<i>Long-term liabilities</i>			
Liabilities to financial institutions	16, 17	0	63 239 400
Loan from Group companies	19	74 000 000	0
Other long-term liabilities	18	1 713 940	15 255 703
Total other long-term liabilities		<u>75 713 940</u>	<u>78 495 103</u>
<i>Short-term liabilities</i>			
Bank overdraft	16, 17	1 212 433	4 791 212
Trade creditors	19	7 889 782	7 919 150
Public duties payable		3 779 680	3 586 031
Other short-term liabilities	20	11 766 996	8 427 111
Total short-term liabilities		<u>24 648 891</u>	<u>24 723 504</u>
Total liabilities		<u>100 362 831</u>	<u>103 218 607</u>
Total equity and liabilities		<u>138 788 779</u>	<u>141 325 819</u>

Pierre Claude Maurice Syx  
Chairman of the Board

31 December 2021  
Horten, 16 March 2022

Oliver Bernard Michel Ruas  
Board Member

Valerie Marie Sebastienne Dulong  
Board Member / CEO

Ingo Edgar Martin Effertz  
Board Member

**Sensoror AS**

Company registration no.: 998 068 266

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Total equity		<u>38 425 948</u>	<u>38 107 212</u>
<b>Liabilities</b>			
<i>Long-term liabilities</i>			
Liabilities to financial institutions	16, 17	0	63 239 400
Loan from Group companies	19	74 000 000	0
Other long-term liabilities	18	<u>1 713 940</u>	<u>15 255 703</u>
Total other long-term liabilities		<u>75 713 940</u>	<u>78 495 103</u>
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31 December 2021  
Horten, 16 March 2022Pierre Claude Maurice Syx  
Chairman of the Board  
Ingo Edgar Martin Effertz  
Board MemberOliver Bernard Michel Ruas  
Board MemberValerie Marie Sebastienne Dulong  
Board Member / CEO



### Sensor AS

Company registration no.: 998 068 266

#### Cash flow statement

	Note	2021	2020
<b>Cash flow from operating activities</b>			
Profit before tax		318 736	35 031 905
Depreciation		10 073 550	7 867 467
Changes in inventories, trade receivables and trade payables		-2 596 849	-25 764 371
Effect of changes in exchange rates		0	-583 100
Changes in other current balance sheet items		5 029 540	256 630
Net cash flow from operating activities		<u>12 824 977</u>	<u>16 808 531</u>
<b>Cash flow from investing activities</b>			
Development of intangible assets		0	-2 951 281
Purchase of tangible fixed assets		-6 527 931	-2 201 473
Net cash flow from investing activities		<u>-6 527 931</u>	<u>-5 152 754</u>
<b>Cash flow from financing activities</b>			
Issuance of long-term group loan		74 000 000	0
Installments on long term bank loans		-63 239 400	-15 293 549
Repayment of other long-term loans		-13 379 208	0
Net change in bank overdraft		-3 578 779	3 597 932
Net cash flow from financing activities		<u>-6 197 387</u>	<u>-11 695 617</u>
Net change in cash		99 659	-39 840
Cash at 01.01		<u>1 880 783</u>	<u>1 920 623</u>
Cash at 31.12		<u>1 980 442</u>	<u>1 880 783</u>



## Sensor AS

Company registration no.: 998 068 266

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### Notes to the accounts for 2021

#### 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. Revenues 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-incident 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 average cost and 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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## Sensor AS

Company registration no.: 998 068 266

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### Notes to the accounts for 2021

#### *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.

#### *Leases / rental 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.

#### *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.

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## Sensor AS

Company registration no.: 998 068 266

### Notes to the accounts for 2021

#### Cash flow statement

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

#### Note 2 - Restricted cash deposits

	<b>2021</b>
Restricted cash for employee taxation payable	1 980 442

#### Note 3 - Sales

	<b>2021</b>	<b>2020</b>
<i>By business area</i>		
Sensor products	155 820 802	163 684 541
R&D Services	1 413 862	0
	<u>157 234 664</u>	<u>163 684 541</u>
<i>Geographical distribution</i>		
Norway	9 688 031	4 875 673
Rest of Europe	39 867 607	47 304 863
North America	20 283 984	37 478 925
Rest of World	87 395 042	74 025 080
	<u>157 234 664</u>	<u>163 684 541</u>

#### Note 4 - Customer contributions

The company's R&D projects are conducted in cooperation with certain customers. The ownership of the projects is mainly withheld by Sensor AS, whereas the contributions are classified as gross income. No customer contributions received in 2020 or 2021.

#### Note 5 - Government grants

Sensor AS receives different types of government grants as contributions to their development programs. The grants refer to specific projects from Norsk Forskningsråd, Innovasjon Norge and the EU committee. 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 2,184,220 in 2020.



