



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 992 102 403
Organisasjonsform: Aksjeselskap
Foretaksnavn: FLIR UNMANNED AERIAL SYSTEMS AS
Forretningsadresse: Nye Vakås vei 56
1395 HVALSTAD

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Jardar Wahl
Dato for fastsettelse av årsregnskapet: 30.06.2022

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 12.07.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Revenue	2, 9	553 679 356	698 461 578
Other operating income		3 054 240	1 261 989
Sum inntekter		556 733 596	699 723 568
Kostnader			
Raw materials and consumables used	9	205 835 812	257 522 688
Staff costs	3, 4, 5	91 621 422	53 818 494
Depreciation of fixed assets and intangible assets	7	3 911 978	4 475 393
Other operating expenses	4, 9, 14	81 984 763	92 808 884
Sum kostnader		383 353 975	408 625 459
Driftsresultat		173 379 621	291 098 108
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	9	5 255 326	4 419 360
Annen renteinntekt		278 614	97 170
Other financial income		36 513 836	63 333 703
Sum finansinntekter		42 047 776	67 850 234
Annen rentekostnad			353
Other financial expense		50 667 973	67 422 295
Sum finanskostnader		50 667 973	67 422 648
Netto finans		-8 620 196	427 585
Ordinært resultat før skattekostnad		164 759 425	291 525 694
Tax on ordinary result	6	35 257 125	63 123 696
Ordinært resultat etter skattekostnad		129 502 300	228 401 998
Årsresultat		129 502 300	228 401 998
Overføringer og disponeringer			
Tilleggsutbytte		68 094 300	



Resultatregnskap

Beløp i: NOK	Note	2021	2020
Transfers to/from other equity		61 408 000	228 401 998
Sum overføringer og disponeringer		129 502 300	228 401 998



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	6	10 436 365	10 792 313
Sum immaterielle eiendeler		10 436 365	10 792 313
Varige driftsmidler			
Machinery and plant	7	5 365 729	
Fixtures and fittings, tools, office machinery, etc	7	5 934 323	10 508 154
Sum varige driftsmidler		11 300 052	10 508 154
Finansielle anleggsmidler			
Lån til foretak i samme konsern	9, 10	217 273 897	227 495 722
Sum finansielle anleggsmidler		217 273 897	227 495 722
Sum anleggsmidler		239 010 314	248 796 188
Omløpsmidler			
Varer			
Stocks	8	48 048 572	81 226 562
Sum varer		48 048 572	81 226 562
Fordringer			
Trade debtors	9	80 178 580	53 602 457
Other short-term receivables	9	90 300 568	22 217 355
Sum fordringer		170 479 147	75 819 812
Bankinnskudd, kontanter og lignende			
Bank deposits, cash in hand, etc	11	122 149 164	115 676 058
Sum bankinnskudd, kontanter og lignende		122 149 164	115 676 058
Sum omløpsmidler		340 676 884	272 722 431
SUM EIENDELER		579 687 197	521 518 620



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital (4 744 803 shares of kr 0,20)	12	948 961	948 961
Overkurs	13	73 196 810	73 196 810
Annen innskutt egenkapital	13	26 182 827	21 004 873
Sum innskutt egenkapital		100 328 597	95 150 644
Opptjent egenkapital			
Other equity	13	289 810 444	228 402 444
Sum opptjent egenkapital		289 810 444	228 402 444
Sum egenkapital		390 139 041	323 553 088
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Other long-term liabilities	10	1 939 155	
Sum annen langsiktig gjeld		1 939 155	
Sum langsiktig gjeld		1 939 155	0
Kortsiktig gjeld			
Leverandørgjeld	9	79 020 610	20 201 001
Tax payable	6	34 901 177	61 996 760
Public duties payable		11 128 525	8 768 769
Other short-term liabilities	9	62 558 689	106 999 001
Sum kortsiktig gjeld		187 609 000	197 965 531
Sum gjeld		189 548 156	197 965 531
SUM EGENKAPITAL OG GJELD		579 687 197	521 518 620



FLIR Unmanned Aerial Systems AS

Annual Report 2021

Annual Report
Income Statement
Balance Sheet
Cash Flows
Notes to the Accounts
Audit Report



Annual Report 2021

FLIR Unmanned Aerial Systems AS («FLIR UAS» or «the Company») develops, produces, sells and supports airborne personal reconnaissance systems for professional use. The Company's main product Black Hornet with associated equipment and services are sold to defense and other government institutions globally.

