



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 943 771 030
Organisasjonsform: Aksjeselskap
Foretaksnavn: GKN AEROSPACE NORWAY AS
Forretningsadresse: Kirkegårdsveien 45
3616 KONGSBERG

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Nina Karine Lindseth
Dato for fastsettelse av årsregnskapet: 18.03.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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

Brønnøysundregistrene, 20.06.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Sales revenue	2, 3	1 691 907 000	1 446 881 000
Other operating revenues	7	1 842 000	1 904 582 000
Sum inntekter		1 693 749 000	3 351 463 000
Kostnader			
Use of raw materials and semi-man. products	3, 4	569 899 000	464 256 000
Wages, salaries and social welfare costs	5, 6	354 901 000	324 669 000
Depreciation	7, 8	27 562 000	45 520 000
Other operating expenses	3, 5	330 116 000	252 239 000
Sum kostnader		1 282 478 000	1 086 684 000
Driftsresultat		411 272 000	2 264 779 000
Finansinntekter og finanskostnader			
Other financial income	9	750 000	500 000
Currency loss/gain	10	54 998 000	187 446 000
Sum finansinntekter		55 748 000	187 946 000
Rentekostnad til foretak i samme konsern	3	-50 376 000	-8 462 000
Other net interest expenses		323 000	162 000
Sum finanskostnader		-50 053 000	-8 301 000
Netto finans		105 802 000	196 247 000
Ordinært resultat før skattekostnad		517 073 000	2 461 025 000
Tax on ordinary result	11	113 752 000	541 352 000
Ordinært resultat etter skattekostnad		403 321 000	1 919 673 000
Årsresultat		403 321 000	1 919 673 000
Årsresultat etter minoritetsinteresser		403 321 000	1 919 673 000
Totalresultat		403 321 000	1 919 673 000



Resultatregnskap

Beløp i: NOK	Note	2023	2022
Overføringer og disponeringer			
Ordinært utbytte		257 000 000	2 790 000 000
Allocated to other equity	12	146 321 000	
Allocated from other equity			-870 327 000
Sum overføringer og disponeringer		403 321 000	1 919 673 000



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Capitalized development costs	7	26 238 000	28 420 000
Capitalized startup costs	7	49 000	49 000
Capitalized entry fee costs	7		
Utsatt skattefordel	11		
Sum immaterielle eiendeler		26 287 000	28 468 000
Varige driftsmidler			
Land	8	1 301 000	1 301 000
Buildings	8	49 992 000	43 618 000
Machinery, furniture, equipment	8	319 286 000	303 459 000
Sum varige driftsmidler		370 580 000	348 378 000
Investments in shares	9		
Other long-term receivables	10		
Sum anleggsmidler		396 867 000	376 847 000
Omløpsmidler			
Varer			
Sum varer	4	266 507 000	270 975 000
Fordringer			
Customer receivables	13	145 309 000	144 130 000
Group trade receivable	14	34 896 000	166 152 000
Other current receivables	15	221 321 000	194 195 000
Konsernfordringer	3, 14	906 102 000	2 655 305 000
Sum fordringer		1 307 628 000	3 159 783 000
Bank deposits	17		
Sum omløpsmidler		1 574 136 000	3 430 757 000
SUM EIENDELER		1 971 002 000	3 807 604 000



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	16	112 500 000	112 500 000
Overkurs	12	4 875 000	4 875 000
Sum innskutt egenkapital		117 375 000	117 375 000
Opptjent egenkapital			
Other equity	12	670 630 000	524 301 000
Sum opptjent egenkapital		670 630 000	524 301 000
Sum egenkapital		788 005 000	641 676 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	18	38 829 000	89 004 000
Utsatt skatt	11	235 981 000	298 377 000
Other provisions	18	84 152 000	102 349 000
Sum avsetninger for forpliktelser		358 962 000	489 730 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		358 962 000	489 730 000
Kortsiktig gjeld			
Leverandørgjeld	3, 3, 14	189 056 000	136 575 000
Tax payable	11	176 149 000	169 080 000
Public duties payable		25 398 000	22 755 000
Utbytte	14	257 000 000	2 200 000 000
Other short-term liabilities	18	132 319 000	104 642 000
Advance from customer		44 112 000	43 145 000
Sum kortsiktig gjeld		824 035 000	2 676 198 000
Sum gjeld		1 182 997 000	3 165 928 000
SUM EGENKAPITAL OG GJELD		1 971 002 000	3 807 604 000



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 29.01.2015	Vår dato 02.02.2015
Telefon 22078139	Deres referanse SBR	Vår referanse 2014/665525

PriceWaterhouseCoopers AS
Postboks 748
0106 Oslo

04 FEB. 2015

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for GKN Aerospace Norway AS, org. nr. 943 771 030

Vi viser til deres brev av 29. januar 2015 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for GKN Aerospace Norway AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering GKN Aerospace Norway 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

GKN Aerospace Norway AS er direkte eiet av det svenske selskapet GKN Aerospace Sweden AB, og den ultimate eieren av hele konsernet er det engelske selskapet GKN Plc. Selskapet produserer flymotorkomponenter. Selskapet opererer i en internasjonal bransje, hvor kunder og leverandører i all hovedsak er utenlandske. I forbindelse med prosjektene i utlandet foregår all kommunikasjon på engelsk. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. 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:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som

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800 80 000
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22 17 08 60



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 er datterselskap til et utenlandsk selskap. Eierkretsen er begrenset. Selskapet opererer i en internasjonal bransje. I forbindelse med prosjektene i utlandet foregår all kommunikasjon på engelsk. Videre er det vektlagt at selskapet driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk språk.