## Sensor AS

Company registration no.: 998 068 266

### Notes to the accounts for 2021

#### Note 6 - Payroll expenses, number of employees and loans to employees and auditor's fee

<i>Wage costs</i>	2021	2020
Salaries	49 222 195	41 577 813
Social security tax	7 031 173	6 095 733
Pension costs	3 386 738	2 725 052
Other payroll expenses	2 450 062	1 812 805
Total payroll expenses	<u>62 090 168</u>	<u>52 211 403</u>

The total number of FTE's during the year: 60

#### *Management remuneration*

Sensor's CEO has been employed by Sensor Holding AG in Switzerland, and has received no salary from Sensor. The parent company has invoiced Sensor for management services of NOK 3.4 million in 2021.

Remuneration to the Board amounts to NOK 300,000 in 2021.

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>	2021
Statutory audit fee	420 000
Other services	98 525

VAT is not included in the auditor fees.

#### Note 7 - 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 8 - Operating leases

<i>Expensed rent of the following premises:</i>		2021	2020
Knudsrødveien 7 - seksjon 2 (*)	30-03-2032	2 710 439	2 671 004
Knudsrødveien 7	30-06-2023	1 589 844	1 599 508
Langmyra 6 (*)	30-03-2032	4 308 358	4 245 756
		<u>8 608 641</u>	<u>8 516 268</u>

(\*) In a period up to 1 January 2016, Sensor 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.



## Sensoror AS

Company registration no.: 998 068 266

### Notes to the accounts for 2021

#### Note 9 - Financial income and expenses

Interest income	0	59 239
Foreign currency gain (*)	2 350 055	13 093 287
Total financial income	<u>2 350 055</u>	<u>13 152 526</u>
Interest costs	3 365 847	4 100 809
Foreign currency loss	1 507 231	3 294 001
Other financial expenses	1 852 913	1 779 408
Total financial expenses	<u>6 725 991</u>	<u>9 174 218</u>

(\*) The Covid19 pandemic and decreasing oil prices resulted in a significant increase in the NOK/USD rate in 2020. Sensoror recognized a significant foreign currency gain from cash holdings on USD in this period.

#### Note 10 - Intangible assets

	Capitalized development expenses
Acquisition cost at 01.01.21	44 157 686
Acquisition cost at 31.12.21	44 157 686
Acc. amortization at 31.12.21	-37 641 311
Net carrying amount at 31.12.	<u>6 516 375</u>
Amortization for the year	4 899 973
Useful economic life	5 years
Amortization plan	Linear

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.

The net book value as at 31.12.21 refers to the development of a hermetic encapsulation for a wider range of Sensoror's product portfolio. The hermetic encapsulation is an important and necessary product improvement for certain applications for Sensoror'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.

Total expenses on research and development activities amounts to 9.8 million in 2021 and 8.8 million in 2020.



## Sensoror AS

Company registration no.: 998 068 266

### Notes to the accounts for 2021

#### Note 11 - Tangible assets

	Production equipment	Other assets	Total
Acquisition cost at 01.01.21	46 946 812	6 435 905	53 382 717
Purchased tangibles	5 965 703	562 228	6 527 931
Acquisition cost at 31.12.21	52 912 515	6 998 133	59 910 648
Acc. amortization at 31.12.21	-41 129 698	-5 437 409	-46 567 107
Net carrying amount at 31.12.21	11 782 817	1 560 724	13 343 541
Depreciation for the year	4 422 034	751 538	5 173 572
Useful economic life	5 years	5 years	
Amortization plan	Linear	Linear	

#### Note 12 - Subsidiaries and other investments

Company	Ownership	Acquisition cost	Book value
Sensoror North America LLC	100%	0	0
Microtech Innovation AS	0,92%	68 969	68 969
Total		68 969	68 969

The subsidiary in the US was established in 2020 as a sales agency office with a simple setup with few employees.

#### Note 13 - Inventories

	2021	2020
Raw materials	16 005 365	17 365 705
Work in progress / Semi-finished products	70 677 993	63 565 213
Finished products	269 273	366 857
Spare parts	1 091 893	1 008 543
Total	88 044 524	82 306 318

Sensoror had a significant net increase in inventory levels of sensor dies through 2020. Since the inventory book value of work in progress and semi-finished products includes both a share of fixed salary cost and fixed indirect cost in the production line and there was no overrun of normal production capacity, the increase in inventory levels had a corresponding positive effect in the profit and loss statement for 2020.

Accumulated write-downs on inventories are included in the figures above with 8.9 million at 31.12.21 and 8.7 million at 31.12.20. The impairment of inventories is based on both technical and commercial obsolescence reviews. Items in stock that are currently not part of the company's primary sales and growth strategy have been written off completely. Furthermore, the company has written down the value of items in stock with technical discrepancies, where a repairment does not appear financially justifiable or not expected to be prioritized.