On May 13, 2021 Teledyne Technologies Incorporated acquired FLIR Systems Inc. including FLIR UAS. FLIR UAS is a 100% owned subsidiary of Teledyne Technologies Incorporated.

Global footprint established for Black Hornet

The market for the Company's products is large and growing. Presently, FLIR UAS is the only company offering combat proven personal reconnaissance systems for professional use. The Company has established a global market presence over the last years.

Customers in the defense market requires delivery reliability and delivery precision. The Company has well established procedures for making deliveries according to customer expectations. The Company is certified according to ISO 9001:2015.

The market for reconnaissance and surveillance from vehicles is developing rapidly. The Company is in discussions with several potential customers and vehicle producers regarding development of a vehicle-based surveillance and reconnaissance system based on the *Black Hornet* technology platform.

FLIR UAS has been moving from sales to customers for Test & Evaluation into more sales to customers with larger multi-year contracts with product deliveries, support, spare part deliveries and logistical services.

Research and Development (R&D)

The Company allocates a large share of its resources to technology and product development. The R&D department consists of senior engineers with long experience in multidisciplinary R&D programs.

FLIR UAS maintains close relations to its customers to secure that the development is according to customer requirements and specifications.

FLIR UAS' strategy for increasing its intellectual capital rights is a combination of filing patents and trademarks as well as keeping trade secrets. The Company's intellectual property rights were strengthened by new patent applications in 2021.

Financial Information (2020 numbers in brackets)

The financial statements have been prepared in accordance with Norwegian Generally Accepted Accounting Practice ("NGAAP"). Board of Directors confirms that the financial statements are prepared under the assumption that the company is a going concern and that this assumption is appropriate at the date of the accounts.

Total revenues were NOK 556.7 million in 2021 (NOK 699.7 million). Sales revenue from sale of equipment, support contracts, repairs and training were NOK 553.7 million (NOK 698.5 million). Other revenue was NOK 3.1 million (NOK 1.3 million) in 2021. FLIR UAS received a NOK 28.7 million



grant from the Ministry of Defense in Norway for the period 2020-2024 for development of airborne nano reconnaissance and surveillance systems for use on vehicles. NOK 3.2 million of this grant is allocated to work performed by the Norwegian Defense Research Establishment (FFI).

The gross margin was 63.0% in 2021 (63.2%).

Total operating expenses were NOK 383.4 million in 2021 (NOK 408.6 million). The company continue to hire new staff to strengthen the Company's R&D organization, commercial reach and production capacity.

Operating profit (EBIT) was NOK 173.4 million in 2021 (NOK 291.1 million).

Net income was NOK 129,502,300 in 2021. Net income of NOK 129,502,300 is transferred to Retained Earnings. The company also gave a dividend of NOK 68.1 million during 2021 based on prior years retained earnings.

The company had NOK 122.1 million in cash and liquid funds at the end of 2021 (NOK 115.7 million). Net cash from operating activities were NOK 152.0 million in 2021 (NOK 290.4 million). Net cash from investing activities were NOK -4.7 million in 2021 (NOK -4.7 million). Net cash from financing were NOK -140.8 million in 2021 (NOK -346.3 million).

Total assets were NOK 579.7 million (NOK 521.5 million) at the end of 2021. Total equity at the end of 2021 was NOK 390.1 million (NOK 323.6 million) which is 67.3% of total assets (62.0%).

Risk factors

The Company is exposed to several risk factors and risk management is an important part of the Company's operations. Risk is monitored and managed on a corporate level by Teledyne Technologies Incorporated. The management of FLIR UAS works closely with corporate staff Teledyne Technologies in monitoring and managing the risk in the Company's operations.