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



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Til generalforsamlingen i Gkn Aerospace Norway AS

UAVHENGIG REVISORS BERETNING

Konklusjon

Vi har revidert årsregnskapet for Gkn Aerospace Norway AS som består av balanse per 31. desember 2023, resultatregnskap, kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening

- oppfyller årsregnskapet gjeldende lovkrav, og
- gir årsregnskapet et rettviseende bilde av selskapets finansielle stilling per 31. desember 2023 og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med kravene i relevante lover og forskrifter i Norge og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Styret og daglig leder (ledelsen) er ansvarlige for informasjonen i årsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker ikke informasjonen i årsberetningen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese årsberetningen. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom årsberetningen og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i årsberetningen ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom årsberetningen fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

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side 2
Uavhengig revisors beretning
Gkn Aerospace Norway AS

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og vurderer vi risikoen for vesentlig feilinformasjon i årsregnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av internkontroll.
- opparbeider vi oss en forståelse av intern kontroll som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifierer vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke kan fortsette driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.

Vi kommuniserer med styret blant annet om det planlagte innholdet i og tidspunkt for revisjonsarbeidet og eventuelle vesentlige funn i revisjonen, herunder vesentlige svakheter i intern kontroll som vi avdekker gjennom revisjonen.

Drammen, 20. mars 2024
Deloitte AS

Kjartan Kvamme
statsautorisert revisor

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Kvamme, Kjartan

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BOARD OF DIRECTORS' REPORT 2023

Overview

GKN Aerospace Norway (the Company) is a manufacturing company that produces jet engine components. The Company is 100% owned by GKN Aerospace Sweden AB, which in turn is part of the global GKN Aerospace owned by Melrose Industries PLC.

The Company is located in Kongsberg, Norway.

As the international aerospace market over time is expanding, the aircraft manufacturers' backlog represents many years of production ahead. There is continued positive momentum and market recovery after the COVID crisis, which when coupled with strong demand, indicates a positive future for the aerospace industry and the Company. Global air travel demand has nearly recovered and total flights end 2023 were only 2.8% below the pre-COVID levels seen in 2019. The aerospace market is highly competitive and the Company continues its improvement journey driving Lean operational principals throughout to meet future market expectations.

Global supply chain remains constrained, as the industry struggles to recover from the gap in resources resulting from workforce turnover in the post-COVID years. The Company is responding through insourcing critical components and services, and outsourcing non-core products, thus securing required level of support to our customers. Despite the constraints experienced through material shortfalls, the Company improved its productivity by approximately 9% in 2023 compared to 2022.

As the Company positions itself to increase volume shares and capture new business, the Company is dependent on nurturing strong customer relations by focusing on delivering on time, to exemplary quality. In 2023 the Company has continued reducing its backlog on key programs, making it possible to secure new long-term commitments as the demand recovers and customers look to expand their qualified supplier base (CFM56, PW1000, LEAP 1B and 1A and F135 platforms).

As more suppliers compete solely on cost, it is essential to differentiate our offer to the customers, for example through product functionality benefits, life of program commitments, and manufacturing excellence. The Company is positioning itself as Center of Excellence for Shafts and Small&Medium Cases, where technology insertion will be the key to growth.

We are confident that with the ongoing market recovery and balanced portfolio across commercial and defence programs the Company is well positioned for continued profitable growth.



Results and financial conditions

The annual accounts for 2023 has been prepared under the assumption of the Company as a going concern.

The Financial statements for the Company has been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and the presented information gives a true and fair view of the Company's assets, liabilities, financial position and result for the financial year.

The total sales revenue for the Company decreased from NOK 3 351 million in 2022 to NOK 1 694 million in 2023, however the comparative sales in 2022 to 2023 was NOK 1 447 million, indicating a sustainable growth of approx. 17%. Figures for 2022 was significantly impacted by selling the rights for producing Genx TRF from the Company to GKN Aerospace Sweden AB as a part of the Nordics project focusing on restructuring the business from a Group point of view

The operating profit was NOK 411 million in 2023 compared to NOK 2 265 million in 2022. Net profit before taxes was NOK 517 million in 2023 versus NOK 2 461 million in 2022. The comparative numbers for operating profit was 411 million vs 361 million, and for net profit before taxes was NOK 517 million vs NOK 557 million.

Comparing the sales revenue versus the operating expenses in percent, the cost were proportionally at the same level as for 2022. However, we have seen a relative higher increase in cost for materials compared to in particular wages and depreciation.

Profit for the year – NOK 403 million - are proposed distributed as follows:

Dividend payable year end	NOK 257 million
To other equity	NOK 146 million
Total allocated	NOK 403 million

The total equity, before dividend, amounts to NOK 1 045 million and the equity ratio is 53,0% compared to 74,7% in 2022. The dividend will be payable to GKN Aerospace Sweden AB, and when the settlement is done the Equity will be NOK 788 million vs NOK 642 million in 2022. The equity ratio will be 46% in 2023 comparable to 40% in 2022.

In 2023, the Company invested NOK 48 million in plant, production machinery and equipment. Depreciation was NOK 27 million.

The Company's liquidity position is satisfactory. The Company is lending available liquidity to other companies within the Group through cash pooling. As per year-end the Company has issued a loan to Melrose plc values at NOK 872 million in order manage risks connected to foreign currencies.



The majority of the currency flow is in USD and the functional currency for the Company is USD. The financial security for the Company is secured by guarantees from the parent company in USD.

The Company has a currency risk as most local expenses are in NOK and are hedged by entering into long-term forward contracts. The profit before taxes had a positive impact of NOK 18 million in 2023 due to unrealized gain on foreign exchange contracts, since the Company do not use hedge accounting.

GKN Ltd, the parent company of GKN Aerospace Sweden AB, has a satisfactory financial position, sufficient to finance long-term investments.

Since the Company's customers are major Original Engine Manufacturers (OEM), the credit risk is normally considered low.

The Company will continue with considerable internal actions to further reduce working capital and expenses combined with increasing production efficiency, in order to meet the objectives of the strategic plan. The combination of high raw material prices and the relatively high Norwegian cost level will challenge the Company's competitive position.