## Sensor AS

Company registration no.: 998 068 266

### Notes to the accounts for 2021

#### Note 14 - Trade 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 credit limit of NOK 20 million.

#### Note 15 - Other receivables

	2021	2020
VAT receivable	297 582	338 737
Government grants	1 249 566	1 937 343
Prepayments to suppliers	2 794 078	3 833 733
Other	381 191	349 772
Total	<u>4 722 417</u>	<u>6 459 585</u>

#### Note 16 – Credits and covenants

	2021	2020
Long-term loan	0	63 239 400
Cash overdraft (facility of NOK 5 million)	1 212 433	4 791 212
Total	<u>1 212 433</u>	<u>68 030 612</u>

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

#### Note 17 - Securities

<i>Book value of liabilities with pledged securities</i>	2021	2020
Liabilities to financial institutions	0	63 239 400
Bank overdraft facility	1 212 433	4 791 212
Total book value of liabilities with pledged securities	<u>1 212 433</u>	<u>68 030 612</u>

<i>Book value of assets pledged as security:</i>	2021	2020
Fixed assets	13 343 540	11 910 589
Trade receivables	11 112 512	14 283 237
Inventories	88 044 524	82 306 318
Total	<u>112 500 576</u>	<u>108 500 144</u>

#### Note 18 - Other long-term liabilities

	2021	2020
License fees (*)	0	13 379 208
Rental payment accrual (See note 8)	1 713 940	1 876 495
Total	<u>1 713 940</u>	<u>15 255 703</u>

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



## Sensor AS

Company registration no.: 998 068 266

### Notes to the accounts for 2021

#### Note 19 - Intra-group payables

	2021	2020
Long-term loan from Group company	74 000 000	0

The intra Group loan is currently not interest-bearing.

#### Note 20 - Other short-term liabilities

	2021	2020
Salaries, holiday pay etc.	5 360 793	5 191 195
Prepayments from R&D projects and customers	2 030 095	0
Warranty provisions	1 640 000	1 640 000
Other	2 736 108	1 595 918
Total	<u>11 766 996</u>	<u>8 427 113</u>

#### Note 21 - Financial risk

Sensor is exposed to financial risks in various areas. The company goal is to reduce the financial risk to a minimum.

##### *Foreign currency risk:*

The company's income is generally in EUR and USD. The company's current strategy includes the use of financial instruments to hedge future proceeds from sales. The company has in 2021 hedged a major part of their customer payments in USD and EUR to a fixed rate between of 8.48 and 10.42 on USD 7.2 million and a fixed rate between 10.37 and 11.37 on EUR 3.6 million. The company has also signed future contracts of USD 4.2 million and EUR 2.1 million with reference to estimated customer payments from January to July 2022. The contracts are due on a linear basis from January until July 2022 with a fixed rate on USD contracts between 8.49 and 8.69 and a fixed rate on EUR contracts between 10.27 and 10.40. The calculated net value of the future f/x contracts is negative by NOK 0.5 million as at 31.12.2021.

##### *Interest risk:*

Sensor has floating interest rate on all credits. The company is exposed to interest rate fluctuations.

##### *Credit risk:*

The company has signed a factoring agreement to fund trade 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 credit limit of NOK 20 million. The financial institution assumes credit risk for their purchased share of the outstanding amount.

##### *Liquidity risk:*

The cash flow statement is showing a positive cash flow from operating activities, both in 2021 and 2020. Sensor also expects a positive operating cash flow in 2020. Trade receivables are funded by factoring, whereas the company receives settlement on a running basis for their invoiced sales within a credit limit of NOK 20 million. For further information please refer the Board of Director's report.



## Sensoror AS

Company registration no.: 998 068 266

### Notes to the accounts for 2021

#### Note 22 - Related parties

Sensoror Holding AG has in 2021 charged NOK 3.4 million in consultancy fees for work performed by the CEO, 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 North 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 NOK 3.3 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 (former member of the Board of Sensoror). In 2020, the charged amount was 0.1 million.