Market risk: The Company's operations and financial performance is dependent on the development of the defense market. New products from other companies are identified and potential competitors are followed closely. The defense market is complex, protective, and demanding, but also loyal, has high budgets, and buys in large volumes.

Operational risk: FLIR UAS develops, produces, sells and supports airborne personal reconnaissance systems with advanced technology. Professional project management and well-established quality systems is important to manage and reduce operational risk.

Foreign exchange risk: FLIR UAS has a global customer base and currency fluctuations may have a significant impact on the company's financial results. Foreign exchange risk is monitored by the corporate Treasury group. Treasury manages the foreign exchange risk by analyzing currency exposures and, if necessary, entering into offsetting hedging contracts.

Liquidity risk: The Company's strategy is to have adequate financial flexibility by a combination of revenues generated from own sales, grants, and loans.

Credit risk: The Company's customers are defense and other government authorities in NATO member countries and other countries where the Company can get export license. The credit risk is historically very limited.

Interest rate risk: The interest rate risk is related to the Company's loans and long-term financing.



Production Quality

The production processes were further improved 2021. Customers in the defense market requires delivery reliability and delivery precision. The Company has well established procedures for making deliveries according to customer expectations.

Strengthened organization

The Company headquarter with management, R&D and commercial organization is located at Hvalstad, Norway. The production site is located 55 km from the headquarter at Hønefoss, Norway.

Total number of employees in FLIR UAS were 165 at the end of 2021.

The Company has an equal opportunity policy and have ongoing activities to detect and prevent harassment according to the Equality and Discrimination Act. Of all employees, 44 full time employees (26.67%) are female. The Board of Directors has 3 men and 1 woman. Inclusion to the company is about creating a work environment where all employees can contribute their full potential. Recruitment is based on skills, education and experience. Compensation for all employees is based on statistics like Tekna which is built on seniority and competencies. Part time employees per December 2021 were 2 men and 2 women. There are none involuntary part time employees. FLIR UAS offer equal conditions on parental leave with full pay compensation. Parental leave per December 2021 were 3 men. The company have a website for reporting any violation, equality and discrimination. The reporting is anonymous and followed up accordingly. All employees are required to complete yearly training courses in equality, harassment and discrimination.

The Board assess the working conditions to be in good order. There has not been absence from work related injuries or accidents in 2021. The absence from sickness was below 4.06% in 2021.

The Company's activities are assumed to have limited negative effect on the environment.

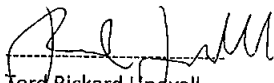
The board of directors and General Manager are currently and will continue to be covered under Teledyne's global Director and Officer's insurance.

Forward statement

The Company's strategy is to be the global leader in development, production, sale and support of airborne personal reconnaissance systems to professional users. Based on this strategy, the Company plan to continue developing its technology and launch new products to meet customer demands for airborne sensors for reconnaissance and surveillance.


The Board thanks all employees for their great efforts and valuable contribution to the results in 2021.

Hvalstad, 30 June 2022


Torodd Rickard Lindvall
Chairman of the Board

Edwin Roks
Member of the Board

Susan Lee Main
Member of the Board



Christian T. Fekete
Member of the Board/General Manager



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Hvalstad, 30 Aug 2022

Edwin Roks
Member of the Board

Susan Lee Main
Member of the Board

Christian T. Fekete
Member of the Board/General Manager

Tord Rickard Lindvall
Chairman of the Board



Org.no.: 992 102 403

FLIR UNMANNED AERIAL SYSTEMS AS Income Statement (01.01-31.12)