Personnel

The Company had 337 highly skilled employees at the end of 2023, compared to 344 in 2022. The distribution was 163 operators and 174 support personnel & officers.

During 2023, we have been working with organizational development to meet our new strategy as a site with three value streams and as a center of excellence in both Shafts and Small & Medium cases.

Recruitment and investment in new competences has been central. We have had a growth in numbers of engineers, and reduction in number operators. This has been central to accomplish our product strategy, both in short and long time horizon.

It has been challenging due to huge competition from other nearby companies to recruit the number of engineers that we have in demand.

Full time equivalent of the 337 employees at year-end 2023 was 315. The difference, 22 FTE shows the sum of employees working part time, out in long-time leave or long time sick leave

The sick leave average was 5,4% in 2023. This is higher than planned, and actions are taken to reduce this number in 2024.

Productivity improvements have been, and will continue to be, a priority in the coming years. It has been important for us to build competence and flexibility among our employees, and by this reduce vulnerability if employees would decide to leave GAN or of other reasons not attending work.



The Company interacts closely with the employee Unions to continuously improve the working conditions and environment.

Together we are promoting our cultural principles:

- Safe
- Ownership
- Open and honest
- Respect and care
- Innovative

We have had focus on GAN as a great place to work, and working to continue and further develop engagement among our employees. This is done together with the rest of GKN, and in cooperation with Gallup, and a survey to measure the level of engagement is performed once a year. GAN scored high in 2023, and had an improvement since 2022.

The working conditions are considered good and efforts to improve health and safety are continuously ongoing.

The company is included in a global insurance policy for Directors & Officers. The policy covers for the personal liability of employees acting on behalf of GKN ltd and subsidiaries as Director or Officer.

Gender

The Board of Directors has 4 female representatives. 46 out of 337 employees are female, giving a representation of 13%. 8 out of 40 leaders are female, giving a representation of 20%. The Company has 27 female employees with higher education.

The Company has equal salary policy for female and male employees. There are no part time positions, but the Company is flexible regarding individual needs.

The Company has a gender equality policy. Due to few female employees, the Company is actively recruiting females when possible. The applicable recruitment base is however small, both for engineers and for operators in particular.

The Company has a recruitment and personnel policy intended to ensure equal opportunities and rights, and to prevent discrimination based on ethnicity, disabilities, national origin, ancestry, color, language, religion or belief.



Transparency Act

The Company work actively and continuously to comply with the Transparency Act. Our focus is to avoid breach of human rights and decent working conditions and environments, including involvement through our suppliers and business. Learn more about our efforts in terms of risk mapping, compliance and due diligence assessments, including our supply chain, in our annual report. Updated report will be publicly available on our website by 30th June 2024: gknposten.no/apenhetsloven

Promoting equality and preventing discrimination

The Company has established an Equality and Inclusion Group (EIG) consisting of our Union representatives, HR team and members of management. EIG has conducted a qualitative mapping of our processes and work environment to see if we had any breaches, or risk of breaches, to the above commitment.

EIG was also asked to suggest measures to counteract any breaches/ risk of breaches. Further information will be available on our website: gknposten.no/Equality and preventing discrimination.

Environment

GKN Aerospace Norway is an environmentally sound company. The Company is complying with governmental regulations concerning pollution and environmental control. The Company is working systematically with matters concerning the environment, and is certified to the environmental standard ISO 14001:2015.

The main environmental challenges are related to the production, but with very low risk of accidental pollution to air or water. The Company is utilizing a limited number of hazardous chemicals in its production, but they are all according to the Norwegian government's emission permits. The Company is doing its utmost to reduce the impact of its activities, and actively and continuously work to integrate sustainability throughout the entire business. As part of the Company's environmental strategy, it is a goal to reduce the use of energy, water and hazardous waste, which is executed through improved processes and procedures, and is an ongoing effort. Reduction in energy usage has been achieved through improved ventilation, LED lights and heat recovery projects.



Company development

The Company is now organized across 3 Value Streams (Shafts/Vanes/Seals, Small & Medium Cases, and Subcomponents) serving major engine/parts manufacturers – Safran, Avio, Pratt & Whitney and General Electric.

2023 saw the successful completion of all work transfers between the sites of Trollhattan and Kongsberg (the Nordics restructuring project). This concluded the activities related to release of shop floor footprint, asset disposal or reallocation, and workforce realignment, including retraining of approximately 20% of the workforce to increase their skills to support ramp-up in new products. The Company secured new long-term contract with a key customer for a high volume shaft securing additional volumes into the next. There are multiple NPIs (New Program Introduction) running including one, which will qualify the Company with GE on shaft production for the first time, and another, which will demonstrate a significant reduction in the time taken to reach production readiness.

The four-year implementation of Lean operating principles continues. The Company has now successfully exited Phase3, where the focus was on the entire production environment. The Company embarked on phase 4 in 2023, which extends now to involve the support functions in the improvement work. In 2024, we will see a strong drive to establish deep expertise in the “Brilliant Basics” across the whole business through strong daily management and practical problem solving, ensuring all functions are engaged in the best use of the Lean operating tools.

The Company took the decision in 2023 to in-source machine maintenance activities effective January 1st, 2024. The Company has defined breakthrough activities for 2024 connected with machine availability improvements and successful NPI implementation.

Research and Development

The Company has through the Global Technology Centre in Trollhättan a profound strategy for research and development, to improve competitiveness and to be in the forefront utilizing modern technologies in order to ensure Lean manufacturing with a zero defect mind-set.

The main focus is on digitalization and utilizing Industry 4.0 possibilities. With emphasis on data usage, advanced control of manufacturing systems and automation. As the Lean Operating Model is adopted throughout the company, it is natural to link the development activities to this, and make sure that the technologies being developed strengthens and supports the Lean implementation.