#### Note 23 - Income taxes

<i>Income tax expenses</i>	2021	2020
Change in deferred tax	0	-6 400 000
Total income tax expense	0	-6 400 000
<i>Tax base estimation</i>	2021	2020
Ordinary result before tax	318 736	35 031 905
Permanent differences	-1 243 843	-1 442 188
Change in temporary differences	-1 506 736	636 010
Losses carried forward	0	-34 225 727
Tax base	-2 431 843	0
Tax payable (22%)	0	0
Tax refund government grant	1 249 566	1 463 660
Net tax receivable at 31.12	1 249 566	1 463 660
<i>Temporary differences outlined</i>	2021	2020
Fixed assets	-4 987 361	-4 474 415
Inventories	10 438 212	8 418 530
Accounts receivables	-187 595	-187 595
Provisions	-1 640 000	-1 640 000
Losses carried forward	-92 551 824	-90 119 981
Interest on group loan carried forward	-525 600	-525 600
Net temporary differences at 31.12	-89 454 168	-88 529 061
Deferred tax asset (22%)	19 679 917	19 476 393
Deferred tax asset not recognized	6 679 917	6 476 393
Deferred income tax liability in balance sheet	13 000 000	13 000 000



### Sensor AS

Company registration no.: 998 068 266

### Notes to the accounts for 2021

<i>Effective tax rate</i>	2021
Expected income taxes, statutory tax rate 22%	70 122
Change in deferred tax asset not recognized	203 523
Permanent differences (22%)	-273 645
Income tax expense	<u>0</u>

Sensor has a deferred tax asset of 13.0 million in the balance sheet as at 31 December 2021. The book value of the tax asset is based on an analysis of taxable profits with the next 3-4 years period. The analysis is supported by the 2022 budget and forecasts going forward.

### Note 24 - Owners equity

	Share capital	Share capital changes (not registered)	Other equity	Total
Equity 01.01.2021	42 204 172	-39 451 726	35 354 766	38 107 212
Share capital decrease	-39 451 726	39 451 726	0	0
Profit for the year	0	0	318 736	318 736
Equity 31.12.2021	<u>2 752 446</u>	<u>0</u>	<u>35 673 502</u>	<u>38 425 948</u>

### Note 25 - Share capital and shareholder information

Share capital:

	Number of shares	Face value	Book value
Ordinary shares	917 482	3	2 752 446

Shareholders per 31.12.:

	Ordinary shares	Ownership share	Voting rights
Sensor Holding AG	917 482	100 %	100 %



**Sensor AS**

Company registration no.: 998 068 266

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**Notes to the accounts for 2021**

**Note 26 - Covid19 pandemic and war in Ukraine**

The Covid19 outbreak has not affected Sensor operations significantly in 2021.

Sensor operations are dependent 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. Sensor has currently a significant buffer in its inventories which reduces the risk to a certain extent. The ongoing war in Ukraine, may have additional negative effects on certain supplies, but the situation is still uncertain.

To the extent, the covid19 or the war in Ukraine, should have a material impact on sales or key purchases in 2022 beyond what Sensor has taken into account when setting a conservative budget for 2022, it may be challenging to meet the planned liquidity forecast.

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.



## Sensor AS - Group Accounts

Org.num: 998 068 266

### Income statement

	Note	2021	2020
<b>Revenue</b>			
Sales revenue	3	157 528 855	163 684 540
Other operating income		289 796	276 654
Total revenue		<u>157 818 651</u>	<u>163 961 194</u>
<b>Operating expenses</b>			
Changes in stocks of work in progress/finished goods	13	-7 015 196	-13 694 751
Capitalization of intangible assets	10	0	-2 951 281
Cost of goods		40 023 944	42 847 155
Payroll expenses	6, 7	64 128 115	52 211 402
Depreciation	10, 11	10 073 550	7 867 467
Other operating expenses	6, 8	45 607 453	46 627 605
Total operating expenses		<u>152 817 866</u>	<u>132 907 597</u>
Operating result		<u>5 000 785</u>	<u>31 053 597</u>
<b>Financial income and expenses</b>			
Financial income	9	2 350 055	13 152 526
Financial expenses	9	6 725 991	9 174 218
Net financial items		<u>-4 375 936</u>	<u>3 978 308</u>
Ordinary result before tax		<u>624 849</u>	<u>35 031 905</u>
Tax on ordinary result	23	<u>0</u>	<u>-6 400 000</u>
<b>Net profit</b>		<u>624 849</u>	<u>41 431 905</u>
<b>Allocated as follows</b>			
Transferred to other equity	24	624 849	35 354 765
Uncovered losses	24	0	6 077 140
Total allocations		<u>624 849</u>	<u>41 431 905</u>