Amounts in NOK	Note	2021	2020
Revenue	2, 9	553 679 356	698 461 578
Other operating income		3 054 240	1 261 989
Total operating income		556 733 596	699 723 568
Raw materials and consumables used	9	(205 835 812)	(257 522 688)
Staff costs	3, 4, 5	(91 621 422)	(53 818 494)
Depreciation of fixed assets and intangible assets	7	(3 911 978)	(4 475 393)
Other operating expenses	4, 9,14	(81 984 763)	(92 808 884)
Sum operating expenses		(383 353 975)	(408 625 459)
Operating profit		173 379 621	291 098 108
Interest received from group companies	9	5 255 326	4 419 360
Other interest income		278 614	97 170
Other financial income		36 513 836	63 333 703
Total financial income		42 047 776	67 850 234
Other interest charge		0	(353)
Other financial expense		(50 667 973)	(67 422 295)
Total financial expenses		(50 667 973)	(67 422 648)
Net financial items		(8 620 196)	427 585
Operating result before tax		164 759 425	291 525 694
Tax on ordinary result	6	(35 257 125)	(63 123 696)
Operating result		129 502 300	228 401 998
Results of the year		129 502 300	228 401 998
Transfers			
Transfers to/from other equity		129 502 300	228 401 998
Total transfers and allocations		129 502 300	228 401 998



FLIR UNMANNED AERIAL SYSTEMS AS Balance Sheet, 31. December 2021

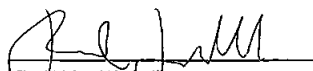
Amounts in NOK	Note	2021	2020
ASSETS			
Fixed assets			
Intangible fixed assets			
Deferred tax assets	6	10 436 365	10 792 313
Total intangible fixed assets		10 436 365	10 792 313
Tangible fixed assets			
Tools	7	2 049 230	2 967 644
Property, Plant and Equipment	7	9 250 822	7 540 509
Total tangible fixed assets		11 300 052	10 508 154
Financial fixed assets			
Loans to group companies	9, 10	217 273 897	227 495 722
Total financial fixed assets		217 273 897	227 495 722
Total fixed assets		239 010 314	248 796 188
Current assets			
Inventories	8	48 048 572	81 226 562
Total stocks		48 048 572	81 226 562
Receivables			
Trade debtors	9	80 178 580	53 602 457
Other short-term receivables	9	90 300 568	22 217 355
Total receivables		170 479 147	75 819 812
Bank deposits and cash equivalents	11	122 149 164	115 676 058
Total current assets		340 676 884	272 722 431
Total assets		579 678 197	521 518 620




FLIR UNMANNED AERIAL SYSTEMS AS Balance Sheet 31. December 2021

Amounts in NOK	Note	2021	2020
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital	12	948 961	948 961
Share premium reserve	13	73 196 810	73 196 810
Other paid-in capital	13	26 182 827	21 004 873
Total paid-in capital		100 328 597	95 150 644
Retained earnings			
Other equity	13	289 810 444	228 402 444
Total retained earnings		289 810 444	228 402 444
Total equity		390 139 041	323 553 088
Liabilities			
Other long-term liabilities	10	1 939 155	0
Total long-term liabilities		1 939 155	0
Current liabilities			
Trade creditors	9	79 020 610	20 201 001
Tax payable	6	34 901 177	61 996 760
Public duties payable		11 128 525	8 768 769
Other short-term liabilities	9	62 558 689	106 999 001
Total current liabilities		187 609 000	197 965 531
Total liabilities		189 548 156	197 965 531
Total equity and liabilities		579 687 197	521 518 620

Hvalstad, 30 June 2022
The board of FLIR Unmanned Aerial Systems AS


Tord Rickard Lindvall
Chairman of the board


Christian Thomas Fekete
Member of the board/General Manager


Susan Lee Main
Member of the board

Edwin Roks
Member of the board

FLIR UNMANNED AERIAL SYSTEMS AS
Balance Sheet 31. December 2021

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Hvalstad, 30 June 2022
The board of FLIR Unmanned Aerial Systems ASTord Rickard Lindvall
Chairman of the boardEdwin Rokks
Member of the boardChristian Thomas Fekete
Member of the board/General ManagerSusan Lee Main
Member of the board



FLIR UNMANNED AERIAL SYSTEMS AS Cash Flow (01.01-31.12)