Another important area is automating inspection of parts. The Company has participated in a global GKN research project for automating visual inspection of jet engine parts. For the Company the focus is on automating visual inspection of shafts, which is only produced in Kongsberg within the GKN family.



The Company is also involved in the development of the next generation jet engine within the RISE program, aimed at developing innovative, cutting-edge technology for reducing CO₂, gas emissions and noise levels produced by aircraft. GKN Aerospace Norway has in 2023 been a part of the product development team of the RISE Mid Fan Case that is a global collaboration project within GKN Aerospace. The Company gains through this knowledge regarding future jet engine component designs, additive manufacturing, as well as taking part in the technology development.

During 2023 we have strengthened our R&D team and have a plan to further strengthen it throughout 2024.

The research and development work is partially funded by The Norwegian Research Council and Skattefunn.

Prospects for the future

2023 has seen the aerospace industry continuing to look onward and upward following the recovery from Covid-19 pandemic and this will continue with major commercial aircraft manufacturers publicly committing to ramp up aircraft production output.

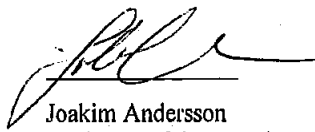
The Company has its future focus on predominantly Narrowbody engines and Military engines, producing components for both aftermarket services and for new engine build and is well positioned in the aircraft engines business. The importance of being engaged on the defense side of the market is essential in the climate of heightened tension in the world, with the conflicts in Ukraine, Middle East and the regional expansion of NATO members in the Nordics. It is important to maintain a position as a reliable supplier in order to be able to capture increased volume shares, and be a natural choice for future platforms.

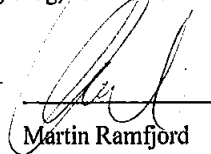
Increased focus on the importance of sustainability underlines the need to be involved in the new solutions under development. GKN Aerospace is committed to developing local alternative casting and forging solutions through on-site additive manufacturing which also contribute to a real energy saving and reduced raw material consumption and is investing heavily in alternate, more sustainable material solutions for the aerospace industry. Plans are under development to bring that technology to the site in Kongsberg enabling skills expansion and technology growth for the Company. The Company will continue its journey as Center of Excellence for Shafts and Small&Medium Cases, where technology insertion will be the key to growth.

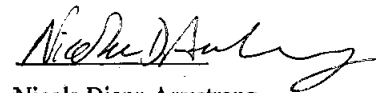
We are confident that our balanced portfolio across commercial and defense programs and the anticipated technology investment the Company is in a strong position for continued profitable growth.

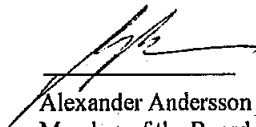


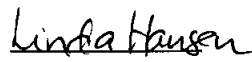
Kongsberg, 18 March 2024


Joakim Andersson
Chairman of the Board

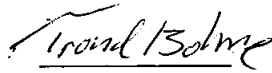

Martin Ramfjord
Member of the Board



Nicola Diann Armstrong
Member of the Board/
General Manager

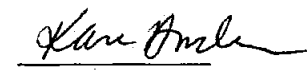

Alexander Andersson
Member of the Board


Linda Hansen
Member of the Board


Bent Andersen
Member of the Board


Trond Bolme
Member of the Board


Sara Ekløf
Member of the Board


Karin Regina Andersson
Member of the Board



INCOME STATEMENT

GKN Aerospace Norway AS

	Note	2023	2022
OPERATING REVENUES			
Sales revenue	2, 3	1 691 907	1 446 881
Other operating revenues	7	1 842	1 904 582
Total operating revenues		1 693 749	3 351 463
OPERATING EXPENSES			
Use of raw materials and semi-man. products	3, 4	569 899	464 256
Wages, salaries and social welfare costs	5, 6	354 901	324 669
Depreciation	7, 8	27 562	45 520
Other operating expenses	3, 5	330 116	252 239
Total operating expenses		1 282 478	1 086 684
Operating profit		411 272	2 264 779
FINANCIAL INCOME AND EXPENSES			
Other financial income	9	750	500
Currency loss/gain	10	54 998	187 446
Interest received from group companies	3	50 376	8 462
Other net interest expenses		323	162
Result from financial income and expenses		105 802	196 247
Profit and loss before taxes		517 073	2 461 025
Tax on ordinary result	11	113 752	541 352
NET PROFIT FOR THE YEAR		403 321	1 919 673
APPLICATION OF NET PROFIT FOR THE YEAR			
Dividende		257 000	2 790 000
Allocated to other equity	12	146 321	0
Allocated from other equity		0	-870 327
Total		403 321	1 919 673



Balance sheet
GKN Aerospace Norway AS

Assets	Note	2023	2022
FIXED ASSETS			
Intangible fixed assets			
Capitalized development costs	7	26 238	28 420
Capitalized startup costs	7	49	49
Total intangible fixed assets		26 287	28 468
Tangible fixed assets			
Land	8	1 301	1 301
Buildings	8	49 992	43 618
Machinery, furniture, equipment	8	319 286	303 459
Total tangible fixed assets		370 580	348 378
TOTAL FIXED ASSETS		396 867	376 847
CURRENT ASSETS			
Inventories	4	266 507	270 975
Receivables			
Customer receivables	13	145 309	144 130
Group trade receivable	14	34 896	166 152
Other current receivables	15	221 321	194 195
Other receivables to group companies	3, 14	906 102	2 655 305
Total receivables		1 307 628	3 159 783
TOTAL CURRENT ASSETS		1 574 136	3 430 757
TOTAL ASSETS		1 971 002	3 807 604




Balance sheet
GKN Aerospace Norway AS


EQUITY AND LIABILITIES	Note	2023	2022
EQUITY			
Restricted equity			
Share capital	16	112 500	112 500
Share premium reserve	12	4 875	4 875
Total restricted equity		117 375	117 375
Retained earnings			
Other equity	12	670 630	524 301
Total retained earnings		670 630	524 301
Total equity		788 005	641 676
LIABILITIES			
Provisions			
Early retirement and other employee obligations	18	38 829	89 004
Deferred tax	11	235 981	298 377
Other provisions	18	84 152	102 349
Total provisions		358 962	489 730
Long-term liabilities			
Short-term liabilities			
Trade creditors	3	179 923	130 704
Group trade creditors	3, 14	9 133	5 871
Tax payable	11	176 149	169 080
Public duties payable		25 398	22 755
Dividende	14	257 000	2 200 000
Other short-term liabilities	18	132 319	104 642
Advance from customer		44 112	43 145
Total short-term liabilities		824 035	2 676 198
TOTAL LIABILITIES		1 182 997	3 165 928
TOTAL EQUITY AND LIABILITIES		1 971 002	3 807 604


Kongsberg, 18.03.2024
The board of GKN Aerospace Norway AS



Nicola Diann Armstrong
Member of the board/General Manager


Nils Anders Joakim Andersson
Chairman of the board



Karin Regina Andersson
Member of the board

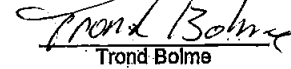

Rolf Martin Rønnefjord
Member of the board


Sarah Eklof
Member of the board


Erik Alexander Andersson
Member of the board


Linda Christin Hansen
Member of the board


Bent Andersen
Member of the board


Trond Bolme
Member of the board



GKN AEROSPACE NORWAY AS

NOTES TO THE ACCOUNTS ON 31 DECEMBER 2023

(All amounts in NOK thousand unless specified with decimals)

NOTE 1 - ACCOUNTING PRINCIPLES

The annual accounts are drawn up in compliance with the Norwegian Accounting Act of 1998 and prepared in accordance with accepted Norwegian accounting standards.

Use of estimates

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the Company's accounting principles also require management to apply assessments. Areas which to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

Main principle for valuation and classification of assets and liabilities

Fixed assets are valued at purchase cost, but written-down to market value when a value reduction is not expected to be temporary. Fixed assets with a limited economic lifetime are depreciated as planned. Long-term liabilities are recorded in the balance sheet at the nominal amount at the date of establishment. Long-term liabilities are not revalued at actual value as a result of changes in interest rate.

Current assets are valued at the lowest of purchase cost and actual value. Current liabilities are recorded on the balance sheet as the nominal amount at the establishment date. Current liabilities are not revalued at actual value as a result of changes in interest rate.

Assets and liabilities in foreign currencies

Current assets and liabilities in foreign currencies are translated into Norwegian kroner (NOK) at the exchange rate on the balance date.

Currency in P&L

Income and cost in P&L is booked the the montly currency rate based on Norwegian Bank last month average currency rate.

Forward contracts and options

The Company's cash flows are secured through forward foreign currency contracts. These are measured at fair value through the income statement under financial expenses in accordance with NRS 18 Financial assets and liabilities. Hedge accounting is not applied.

Intangible fixed assets

The Company's own technology projects of permanent nature are capitalized and amortized according to the project's useful life time, while projects of non-permanent nature are charged against operating income.

The Company's share of entry fee and purchased development costs for the engine programs are capitalized in the balance sheet. The entry fee and purchased development costs are amortized on a straight line basis over the estimated sales period for these engine programs, or over a maximum period of 25 years.

In addition, the Company capitalizes start-up costs in connection with these engine programs. Start-up expenses are costs related to design and tooling. The costs for design are capitalized as development costs and the costs for tooling are capitalized as tangible assets. The costs are amortized on a straight line basis over the estimated useful lifetime.

The Company sold intangible fixed assets in conection to Sales of GenX TRF in 2022. The transfer is carried out by a valuation of the business operation relating to the GenX TRF which corresponds to fair value and arms lengths principle. The valuation is based on net present value factors, timelines and other parameters aligned to arms lengths principle. Valuation of the right to produce Genx TRF was determined by acknowledging that net present value of future cash flows was the most correct method. The valuation method came through an impairment-model frequently used within GKN determining intangible contracts. The model assesses volumes, selling- and cost prices according to agreements and budgets on top of market based presumptions. Values are calculated less than 4 weeks prior the parties accepting the agreement.

Tangible fixed assets

Fixed assets are carried at historical cost, but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated on a systematic basis in accordance with a reasonable deprecation schedule. The impact of changes in the depreciation schedule are carried out over the remaining amortization period. Expenditures for maintenance and repairs are expensed as incurred. Major replacements and renewals are capitalized and any assets replaced are retired.

The annual rent for non-financial assets are charged as expenses.

Dilapidation provision for rented permises is recognized in balance.



Shares and holdings in affiliated companies

Investments in affiliated companies are carried at cost. A write-down to fair value will be performed if the impairment is not considered to be temporary, and an impairment charge is deemed necessary according to generally accepted accounting principles. Received dividends and group contributions are recognized as other financial income.

Inventories

Inventories comprise purchased and own-manufactured goods, and are valued at the lower of historical purchase or production cost and estimated net realizable value. Historical production cost consists of direct materials, direct wages and variable and fixed production overheads. Deductions have been made for obsolescence.

Customer receivables

Customer receivables and other receivables are recorded in the balance sheet after deduction of provisions to cover anticipated losses. Provisions for losses are based on an individual valuation of each receivable.

Revenue

Revenue comprises sales revenue from goods delivered and services performed during the year. Income from sales of goods is recorded at time of delivery. Income from services is recorded as they are performed.

Pensions

In accordance with Norwegian law, the Company is obliged to keep a pension scheme. The Company's scheme fulfills these requirements. The pension agreements are accounted in accordance with the Norwegian accounting standard for pension costs.

Defined contribution plan

From 1 December 2009 the Company introduced a defined contribution pension scheme for all employees. With a defined contribution plan the Company pays contributions to an insurance Company. After the contribution has been made the Company has no further commitment to pay. The contribution is recognized as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be

Defined benefit plan

In connection with the transition in 2009 to a defined contribution plan, employees that was retired due to disability remained in the defined benefit scheme. According to Norwegian Pensions Act the Company has changed this scheme into a define contribution scheme from 01.01.2017. The value of the obligation is considered immaterial, hence the pension obligation is not recognized as a liability in the balance. Pension costs are instead expensed on an ongoing basis.

Accounting for the pension liability for the AFP plan

The Company has an actual financial liability due to the agreement for the AFP-plan. The benefits are financed through a collective agreement (LO/NHO). The information available is not sufficient in order to enable recognition of a pension liability. The plan is recognised as a defined contribution plan.

The Company has also an early retirement scheme and the obligation is booked in balance.

Taxes

Taxes are charged to expenses as they arise. This means, tax expenses are related to operating result before taxes. Tax relating to equity transactions, for example corporate contributions, is entered against equity.

The income tax expense comprises taxes payable (tax on current year taxable income) and changes in net deferred tax. Tax expense is charged between ordinary results and results of extraordinary items, in accordance with the tax basis. Deferred tax and deferred tax assets are presented as net in the balance sheet.

In fiscal year 2023 the income tax rate for calculation of current tax is 22%. Calculation of deferred tax at year-end 2023 is based on a tax rate of 22%.

Director & Officers insurance policy

The company is included in a global insurance policy for Directors & Officers.

Public subsidies and grants

Operating cost subsidies are recorded in the same period as the related costs, but only when it is probable that the conditions for receipt of the subsidies are or will be fulfilled. Investment grants are recorded net as a reduction of the related assets cost.

Contract loss provision

The Company accrues provisions for expected losses on active contracts. Such losses are included in, respectively, other current and long-term liabilities in the balance sheet, and are recorded as ordinary operating expenses in the income statement.

Impairments of tangible and intangible assets

Impairment testing is carried out as required provided indications that a tangible or an intangible asset has declined in value. The testing is carried out to determine any impairment through calculation of asset's recovery value. If the calculated recovery value is less than the carrying value, a write down is made to the asset's carrying value.

Affiliated businesses transactions

As part of its normal business, a significant number of the Company's transactions are with affiliated businesses according with the arm's-length principle.

Cash flow statement

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



NOTE 2 - SALES REVENUE

Product area	2023	2022
Exhaust housing	419 228	523 990
Case and Ring	539 801	391 115
Shaft	245 365	219 110
Guide vanes	378 805	209 755
Others	108 708	102 911
Total	1 691 907	1 446 881

Geographic distribution	2023	2022
USA	199 224	166 320
France	939 439	678 203
Sweden	350 088	486 802
Norway	2 955	5 355
Italy	200 201	109 971
Japan	0	230
Total	1 691 907	1 446 881

Revenue comprises sales revenue from goods delivered and services performed during the year. Income from sales of goods is recorded at time of delivery.

Spare part compensation is included in sales revenue and the exact amount is finalized in April each year.

This years estimated revenue is TNOK 161.990 (144.314 in 2022) and is booked as sales revenue and other current receivable.



NOTE 3 – TRANSACTIONS WITH RELATED PARTIES

Related parties:

Melrose Industries Plc	Ultimate parent Company
GKN Holding Lmt (GKN)	Parent Company
GKN Aerospace Sweden AB (GAS)	Parent Company
GKN Aerospace Newington (GANE)	Sister Company
GKN Enterprise Lmt	Parent Company
GKN Aerospace Services LTD (GKN A.Serv.)	Sister Company
GKN Group Services LTD (GKN Gr.Serv.)	Sister Company
GKN Aerospace Manchester inc	Sister Company
GKN Aerospace Murchie	Sister Company
GKN Aerospace Chemic_	Sister Company
GKN Aerospace India	Sister Company
Kongsberg Terotech AS (KTT)	Owner's share 50 %

Different transactions have been made during the year between the related parties. All transactions are carried out as part of the normal business and at arm's length principle. The most significant transactions are:

	2023	2022
Sale of goods and services to GAS	386 317	495 146
Sale of Genx contract	0	1 904 035
Purchase of raw materials from GAS, US, India, England	79 556	122 363
Purchase of IT services and common costs from	4 984	5 219
Purchase of common costs from GKN Ltd	113 835	65 075
Purchase of maintenance services from KTT	47 429	37 870
Net interest receivable /loan GKN	50 376	8 462

Remuneration of senior management is shown in Note 5 and balances with companies in the GKN Group are described in note 14.

Treasury department in Melrose Industries Plc trades forward contract shown in note 10.

NOTE 4 – INVENTORIES

	2023	2022
Raw materials	82 801	78 080
Work in progress	88 054	94 136
Finished goods (purchased)	11 137	15 149
Finished goods (manufactured)	84 515	83 610
Total	266 507	270 975
Inventories carried at acquisition cost	236 607	234 470
Inventories carried at net realizable value	29 901	36 505
Total	266 507	270 975
Inventories have been deducted for obsolescence with	-98 468	-95 801



NOTE 5 - WAGES EXPENSES

Wages, salaries and social welfare costs	2023	2022
Wages and salaries	272 512	255 305
Social security payments	44 098	37 021
Pension costs	19 254	17 082
Other contributions	19 038	15 260
Total	354 901	324 669

Average number of man-labor years	2023	2022
Average number of man-labor years	334	344

Remunerations to President and Board of	President	Board
Remuneration	2 508 761	159 000
Pension contributions	109 542	
Other remuneration	92 131	

Auditor	2023	2022
The expensed fees to the Company's auditor consist of the following (VAT excluded):		
Statutory audit	1165	1081
Fees for other assurance services	92	0
Fees for tax services	0	70
Fees for other audit related services	919	443
Total fee to the auditor	2176	1594

NOTE 6 - PENSION COST, ASSET AND LIABILITIES

The Company is required to have an occupational pension plan in accordance with Norwegian legislation on occupational pensions ("lov om obligatorisk tjenestepensjon"). The Company's pension plan meet the requirements of this legislation.

Defined contribution plan

The defined contribution plan organized in according with Norwegian legislation on defined contribution pensions ("lov om obligatorisk tjenestepensjon"), and covers all employees. Employees with salary over 12 G also have an extra defined contribution plan in addition to the collective defined contribution scheme. The additional pension scheme is financed from the Company's operations. The defined-contribution scheme is expensed on an ongoing basis.

Defined benefit plan

In 2009 the company introduced a defined contribution pension scheme for all employees. People who were retired due to disability at the time of transition stayed in the defined benefit plan. As of 31.12.2023 there are four people left in the scheme. The value of the obligation is considered immaterial, hence the pension obligation is not recognized as a liability in the balance. Pension costs are instead expensed on an ongoing basis.

Accounting for the pension liability for the AFP plan

The Company has an actual financial liability due to the agreement for the AFP-plan. The benefits are financed through a collective agreement (LO/NHO). The information available is not sufficient in order to enable recognition of a pension liability. The plan is recognised as a defined contribution plan.

The Company has also an early retirement scheme and the obligation is booked in balance.



NOTE 7 – INTANGIBLE FIXED ASSETS

	Development	Start-up costs	Total
Purchase cost 01.01.	286 599	96 019	382 618
Additions	0	0	0
Disposals	0	0	0
Reclassification	0	0	0
Purchase costs 31.12.	286 599	96 019	382 618
Acc. Depreciations 01.01.	258 179	95 970	354 150
Disposal	0	0	0
Acc. Depreciations 31.12.	260 361	95 970	356 331
Balance sheet value 31.12.	26 238	49	26 287
Current year depreciations	2 181	0	2 181
Economic lifetime	10-25 years	5-25 years	
Depreciation plan	Straight line	Straight line	

The intangible fixed assets as of 31.12.2023 are costs for participation in the engine programs GE90 and CFM56 7BE.

In 2022 the company sold the engine program Genx, including related intangible assets.

The transfer was carried out by a valuation of the business operation relating to the GenX TRF which corresponds to fair value and arms lengths principle. The valuation was based on net present value factors, timelines and other parameters aligned to arms lengths principle. Valuation of the right to produce Genx TRF was determined by acknowledging that net present value of future cash flows was the most correct method. The valuation method came through an impairment-model frequently used within GKN determining intangible contracts. The model assesses volumes, selling- and cost prices according to agreements and budgets on top of market based presumptions. Values was calculated less than 4 weeks prior the parties accepting the agreement.

Sales value TNOK 2 116 900
NBV TNOK 212 865
Profit TNOK 1 904 035



NOTE 8 – TANGIBLE FIXED ASSETS

	Land	Properties	Machinery and plants	Movables, Furniture, Tools	Total
Purchase cost 01.01.	1 301	77 505	938 236	188 893	1 205 935
Additions purchased assets	0	8 135	33 358	6 206	47 699
Disposals	0	0	-20 215	-120	-20 335
Purchase cost 31.12.	1 301	85 640	951 378	194 979	1 233 299
Acc. depreciations and write-downs 01.01.		33 887	712 036	111 632	857 555
Current year depreciations	0	1 243	19 500	4 637	25 381
Depreciations on disposals			-20 215	-3	-20 219
Acc. depreciations and write-downs 31.12.		35 130	711 321	116 266	862 717
Balance sheet value as of 31.12.	1 301	50 510	240 057	78 713	370 580
Economic lifetime	-	30-50 years	15 years	3-15 years	
Depreciation plan	-	Straight line	Straight line	Straight line	
Current year depreciations intangible assets					2 181
Current year depreciations tangible assets					25 381
Total of current year depreciations					27 562

Annual rent of non-financial assets	Land	Properties	Machinery and plants	Movables, Furniture, Tools	Total
Annual rent of non-reported assets in balance sheet	0	19 115	523	256	19 894
Rental period		2019-2028			
Dilapidation	11 932				11 932

Dilapidation provision for rented premises is recognized in balance. The provision is based on a calculation of what the cost will be setting the rented premises in same conditions it was as at the time of the rental. The cost of actual dilapidation will be booked against this provision.

NOTE 9 - SHARES

GKN Aerospace Norway AS owns shares in the following:

	Ownership	Currency	Total share capital	Number of shares	Nominal value	Book value
Kongsberg Terotech AS	50 %	NOK	500	2500	250	0
Kongsberg Technology Training Centre AS	33 %	NOK	3000	1000	1000	0

NOTE 10 - FORWARD CONTRACTS

The Company has enter into forward contracts of a total value of MNOK 2 695 and the unrealized gain/loss is the difference between the forward exchange rate and the fair value.

					2023	2022
Period until due date	Currency	Amount	Forward rate	Closing rate	Unrealized gain	
2024 - 2029	NOK	-2 695 250 000	-10,32	10,1151		
2024 - 2029	USD	261 135 583	-10,32	10,1151		
Fair value adjustments					18 197	100 845
Booked liability					-77 744	-95 941



NOTE 11 - TAXES

Tax expenses for current year	2023	2022
Taxes payable on year's result	-176 149	-169 080
Taxes from prior year, paid	-	59
Total tax payable	-176 149	-169 021
Changes in deferred tax (asset) liability	62 397	-372 332
Total tax expenses for current year	-113 752	-541 352

Tax payable for current year	2023	2022
Ordinary result before tax cost	517 073	2 461 025
Permanent differences	-17	-64
Changes in temporary differences	301 819	-1 591 571
Adjustment forward contracts, see note 10 for further explanation	-18 197	-100 845
Basis taxes payable	800 679	768 545
Tax 22% (22%)	176 149	169 080
Tax payable in the balance sheet	176 149	169 079

Specification and basis for deferred tax:	2023	2022
Fixed assets	30 943	474
Current assets	-24 918	-26 405
Liabilities	1 144 358	1 478 133
Forward contracts	-77 744	-95 941
Total temporary differences	1 072 639	1 356 262
Loss carry forward	-	-
Basis deferred tax	1 072 639	1 356 262
Tax 22%/(22%)	235 981	298 379
Total deferred tax (asset) liability	235 981	298 379

NOTE 12 - EQUITY

	Share capital	Share premium reserve	Other equity	Total
Equity 01.01.2023 as previously reported	112 500	4 875	524 301	641 676
Profit and loss of the year	-	-	403 321	403 321
Dividend year end	-	-	-257 000	-257 000
Equity 31.12.2023	112 500	4 875	670 630	788 005

NOTE 13 - CUSTOMER RECEIVABLES

	2023	2022
Customer receivables	147 337	146 094
Group customer receivables	34 896	166 152
Provision for bad debts	-2 028	-1 964
Total	180 205	310 282



NOTE 14 – INTERCOMPANY ACCOUNTS

Assets	2023	2022
Customer receivables	34 896	166 152
Other receivables	906 102	2 655 305
Total asset	940 998	2 821 458
Liabilities	2023	2022
Liabilities to group companies		
Group trade creditors	9 133	5 871
Dividend	257 000	2 200 000
Total liabilities	266 133	2 205 871

NOTE 15 – OTHER CURRENT RECEIVABLES

	2023	2022
V.A.T	9 107	4 160
Prepaid expenses	15 574	6 002
Other receivables	196 641	184 032
Total	221 321	194 195

NOTE 16 – SHARE CAPITAL

The Company share capital comprises 112 500 shares at NOK 1,000 each and the owners have one vote per share. The shares are owned as follows:

	2023	2022	
GKN Aerospace Sweden AB	A- aksjer	100 000	100 000
GKN Aerospace Sweden AB	B-aksjer	12 500	12 500
Total	112 500	112 500	

The parent Company for GKN Aerospace Norway AS is GKN Aerospace Sweden AB, Trollhättan, Sweden. The consolidated accounts for GKN Group can be obtained from GKN Lmt (Birmingham, UK).The ultimate companie is Melrose Industries Plc(UK).

NOTE 17 - BANK - GUARANTEE

	2023	2022
Liquid assets as of 31 December 2023 includes no restricted funds.		
To cover employee withholding taxes the company has a bank guarantee of :	25 000	25 000
To cover the liability for rent of promises the company has a bank guarantee of:	10 000	10 000

Following asset is provided as guarantee to Melrose Industry PLC (ulitmat parent company in group):

Total fixed assets	396 867	376 798
Inventory	266 507	270 975
Receivables	145 309	144 130
Other receivables	221 321	194 195
Total asset guarantee	1 030 004	986 098



NOTE 18 – PROVISION, ESTIMATE

	2023	2022
Severance	26 897	47 464
Retention , accrual	0	29 608
Total	26 897	77 072
Dilapidation	11 932	11 932
Total of early retirement , other employee obligation and dilapidation	38 829	89 004
Obligation hedge contracts	77 744	95 941
Fair value accrual	6 408	6 408
Other provisions	49 522	12 614
Total of other provisions	133 674	114 963
Sparepart compensation	161 990	144 314
Total of other receivables	161 990	144 314

NOTE 19 - CONTRACTUAL OBLIGATIONS

The signed contractual obligations reflect committed future purchases for the period 2023-2024

	2023	2022
Material and semi-manufactured products	697	509
Investments	20 421	41 866

NOTE 20 – PUBLIC SUBSIDIES AND GRANTS

The Company has not received any public subsidies or grants in 2023.

NOTE 21 – SUBSEQUENT EVENTS

The war in Ukraine and the sanctions could have consequences for the company. Russia and Ukraine are both producers of titanium and nickel, but we do not buy directly from companies in these countries. Even if we do not buy directly from the land mentioned and effect of the war has been seen in 2023 through increased raw material prices and reduced access to materials. The war in Gaza could also have consequences for the company, as we do business directly with a supplier in Israel. So far there has been no direct effect as a result from the Gaza war, however the risk is that future material deliveries can be delayed.



GKN AEROSPACE NORWAY AS

CASH FLOW STATEMENT FOR THE PERIOD 1 JANUARY - 31 DECEMBER

	Note	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxes		517 073	2 461 025
Depreciation	7,8	27 562	45 520
Profit on fixed asset disposals	8	-1 487	-1 904 035
Taxes	11	-169 080	-25 423
Adjustment no cash effect		-	-
Items classified as investment or financing activities	9	-750	-
Change in inventories, customer receivables and payable to suppliers	4,13,14,15	187 026	122 279
Change in other accrued income and accrued expenses	18	-64 585	-118 895
Net cash flow from operating activities	A	495 759	580 471
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in tangible fixed assets	8	-47 699	-48 622
Sale of tangible fixed assets	8	1 487	366
Sale of intangible fixed assets	7	-	2 118 159
Change in loan to group		-	-2 116 900
Dividend from investement		1 250	-
Net cash flow from investing activities	B	-44 962	-46 997
CASH FLOW FROM FINANCING ACTIVITIES			
Loan to group	14	-367 696	56 526
Paid dividends		-83 100	-590 000
		-	-
Net cash flow from financing activities	C	-450 796	-533 474
Net cash flow for the year	A+B+C	0	0
Bank deposits at 1. January		0	-
BANK DEPOSITS AT 31. DECEMBER		0	0