## Sensonor AS - Group Accounts

Org.num: 998 068 266

### Balance sheet as at December 31

	Note	2021	2020
<b>Fixed assets</b>			
<i>Intangible assets</i>			
Capitalized development expenses	5, 10	6 516 375	11 416 348
Deferred tax asset	23	13 000 000	13 000 000
<b>Total intangible assets</b>		<b>19 516 375</b>	<b>24 416 348</b>
<i>Tangible assets</i>			
Production equipment	11, 17	11 782 817	10 190 088
Other equipment, tools etc.	11, 17	1 560 723	1 720 501
<b>Total tangible assets</b>		<b>13 343 540</b>	<b>11 910 589</b>
<i>Financial assets</i>			
Investments in shares	12	68 969	68 959
<b>Total financial assets</b>		<b>68 969</b>	<b>68 959</b>
<b>Total fixed assets</b>		<b>32 928 884</b>	<b>36 395 896</b>
<b>Current assets</b>			
Inventories	13, 17	88 044 524	82 306 318
<i>Receivables</i>			
Trade receivables	14, 17	11 112 512	14 283 237
Other receivables	15	4 722 417	6 459 585
<b>Total receivables</b>		<b>15 834 929</b>	<b>20 742 822</b>
Cash	2	2 268 980	1 904 598
<b>Total current assets</b>		<b>106 148 433</b>	<b>104 953 738</b>
<b>Total assets</b>		<b>139 077 317</b>	<b>141 349 634</b>

OR  
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## Sensor AS - Group Accounts

Org.num: 998 068 266

### Balance sheet as at December 31


	Note	2021	2020
<b>Equity</b>			
<i>Paid-in capital</i>			
Share capital	24, 25	2 752 446	42 204 172
Share capital decrease (not registered)	24	0	-39 451 726
Total paid-in capital		<u>2 752 446</u>	<u>2 752 446</u>
<i>Retained earnings</i>			
Other equity	24	<u>35 962 039</u>	<u>35 378 581</u>
Total retained earnings		<u>35 962 039</u>	<u>35 378 581</u>
Total equity		<u>38 714 485</u>	<u>38 131 027</u>
<b>Liabilities</b>			
<i>Long-term liabilities</i>			
Liabilities to financial institutions	16, 17	0	63 239 400
Loan from Group companies	19	74 000 000	0
Other long-term liabilities	18	<u>1 713 940</u>	<u>15 255 703</u>
Total other long-term liabilities		<u>75 713 940</u>	<u>78 495 103</u>
<i>Short-term liabilities</i>			
Bank overdraft	16, 17	1 212 433	4 791 212
Trade creditors	19	7 889 782	7 919 150
Public duties payable		3 779 680	3 586 031
Other short-term liabilities	20	<u>11 766 997</u>	<u>8 427 111</u>
Total short-term liabilities		<u>24 648 892</u>	<u>24 723 504</u>
Total liabilities		<u>100 362 832</u>	<u>103 218 607</u>
Total equity and liabilities		<u>139 077 317</u>	<u>141 349 634</u>

31 December 2021  
Horten, 16 March 2022

  
Pierre Claude Maurice Syx  
Chairman of the Board

  
Oliver Bernard Michel Ruas  
Board Member

  
Valerie Marie Sebastienne Dulong  
Board Member / CEO

  
Ingo Edgar Martin Effertz  
Board Member

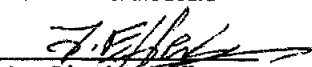
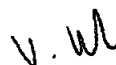


## Sensoror AS - Group Accounts

Org.num: 998 068 266

## Balance sheet as at December 31

	Note	2021	2020
<b>Equity</b>			
<i>Paid-in capital</i>			
Share capital	24, 25	2 752 446	42 204 172
Share capital decrease (not registered)	24	0	-39 451 726
Total paid-in capital		<u>2 752 446</u>	<u>2 752 446</u>
<i>Retained earnings</i>			
Other equity	24	<u>35 962 039</u>	<u>35 378 581</u>
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Liabilities to financial institutions	16, 17	0	63 239 400
Loan from Group companies	19	74 000 000	0
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31 December 2021  
Horten, 16 March 2022Pierre Claude Maurice Syx  
Chairman of the Board  
Ingo Edgar Martin Effertz  
Board MemberOliver Bernard Michel Ruas  
Board MemberValerie Marie Sebastienne Dulong  
Board Member / CEO



## Sensor AS - Group Accounts

Org.num: 998 068 266

### Cash flow statement

	Note	2021	2020
<b>Cash flow from operating activities</b>			
Profit before tax		624 849	35 031 905
Depreciation		10 073 550	7 867 467
Changes in inventories, trade receivables and trade payables		-2 596 849	-25 764 371
Effect of changes in exchange rates		0	-583 100
Changes in other current balance sheet items		5 011 965	256 630
Net cash flow from operating activities		<u>13 113 515</u>	<u>16 808 531</u>
<b>Cash flow from investing activities</b>			
Development of intangible assets		0	-2 951 281
Purchase of tangible fixed assets		<u>-6 527 931</u>	<u>-2 201 473</u>
Net cash flow from investing activities		<u>-6 527 931</u>	<u>-5 152 754</u>
<b>Cash flow from financing activities</b>			
Issuance of long-term group loan		74 000 000	0
Installments on long term bank loans		-63 239 400	-15 293 549
Repayment of other long-term loans		-13 379 208	0
Net change in bank overdraft		<u>-3 578 779</u>	<u>3 597 932</u>
Net cash flow from financing activities		<u>-6 197 387</u>	<u>-11 695 617</u>
Net change in cash and cash equivalents		388 197	-39 840
Cash at 01.01		<u>1 880 783</u>	<u>1 920 623</u>
Cash at 31.12		<u>2 268 980</u>	<u>1 880 783</u>



## Sensor AS - Group Accounts

Org.num: 998 068 266

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### Notes to the Group accounts for 2021

#### 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. Revenues 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-incidentally 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 average cost and 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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## Sensor AS - Group Accounts

Org.num: 998 068 266

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### Notes to the Group accounts for 2021

#### *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.

#### *Leases / rental 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.

#### *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.

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## Sensor AS - Group Accounts

Org.num: 998 068 266

### Notes to the Group accounts for 2021

#### Cash flow statement

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

#### Note 2 - Restricted cash deposits

	<b>2021</b>
Restricted cash for employee taxation payable	1 980 442

#### Note 3 - Sales

	2021	2020
<i>By business area</i>		
Sensor products	156 114 993	163 684 541
R&D Services	1 413 862	0
	<u>157 528 855</u>	<u>163 684 541</u>
<i>Geographical distribution</i>		
Norway	9 688 031	4 875 673
Rest of Europe	39 867 607	47 304 863
North America	20 578 175	37 478 925
Rest of World	87 395 042	74 025 080
	<u>157 528 855</u>	<u>163 684 541</u>

#### Note 4 - Customer contributions

The company's R&D projects are conducted in cooperation with certain customers. The ownership of the projects is mainly withheld by Sensor, whereas the contributions are classified as gross income. No customer contributions received in 2020 or 2021.

#### Note 5 - Government grants

Sensor receives different types of government grants as contributions to their development programs. The grants refer to specific projects from Norsk Forskningsråd, Innovasjon Norge and the EU committee. 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 2,184,220 in 2020.



## Sensoror AS - Group Accounts

Org.num: 998 068 266

### Notes to the Group accounts for 2021

#### Note 6 - Payroll expenses, number of employees and loans to employees and auditor's fee

<i>Wage costs</i>	2021	2020
Salaries	51 260 140	41 577 813
Social security tax	7 031 173	6 095 733
Pension costs	3 386 738	2 725 052
Other payroll expenses	2 450 062	1 812 805
Total payroll expenses	<u>64 128 113</u>	<u>52 211 403</u>

The total number of FTE's during the year: 62

#### *Management remuneration*

Sensoror's CEO has been employed by Sensoror Holding AG in Switzerland, and has received no salary from Sensoror. The parent company has invoiced Sensoror for management services of NOK 3.4 million in 2021.

Remuneration to the Board amounts to NOK 300,000 in 2021.

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>	2021
Statutory audit fee	420 000
Other services	98 525

VAT is not included in the auditor fees.

#### Note 7 - Pensions

Sensoror AS 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 8 - Operating leases

<i>Expensed rent of the following premises:</i>		2021	2020
Knudsrødveien 7 - seksjon 2 (*)	30-03-2032	2 710 439	2 671 004
Knudsrødveien 7	30-06-2023	1 589 844	1 599 508
Langmyra 6 (*)	30-03-2032	4 308 358	4 245 756
		<u>8 608 641</u>	<u>8 516 268</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.



## Sensoror AS - Group Accounts

Org.num: 998 068 266

### Notes to the Group accounts for 2021

#### Note 9 - Financial income and expenses

Interest income	0	59 239
Foreign currency gain (*)	2 350 055	13 093 287
Total financial income	<u>2 350 055</u>	<u>13 152 526</u>
Interest costs	3 365 847	4 100 809
Foreign currency loss	1 507 231	3 294 001
Other financial expenses	1 852 913	1 779 408
Total financial expenses	<u>6 725 991</u>	<u>9 174 218</u>

(\*) The Covid19 pandemic and decreasing oil prices resulted in a significant increase in the NOK/USD rate in 2020. Sensoror has recognized a significant gain from cash holdings on USD in this period.

#### Note 10 - Intangible assets

	Capitalized development expenses
Acquisition cost at 01.01.	44 157 686
Acquisition cost at 31.12.	44 157 686
Acc. amortization at 31.12.	-37 641 311
Net carrying amount at 31.12.	<u>6 516 375</u>
Amortization for the year	4 899 973
Useful economic life	5 years
Amortization plan	Linear

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. The net book value as at 31.12.21 refers to the development of a hermetic encapsulation for a wider range of Sensoror's product portfolio. The hermetic encapsulation is an important and necessary product improvement for certain applications for Sensoror'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.

Total expenses on research and development activities amounts to 9.8 million in 2021 and 8.8 million in 2020.



**Sensoror AS - Group Accounts**

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**Notes to the Group accounts for 2021**

**Note 11 - Tangible assets**

	<b>Production equipment</b>	<b>Other assets</b>	<b>Total</b>
Acquisition cost at 01.01.20	46 946 812	6 435 905	53 382 717
Purchased tangibles	5 965 703	562 228	6 527 931
Acquisition cost at 31.12.20	52 912 515	6 998 133	59 910 648
Acc. amortization at 31.12.20	-41 129 698	-5 437 409	-46 567 107
Net carrying amount at 31.12.20	11 782 817	1 560 724	13 343 541
Depreciation for the year	4 422 034	751 538	5 173 572
Useful economic life	5 years	5 years	
Amortization plan	Linear	Linear	

**Note 12 - Subsidiaries and other investments**

<b>Company</b>	<b>Ownership</b>	<b>Acquisition cost</b>	<b>Book value</b>
Sensoror North America LLC	100%	0	0
Microtech Innovation AS	0,92%	68 969	68 969
Total		68 969	68 969

The subsidiary in the US was established in 2020 as a sales agency office with a simple setup with few employees.

**Note 13 - Inventories**

	<b>2021</b>	<b>2020</b>
Raw materials	16 005 365	17 365 705
Work in progress / Semi-finished products	70 677 993	63 565 213
Finished products	269 273	366 857
Spare parts	1 091 893	1 008 543
Total	88 044 524	82 306 318

Sensoror had a significant net increase in inventory levels of sensor dies through 2020. Since the inventory book value of work in progress and semi-finished products includes both a share of fixed salary cost and fixed indirect cost in the production line and there was no overrun of normal production capacity, the increase in inventory levels had a corresponding positive effect in the profit and loss statement for 2020.

Accumulated write-downs on inventories are included in the figures above with 8.9 million at 31.12.21 and 8.7 million at 31.12.20. The impairment of inventories is based on both technical and commercial obsolescence reviews. Items in stock that are currently not part of the company's primary sales and growth strategy have been written off completely. Furthermore, the company has written down the value of items in stock with technical discrepancies, where a repairment does not appear financially justifiable or not expected to be prioritized.



## Sensor AS - Group Accounts

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### Notes to the Group accounts for 2021

#### Note 14 - Trade 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 credit limit of NOK 20 million.

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

	2021	2020
VAT receivable	297 582	338 737
Government grants	1 249 566	1 937 343
Prepayments to suppliers	2 794 078	3 833 733
Other	381 191	349 772
Total	<u>4 722 417</u>	<u>6 459 585</u>

#### Note 16 - Credits and covenants

	2021	2020
Long-term loan	0	63 239 400
Cash overdraft (facility of NOK 5 million)	1 212 433	4 791 212
Total	<u>1 212 433</u>	<u>68 030 612</u>

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

#### Note 17 - Securities

<i>Book value of liabilities with pledged securities</i>	2021	2020
Liabilities to financial institutions	0	63 239 400
Bank overdraft facility	1 212 433	4 791 212
Total book value of liabilities with pledged securities	<u>1 212 433</u>	<u>68 030 612</u>

<i>Book value of assets pledged as security:</i>	2021	2020
Fixed assets	13 343 540	11 910 589
Trade receivables	11 112 512	14 283 237
Inventories	88 044 524	82 306 318
Total	<u>112 500 576</u>	<u>108 500 144</u>

#### Note 18 - Other long-term liabilities

	2021	2020
License fees (*)	0	13 379 208
Rental payment accrual (See note 8)	1 713 940	1 876 495
Total	<u>1 713 940</u>	<u>15 255 703</u>

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



## Sensor AS - Group Accounts

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### Notes to the Group accounts for 2021

#### Note 19 - Intra-group payables

	2021	2020
Long-term loan from Group company	74 000 000	0

The intra Group loan is currently not interest-bearing.

#### Note 20 - Other short-term liabilities

	2021	2020
Salaries, holiday pay etc.	5 360 793	5 191 195
Prepayments from R&D projects and customers	2 030 095	0
Warranty provisions	1 640 000	1 640 000
Other	2 736 108	1 595 918
Total	<u>11 766 996</u>	<u>8 427 113</u>

#### Note 21 - Financial risk

Sensor is exposed to financial risks in various areas. The company goal is to reduce the financial risk to a minimum.

##### *Foreign currency risk:*

The company's income is generally in EUR and USD. The company's current strategy includes the use of financial instruments to hedge future proceeds from sales. The company has in 2021 hedged a major part of their customer payments in USD and EUR to a fixed rate between of 8.48 and 10.42 on USD 7.2 million and a fixed rate between 10.37 and 11.37 on EUR 3.6 million. The company has also signed future contracts of USD 4.2 million and EUR 2.1 million with reference to estimated customer payments from January to July 2022. The contracts are due on a linear basis from January until July 2022 with a fixed rate on USD contracts between 8.49 and 8.69 and a fixed rate on EUR contracts between 10.27 and 10.40. The calculated net value of the future f/x contracts is negative by NOK 0.5 million as at 31.12.2021.

##### *Interest risk:*

Sensor has floating interest rate on all credits. The company is exposed to interest rate fluctuations.

##### *Credit risk:*

The company has signed a factoring agreement to fund trade 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 credit limit of NOK 20 million. The financial institution assumes credit risk for their purchased share of the outstanding amount.

##### *Liquidity risk:*

The cash flow statement is showing a positive cash flow from operating activities, both in 2021 and 2020. Sensor also expects a positive operating cash flow in 2020. Trade receivables are funded by factoring, whereas the company receives settlement on a running basis for their invoiced sales within a credit limit of NOK 20 million. For further information please refer the Board of Director's report.



## Sensoror AS - Group Accounts

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### Notes to the Group accounts for 2021

#### Note 22 - 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.

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 23 - Income taxes

<i>Income tax expenses</i>	2021	2020
Change in deferred tax	0	-6 400 000
Total income tax expense	0	-6 400 000

<i>Tax base estimation</i>	2021	2020
Ordinary result before tax	624 849	35 031 905
Permanent differences	-1 243 843	-1 442 188
Other differences	-306 113	0
Change in temporary differences	-1 506 736	636 010
Losses carried forward	0	-34 225 727
Tax base	-2 431 843	0

Tax payable (22%)	0	0
Tax refund government grant	1 249 566	1 463 660
Net tax receivable at 31.12	1 249 566	1 463 660

<i>Temporary differences outlined</i>	2021	2020
Fixed assets	-4 987 361	-4 474 415
Inventories	10 438 212	8 418 530
Accounts receivables	-187 595	-187 595
Provisions	-1 640 000	-1 640 000
Losses carried forward	-92 551 824	-90 119 981
Interest on group loan carried forward	-525 600	-525 600
	-89 454 168	-88 529 061
Deferred tax asset (22%)	19 679 917	19 476 393
Deferred tax asset not recognized	6 679 917	6 476 393
Deferred income tax liability in balance sheet	13 000 000	13 000 000



## Sensoror AS - Group Accounts

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### Notes to the Group accounts for 2021

<i>Effective tax rate</i>	2021
Expected income taxes, statutory tax rate 22%	137 467
Change in deferred tax asset not recognized	203 523
Permanent differences (22%)	-340 990
Income tax expense	0

Sensoror has a deferred tax asset of 13.0 million in the balance sheet as at 31 December 2021. The book value of the tax asset is based on an analysis of taxable profits with the next 3-4 years period. The analysis is supported by the 2022 budget and forecasts going forward.

#### Note 24 - Owners equity

	Share capital	Share capital changes (not registered)	Other equity	Total
Equity 01.01.2021	42 204 172	-39 451 726	35 378 581	38 131 027
Share capital decrease	-39 451 726	39 451 726	0	0
Translation differences	0	0	-41 391	-41 391
Profit for the year	0	0	624 849	624 849
Equity 31.12.2021	2 752 446	0	35 962 039	38 714 485

#### Note 25 - Share capital and shareholder information

Share capital:

	Number of shares	Face value	Book value
Ordinary shares	917 482	3	2 752 446

Shareholders per 31.12:

	Ordinary shares	Ownership share	Voting rights
Sensoror Holding AG	917 482	100 %	100 %



**Sensor AS - Group Accounts**

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**Notes to the Group accounts for 2021**

**Note 26 - Covid19 pandemic and war in Ukraine**

The Covid19 outbreak has not affected Sensor operations significantly in 2021.

Sensor operations are dependent 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. Sensor has currently a significant buffer in its inventories which reduces the risk to a certain extent. The ongoing war in Ukraine, may have additional negative effects on certain supplies, but the situation is still uncertain.

To the extent, the covid19 or the war in Ukraine, should have a material impact on sales or key purchases in 2022 beyond what Sensor has taken into account when setting a conservative budget for 2022, it may be challenging to meet the planned liquidity forecast.

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.



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## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Sensor AS

### Opinion

We have audited the financial statements of Sensor AS (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the balance sheet as at 31 December 2021, 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 and the Group as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with the 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 and the Group 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) are 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 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, 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern



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and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group'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 and the Group'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 and the Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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, 22 April 2022  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Morten Mobråthen  
State Authorised Public Accountant (Norway)

Independent auditor's report - Sensoror AS 2021

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## Morten Mobraåthen

Partner

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