	Note	2021	2020
Amounts in NOK			
Cash flows from operating activities			
Profit/loss before tax		164 759 425	291 525 694
Income tax paid		-61 996 760	-4 548 43
Ordinary depreciation	7	3 911 978	4 475 393
Change in inventory	8	33 177 990	-20 180 225
Change in accounts receivable		-26 576 123	-5 208 800
Change in accounts payable		58 819 609	-2 761 737
Exchange rate effect		12 651 485	0
Change in other accrual items		-32 771 520	27 121 266
Net cash flows from operating activities		151 976 084	290 423 160
Cash flows from investment activities			
Payments to buy tangible assets	7	-4 703 877	-4 664 804
Net cash flows from investment activities		-4 703 877	-4 664 804
Cash flows from financing activities			
Repayment of long-term intercompany loan		0	-51 982 540
Payment for issued intercompany loan	9	-72 704 800	-175 129 260
Payment of dividend		-68 094 300	119 236 899
Net cash flows from financing activities		-140 799 100	-346 348 699
Net change in cash and cash equivalents		6 473 107	-60 590 343
Cash and cash equivalents at the start of the period		115 676 057	176 266 399
Cash and cash equivalents at the end of the period	11	122 149 164	115 676 058



Note 1 - Accounting Principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Use of estimates

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway

Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

Revenue recognition

Revenues from the sale of goods are recognised in the income statement once delivery has taken place and most of the risk and return has been transferred.

Revenues from the sale of services are recognized in the income statement in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22% percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Temporary differences, which are reversed or may be reversed in the same period, have been offset. Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

Balance sheet classification

Current assets and short-term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities. Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value.

Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

Research and development

Development costs are expensed as incurred. Grants are recorded as a reduction of cost.



Property, plant and equipment

Property, plant and equipment is capitalized and depreciated linearly over the estimated useful life. Significant fixed assets which consist of substantial components with dissimilar economic life have been unbundled; depreciation of each component is based on the economic life of the component. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related 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 realizable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are discounted and used.

Inventories

Inventories are recognized at the lowest of cost and net selling price. The net selling price is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing and distribution costs. The cost is arrived at using the FIFO method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location. For a manufactured goods a proportionate share of direct and indirect variable costs as well as fixed production costs are included

Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Cash flow statement

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

Share Purchase Program

Employees of FLIR Unmanned Aerial Systems AS have received remuneration in the form of a share purchase program in Teledyne Technologies Inc. (Equity-settled transactions). The cost of the Equity-settled transactions is recognized in employee benefit expense (Note 5), together with a corresponding increase in equity (other paid in capital) over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period).

Note 2 - Revenue

The Company has one segment - development, production and sale of nano airborne personal reconnaissance systems for professional use. The Company's main product Black Hornet with associated equipment and services is sold to defence and other government institutions.



Note 3 - Public Grants

Norwegian R&D tax credit (SkatteFUNN)

FLIR UAS received approval for an R&D tax credit from the Research Council of Norway for development of technology and products for vehicle-based surveillance and reconnaissance systems for the period 2020 through 2022. The company booked NOK 4.75 million in tax credit for the financial year 2021. The tax credit is recorded as a reduction of underlying cost in 2021.

Development grant from the Ministry of Defence, Norway

FLIR UAS received a NOK 28.7 million grant from the Ministry of Defence in Norway for the years 2020-2024 for development of airborne nano reconnaissance and surveillance systems for use on vehicles. NOK 3.2 million of this grant is allocated to work performed by the Norwegian Defense Research Establishment (FFI). The Company recognized NOK 9.5 million as a cost reduction from this contract in 2021.

FLIR UAS total development expense for 2021 is 79.8 million and 62.8 million for 2020. All sales are related to self-developed products and the expected future revenue is expected to exceed total expected cost.

Note 4 - Salary and personnel costs

Salary and personnel costs	2021	2020
Salaries	152 701 791	139 338 370
Employer's social security contribution on salaries, etc.	23 176 247	21 484 237
Pension costs	9 031 845	8 390 364
Other benefits	3 209 542	5 086 153
Reallocated to Inventory cost/grants	-96 498 003	-120 480 631
Total Salary and personnel costs	91 621 422	53 818 494

Average full-time employees	165	174
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Management remuneration	2021	2020
Salary	3 951 699	2 744 338
Pension cost	131 616	127 668

The company has not given any loans or guarantees to the General Manager or Board members. None of the Board members received compensation in 2021.

Share purchase program for employees

The company has a share program for the employees. The cost for the program is recognized in the accounting period in which the services are provided.

Spesification of Auditor's fee	2021	2020
Statutory audit fee	351 500	261 500
Other services	31 400	62 500
Total fee to auditor	382 900	324 000

VAT is not included in the fee specified above.



Note 5 - Defined contribution plan

The Company has a pension plan that meets the requirements of the Compulsory Service Pensions Act. This plan is a defined contribution pension plan and covers 163 employees. The Company is responsible for making an agreed contribution to the employee's pension assets. Once the contributions have been paid, there are no further payment obligations attached to the defined contribution pension, i.e. there is no liability to record in the Balance Sheet. The pension costs related to the defined contribution plans will be equal to the contributions to the employees' pension savings in the reporting period.

Pension costs associated with contribution-based pension plan amounted to NOK 9 031 845 in 2021.

Note 6 - Income tax

Income tax expense	2021	2020
Tax payable	34 901 177	61 996 760
Changes in deferred tax	355 948	1 126 936
Total income tax expense	35 257 125	63 123 696

Tax base calculation

Profit before income tax	164 759 425	291 525 694
Permanent differences	-4 499 764	-4 599 805
Temporary differences	-1 617 944	-5 122 435
Tax base	158 641 717	281 803 454

Temporary differences:

Inventories	-13 956 760	-21 905 611
Non current assets	-5 227 255	8 588 810
Provisions	-28 254 009	-35 739 167
Total	-47 438 024	-49 055 968

Deferred tax liability (asset) 22%	-10 436 365	-10 792 313
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Explanation as of why the current year's tax expense is not 22% of the profit before tax:

	2021
Profit before tax	164 759 425
22% taxes on profit before tax	36 247 074
Permanent differences (22%)	-989 948
Adjustment in tax in prior years	-
Calculated income tax expense	35 257 125

Effective tax rate	21.4 %
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Note 7 - Fixed Assets

	Tools	Property and plant and Equipment	Total
Acquisition cost at 01.01.21	21 487 020	18 468 941	39 955 961
Additions	739 616	3 964 260	4 703 877
Disposals	1 445 122	3 797 944	5 243 066
Acquisition cost 31.12.21	20 781 515	18 635 257	39 416 772
Accumulated depreciation 31.12.21	-18 732 285	-9 384 435	-28 116 720
Net carrying value at 31.12.21	2 049 230	9 250 822	11 300 052
Depreciation for the year	1 680 105	2 231 873	3 911 978
Useful economic life	3 Years	3-10 years	
Amortisation plan	Linear	Linear	

Note 8 - Inventories

	2021	2020
Raw materials	27 701 946	47 274 812
Work in progress	6 659 677	14 307 985
Finished goods	13 686 949	19 643 765
Total Inventory	48 048 572	81 226 562



Note 9 - Transactions with related parties

FLIR UAS has defined Teledyne Technologies Incorporated and subsidiaries as related parties. The company has signed loan agreements.

All the transactions have been carried out as part of the ordinary operations and at arms-length prices. All transactions FLIR UAS have with related parties are with sister companies except management fee. Management fee was charged from Teledyne FLIR LLC.

Transactions with related parties	2021	2020
Intercompany interest expense	0	0
Intercompany interest income*	5 255 326	4 419 360
Intercompany revenue from sale of goods	9 115 725	2 151 903
Intercompany expense from purchase of goods	3 876 231	2 209 417
Intercompany expense from other operating expenses	12 681 347	9 153 332
Management fee and Royalty expense	27 886 617	37 409 676

The balance sheet includes the following receivables and payables resulting from transactions with associated companies:

Intercompany balances	2021	2020
Loan to FLIR Systems AB	217 273 897	231 923 927
Other short-term receivables*	78 281 925	0
Trade receivables	23 145 193	14 989 753
Trade payables	66 430 846	2 415 548
Other short-term payables	1 310 970	0

*Short-term loan to Teledyne FLIR LLC in USD and interest to FLIR Systems Holding AB.

Note 10 - Liabilities and receivables

Long term receivables	2021	2020
Other long term receivables	217 273 897	227 495 722
Total	217 273 897	227 495 722

The loan is to FLIR Systems Holding AB in SEK.

The company has no liability with maturity more than five years.

Note 11 - Bank deposits

	2021	2020
Employees tax deduction, deposited in a separate bank account	5 806 440	5 786 419
Deposits for rent and bank guarantees	1 747 343	1 840 542
Other bank deposits and cash	114 595 381	108 049 097
Total bank deposit and cash	122 149 164	115 676 058



Note 12 - Share Capital and shareholder information

Share capital

	Number of shares	Book value
Ordinary shares	4 744 803	948 961
Total	4 744 803	948 961

All shares have equal rights.

Shareholders

	Shares	Ownership interest
FLIR Systems Trading Belgium BVRA	4 744 803	100 %
Total number of shares	4 744 803	100 %

The headquarter of the group is Teledyne Technologies Incorporated located in Thousand Oaks, California, USA. The consolidated financial statement of the Group is prepared and disclosed at the headquarter.

Note 13 - Equity

	Share capital	Share premium	Other paid in capital	Retained earnings	Total equity
Equity 31.12.2020	948 961	73 196 810	21 004 873	228 402 444	323 553 088
Net profit				129 502 300	129 502 300
Share purchase program			5 177 954		5 177 954
Additional dividend*				-68 094 300	-68 094 300
Equity 31.12.2021	948 961	73 196 810	26 182 827	289 810 444	390 139 041

*Distributed during 2021

Note 14 - Operating lease agreements

FLIR UAS has two building rent agreements. The expiration date for the rental agreement of Nye Vakås vei 56, 1395 Hvalstad is June 30, 2027. The expiration date for the rental agreement of Flyplassveien 26, 3514 Hønefoss is April 30, 2024. Both rental agreement has two renewal options of five years.

	2021	2020
Building rent expense	6 129 747	5 978 520
Total lease expense	6 129 747	5 978 520



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To the General Meeting of FLIR Unmanned Aerial Systems AS

Independent Auditor's Report

Opinion

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

In our opinion

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodo	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund



the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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.

Oslo, 30 June 2022
KPMG AS

Øyvind Skorgevik
State Authorised Public Accountant



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 13.08.2015	Vår dato 19.08.2015
Telefon 22078139	Deres referanse Christian Fekete	Vår referanse 2015/799693

PROX DYNAMICS AS
Postboks 22
1378 NESBRU

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Prox Dynamics AS, org. nr. 992 102 403

Vi viser til deres brev av 13. august 2015 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Prox Dynamics AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Prox Dynamics AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Prox Dynamics AS har både norske og utenlandske eiere. Prox Dynamics AS er verdensledende innen nano UAVer og har utenlandske kunder innenfor forsvar og justissektoren. Normalt er over 90 % av omsetningen utenfor Norge. Selskapet er underlagt eksportrestriksjoner og søker Utenriksdepartementet om eksporttillatelse for hvert salg utenfor Norge. Selskapet opererer i forsvarsmarkedet som er en internasjonal bransje. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Selskapet møter krav om å fremlegge årsregnskap på engelsk fra andre lands offentlige myndigheter og selskaper i forbindelse med tilbud, kontrakter, revisjoner, søknader om eksporttillatelse osv. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets 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 m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet har både norske og utenlandske eiere. Selskapet driver virksomhet i en internasjonal bransje. Selskapet møter krav om å fremlegge årsregnskap på engelsk fra andre lands offentlige myndigheter. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer