
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 20-F/A
(Amendment No. 1)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

Commission file number: 0-16050

TAT TECHNOLOGIES LTD.

(Exact name of Registrant as specified in its charter
and translation of Registrant's name into English)

Israel

(Jurisdiction of incorporation or organization)

Hamelacha 5, Netanya 4250540, Israel

(Address of principal executive offices)

Ehud Ben-Yair

Chief Executive Officer

Telephone: +972-54-4522565

Email: ehudb@tat-technologies.com

Hamelacha 5 St,

Netanya 4250540, Israel

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class
Ordinary Shares, NIS 0.90 Par Value

Trading Symbol
TATT

Name of each exchange on which registered
NASDAQ Global Market

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or Common stock as of the close of the period covered by the annual report:

Ordinary Shares, par value NIS 0.90 per share..... 10,102,612
(as of December 31, 2023)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒

Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☒

International Financial Reporting Standards as issued by the
International Accounting Standards Board ☐

Other ☐

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow:

Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The registrant’s auditor is Kesselman & Kesselman, Tel-Aviv, Israel (PCAOB ID Number 1309)

EXPLANATORY STATEMENT

This Amendment No. 1 on Form 20-F/A (the “Amendment”) to the annual report on Form 20-F for the fiscal year ended December 31, 2023, filed on March 6, 2024 (the “Original Filing”), is being filed by TAT Technologies Ltd. (the “Company”) solely to correct a typographical errors in Item 5 “Operating and Financial Review and Prospects” in the Original Filing.

As required by Rule 12b-15 of the Securities and Exchange Act of 1934, as amended, the Company is also filing or furnishing the certifications required under Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002 as exhibits to this Amendment No. 1.

This Amendment makes no other changes to the Original Filing other than as described above.

Item 5. Operating and Financial Review and Prospects

Operating Results

The following discussion of our results of operations should be read together with our consolidated financial statements and the related notes, which appear elsewhere in this annual report. The following discussion contains forward-looking statements that reflect our current plans, estimates and beliefs and involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this annual report.

Overview

TAT is reliant on the robustness of the commercial and military aerospace and ground defense industries. Any downturn in these industries could weaken demand for its solutions and services and negatively impact its financial results. The commercial airline industry is cyclical and has historically been subject to fluctuations due to general economic and political conditions, such as fuel and labor costs, price competition, downturns in the global economy and national and international events.

TAT's cost of revenues for OEM operations and MRO services consists of component and material costs, direct labor costs, quality assurance costs, shipping expenses, royalties, overhead related to manufacturing and depreciation of manufacturing equipment. TAT's gross margin is affected by the proportion of its revenues generated from each of its operational segments.

The principal factors that affect the operating income of TAT's four segments, in addition to their gross profit, is the expenditure on selling and marketing expenses and general and administrative expenses. While TAT closely monitors its operating expenses to prevent unnecessary spending, we believe that these operating expenses may increase in the future in accordance with our plans to grow the business.

TAT's research and development expenses are related to new products and technologies or significant improvement of existing products and technologies.

TAT's selling and marketing expenses are related to commission payments, compensation and related expenses of TAT's sales teams, participation in trade shows, travel expenses, advertising expenses and related costs for facilities and equipment.

TAT's general and administrative expenses are related to compensation and related expenses for executive, finance and administrative personnel, professional fees such as legal, audit, SOX, internal audit, insurance premiums and general corporate expenses and related costs for facilities and equipment.

Sources of Revenues

TAT, directly and through its subsidiaries, provides a variety of solutions and services to the commercial and military aerospace and ground defense industries, including:

- (i) OEM of heat transfer solutions and aviation components, such as heat exchangers, pre-coolers and oil/fuel hydraulic coolers (through TAT Israel);
- (ii) MRO services for heat transfer components and OEM of heat transfer solutions (through our Limco subsidiary);
- (iii) MRO services for aviation components (through our Piedmont subsidiary); and
- (iv) Overhaul and coating of jet engine components (through our Turbochrome subsidiary).

TAT's revenues from its four operational segments for the three years ended December 31, 2023 were as follows:

	Year Ended December 31,					
	2023		2022		2021	
	Revenues in Thousands	% of Total Revenues	Revenues in Thousands	% of Total Revenues	Revenues in Thousands	% of Total Revenues
Revenues						
OEM of heat transfer solutions and aviation accessories	27,555	24.2%	21,844	25.8%	25,997	33.3%
MRO services for heat transfer components and OEM of heat transfer solutions	32,995	29%	24,796	29.3%	18,846	24.2%
MRO services for aviation components	50,760	44.5%	35,879	42.4%	33,232	42.6%
Overhaul and coating of jet engine components	6,854	6%	5,770	6.8%	3,834	4.9%
Eliminations	(4,370)	(3.7)%	(3,733)	(4.3)%	(3,916)	(5)%
Total Revenues	\$ 113,794	100%	\$ 84,556	100%	\$ 77,973	100%

The following table reflects the geographic breakdown of TAT's revenues for each of the three years ended December 31, 2023:

	Years Ended December 31,					
	2023		2022		2021	
	Revenues in Thousands	% of Total Revenues	Revenues in Thousands	% of Total Revenues	Revenues in Thousands	% of Total Revenues
United States	\$ 81,999	72%	\$ 56,570	66.9%	\$ 47,947	61.5%
Israel	7,698	7%	7,162	8.5%	7,745	9.9%
Other	24,097	21%	20,824	24.6%	22,281	28.6%
Total	\$ 113,794	100%	\$ 84,556	100.0%	\$ 77,973	100.0%

Costs and Expenses

Cost of revenues. TAT's cost of revenues for OEM operations and MRO services consists of component and material costs, direct labor costs, quality assurance costs, royalties, shipping expenses, overhead related to manufacturing and depreciation of manufacturing equipment.

TAT's gross margin was affected by the proportion of TAT's revenues generated from OEM operations and MRO services in each of the reported years.

Research and development expenses, net. Research and development expenses, net are related to new products and technologies or to a significant improvement of products and technologies, net of grants and participations received.

Selling and marketing expenses. Selling and marketing expenses consist primarily of commission payments, compensation and related expenses of TAT's sales teams, participation in trade shows, travel expenses, advertising expenses and related costs for facilities and equipment.

General and administrative expenses. General and administrative expenses consist of compensation and related expenses for executive, finance and administrative personnel, professional fees such as legal, audit, SOX, internal audit, other general corporate expenses and related costs for facilities and equipment.

Other income (expense). Other income (expense) results from capital gain on sale of property and equipment and onetime expenses.

Financial income (expense), net. Financial income (expense), net consists of exchange rate and interest income or expense. Interest income or expense relates to the interest received from or paid to banks and changes in the rate of the NIS or other currencies against the U.S. dollar.

Tax expense (income). Tax expense consists of Israeli and U.S. federal and state taxes on the income of TAT's business and changes in deferred tax assets or liabilities.

Critical Accounting Policies and Estimates

TAT's consolidated financial statements are prepared in accordance with U.S. GAAP. These accounting principles require management to make certain estimates, judgments and assumptions based upon information available at the time that they are made, historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the financial statements, as well as the reported amounts of revenues and expenses during the periods presented. While all the accounting policies impact the financial statements, certain policies may be viewed to be critical. These policies are those that are both most important to the portrayal of TAT's financial condition and results of operations and require management's most difficult, subjective and complex judgments and estimates. Actual results could differ from those estimates.

In many cases, the accounting treatment of a particular transaction is specifically dictated by U.S. GAAP and does not require management's judgment in its application. There are also areas in which management's judgment in selecting among available alternatives would not produce a materially different result. Management has reviewed these critical accounting policies and related disclosures with TAT's audit committee.

TAT's management believes the significant accounting policies which affect management's more significant judgments and estimates used in the preparation of TAT's consolidated financial statements and which are the most critical to aid in fully understanding and evaluating the reported financial results include the following:

- Inventory valuation
- Income taxes
- Allowance for current expected credit losses (CECL)

Inventory valuation

Inventories are stated at the lower of cost and net realizable value. Cost of raw material and parts is determined using the moving average basis. Cost of work in progress and finished products is calculated based on actual costs and the capitalized production costs, mainly labor and overhead and is determined based on the average basis. TAT's policy for valuation of inventory and commitments to purchase inventory, including the determination of obsolete or excess inventory, requires it to perform a detailed assessment of inventory at each balance sheet date which includes a review of, among other factors, an estimate of future demand for products within specific time frames, valuation of existing inventory, as well as product lifecycle and product development plans. The business environment in which TAT operates, the wide range of products that TAT offers and the relatively short sales cycles TAT experiences, all contribute to the exercise of judgment relating to maintaining and writing-off of inventory levels. The estimates of future demand that TAT uses in the valuation of inventory are the basis for its revenue forecast, which is also consistent with its short-term manufacturing plan. Inventory reserves are also provided to cover risks arising from slow-moving items. Inventory management remains an area of management focus as TAT balances the need to maintain strategic inventory levels to ensure competitive lead times against the risk of inventory obsolescence due to changing technology and customer requirements. TAT writes down obsolete or slow-moving inventory in an amount equal to the difference between the cost of inventory and the net realizable value based upon assumptions about future demand, market conditions and sale forecasts.

If actual market conditions are less favorable than TAT anticipates, additional inventory write-downs may be required.

Income Taxes

TAT operates within multiple tax jurisdictions and is subject to audits in these jurisdictions. These audits can involve complex issues, which may require an extended period of time to resolve. In management's opinion, adequate provisions for income taxes have been made for all years. Although management believes that its estimates are reasonable, no assurance can be given that the final tax outcome of these issues will not be different than those reflected in its historical income tax provisions.

TAT uses the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on temporary differences between the financial statement and tax bases of assets and liabilities and net operating loss and credit carry forwards using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are established when it is more likely than not that some portion of the deferred tax assets will not be realized. To the extent that TAT's decisions and assumptions and historical reporting are determined not to be compliant with applicable tax laws, TAT may be subject to adjustments in its reported income for tax purposes as well as interest and penalties.

According to an acceptable interpretation that prescribes a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. The interpretation also provides guidance on de-recognition of tax positions, classification on the balance sheet, interest and penalties, accounting in interim periods, disclosure and transition. In addition, the interpretation requires significant judgment with respect to determining what constitutes an individual tax position as well as assessing the outcome of each tax position. Changes in judgment as to recognition or measurement of tax positions can materially affect the estimate of the effective tax rate and consequently, affect our operating results.

Losses generated prior to January 1, 2018 will still be subject to the 20-year carryforward limitation. Other potential impacts due to the Act include the repeal of the domestic manufacturing deduction, modification of taxation of controlled foreign corporations, a base erosion anti-abuse tax, modification of interest expense limitation rules, modification of limitation on deductibility of excessive executive compensation, and taxation of global intangible low-taxed income.

Allowances for Current Expected Credit Losses

TAT performs ongoing credit evaluations of its customers' financial condition and requires collateral as deemed necessary. Accounts receivable have been reduced by an allowance for current expected losses. The Company maintains the allowance for estimated losses resulting from the inability of the Company's customers to make required payments. In judging the adequacy of the allowance for doubtful accounts, TAT considers multiple factors including the aging of receivables, historical bad debt experience and the general economic environment. Management applies considerable judgment in assessing the realization of receivables, including assessing the probability of collection and the current credit worthiness of each customer. If the financial condition of TAT's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Key Indicators

TAT's management evaluates its performance by focusing on key performance indicators, which are revenues, sources of revenues, gross profit and operating income. These key performance indicators are primarily affected by the competitive landscape in which TAT operates and its ability to meet the challenges posed.

The following table presents, for the periods indicated, information concerning TAT's results of operations:

	Year Ended December 31		
	2023	2022	2021
	(in thousands)		
Revenues			
OEM of heat transfer solutions and aviation accessories	\$ 27,555	\$ 21,844	\$ 25,977
MRO services for heat transfer components and OEM of heat transfer solutions	32,995	24,796	18,846
MRO services for aviation components	50,760	35,879	33,232
Overhaul and coating of jet engine components	6,854	5,770	3,834
Eliminations	(4,370)	(3,733)	(3,916)
Total revenues	113,794	84,556	77,973
Cost of revenues			
OEM of heat transfer solutions and aviation accessories	20,193	18,778	24,044
MRO services for heat transfer components and OEM of heat transfer solutions	30,176	20,750	16,922
MRO services for aviation components	41,788	28,890	26,444
Overhaul and coating of jet engine components	4,110	3,495	2,978
Eliminations	(4,941)	(3,285)	(3,685)
Total cost of revenues	91,326	68,628	66,703
Gross profit	22,468	15,928	11,270
Research and development costs, net	715	479	517
Selling and marketing	5,523	5,629	5,147
General and administrative	10,558	9,970	8,354
Other expenses (income)	(433)	(90)	(468)
Restructuring expenses, net	-	1,715	1,755
Operating income (loss)	6,075	(1,775)	(4,035)
Financial income (expense), net	(1,330)	127	(540)
Income (loss) before taxes on income (tax benefit)	4,745	(1,648)	(4,575)
Taxes on income (tax benefit)	576	98	(662)
income (loss) before equity investment	4,169	(1,746)	(3,913)
Share in results of affiliated company and impairment of share in affiliated companies	503	184	(76)
Net income (loss) from continued operation	\$ 4,672	\$ (1,562)	\$ (3,989)
Net income (loss) from discontinued operation	-	-	427
Net income (loss)	\$ 4,672	\$ (1,562)	\$ (3,562)

The following table presents, for the periods indicated, information concerning TAT's results of operations as a percentage of revenues:

	Year Ended December 31,		
	2023	2022	2021
Revenues			
OEM of heat transfer solutions and aviation components	24.2%	25.8%	33.3%
MRO services for heat transfer components and OEM of heat transfer solutions	29	29.3	24.2
MRO services for aviation components	44.5	42.4	42.6
Overhaul and coating of jet engine components	6	6.8	4.9
Eliminations	(3.7)	(4.4)	(5)
Total revenues	100	100	100
Cost of revenues			
OEM of heat transfer solutions and aviation components	17.4	22.2	30.8
MRO services for heat transfer components and OEM of heat transfer solutions	26.5	24.5	21.7
MRO services for aviation components	36.7	34.2	33.9
Overhaul and coating of jet engine components	3.6	4.1	3.8
Eliminations	(4)	(3.9)	(4.7)
Cost of revenues	80.2	81.2	85.5
Gross profit	19.7	18.8	14.5
Research and development costs, net	0.6	0.6	0.7
Selling and marketing	4.8	6.7	6.6
General and administrative	9.3	11.8	10.7
Other expenses (income)	(0.4)	(0.1)	(0.6)
Restructuring expenses, net	0	2	2.2
	14.3	21	19.6
Operating income (loss)	5.3	(2.1)	(5.1)
Financial income (expense), net	(1.2)	0.2	(0.7)
Income (loss) before taxes on income (tax benefit)	4.2	(1.9)	(5.8)
Taxes on income (tax benefit)	0.5	0.1	(0.8)
income (loss) before equity investment	3.7	(2.1)	(5)
Share in results of affiliated company and impairment of share in affiliated companies	0.4	0.2	(0.1)
Net income (loss) from continued operation	4.1	(1.8)	(5.1)
Net income (loss) from discontinued operation	-	-	0.5
Net income (loss)	4.1%	(1.8)%	(4.6)%

* Less than 0.1 percent

Year ended December 31, 2023 compared with Year ended December 31, 2022

Revenues. Total revenues were \$113.8 million for the twelve months ended December 31, 2023, compared to \$84.5 million for the twelve months ended December 31, 2022, an increase of 34.5%. This reflects (i) the increase in revenues in the OEM of heat transfer solutions and aviation accessories segment; (ii) the increase in revenues in the MRO services for heat transfer components and OEM of heat transfer solutions segment; (iii) the increase in revenues in the MRO services for aviation components segment; and (iv) the increase in revenue in the overhaul and coating of jet engine components segment.

Revenues from OEM of heat transfer solutions and aviation components. Revenues from this operating segment increased to \$27.6 million for the year ended December 31, 2023, from \$21.8 million for the year ended December 31, 2022, an increase of 26.1%.

Revenues from MRO services for heat transfer components and OEM of heat transfer solutions. Revenues from the MRO services for heat transfer components and OEM of heat transfer solutions operating segment increased to \$33 million for the year ended December 31, 2023, from \$24.8 million for the year ended December 31, 2022, an increase of 33.1%.

Revenues from MRO services for aviation components. Revenues from MRO services for aviation components operating segment increased to \$50.7 million for the year ended December 31, 2023, from \$35.9 million for the year ended December 31, 2022, an increase of 41.5%.

Revenues from overhaul and coating of jet engine components. Revenues from overhaul and coating of jet engine components segment increased to \$6.8 million for the year ended December 31, 2023, from \$5.8 million for the year ended December 31, 2022 an increase of 18.8%.

Cost of revenues. Cost of revenues was \$91.3 million for the twelve months ended December 31, 2023, compared to \$68.6 million for the twelve months ended December 31, 2022, an increase of 33.1%.

Cost of revenues as a percentage of revenues decreased to 80.2% for the twelve months ended December 31, 2023, from 81.2% for the twelve months ended December 31, 2022. The decrease is primarily due to the increase in revenue in a higher percentage compared to the increase in our fixed costs and due to better employees utilizations in some segment.

Cost of revenues for OEM of heat transfer solutions and aviation accessories. Cost of revenues for this operating segment was \$20.2 million for the year ended December 31, 2023, compared to \$18.8 million for the year ended December 31, 2022, an increase of 7.5%.

Cost of revenues as a percentage of revenues in this segment decreased to 71.9% in the year ended December 31, 2023, from 86% for the year ended December 31, 2022. The decrease is mainly due better direct labor utilization and increase in revenues in percentages which are higher compared to our fixed costs..

Cost of revenues for MRO services for heat transfer components and OEM of heat transfer solutions. Cost of revenues for the MRO services for heat transfer components and OEM of heat transfer solutions operating segment increased to \$30.1 million for the year ended December 31, 2023 from \$20.8 million for the year ended December 31, 2022, an increase of 45.4%.

Cost of revenues as a percentage of revenues in this segment increased to 91.4% in the year ended December 31, 2023 from 83.6% for the year ended December 31, 2022. The increase is primarily due to the transfer of heat exchange cores manufacturing capabilities to Limco in 2022, which increase the labor cost and raw material usage as part of the learning curve in the new operational production line and increase in depreciation for the new production line.

Cost of revenues for MRO services for aviation components. Cost of revenues for MRO services for aviation components operating segment increased to \$41.8 million for the year ended December 31, 2023 from \$28.9 million for the year ended December 31, 2022, an increase of 44.6%.

Cost of revenues as a percentage of revenues in this segment increased to 82.5% in the year ended December 31, 2023 from 80.5% for the year ended December 31, 2022.

The increase is mainly due to the increase in the cost of components which increased at a higher rate compared to the increase in selling prices.

Cost of revenues for overhaul and coating of jet engine components. Cost of revenues for the overhaul and coating of jet engine components segment increased to \$4.1 million for the year ended December 31, 2023 from \$3.5 million for the year ended December 31, 2022, an increase of 17.6%.

Cost of revenues as a percentage of revenues in this segment decreased to 60 % in the year ended December 31, 2023 from 60.6% in the year ended December 31, 2022.

Research and development, net. Research and development expenses increased to \$0.7 million for the twelve months ended December 31, 2023, from \$0.5 million for the twelve months ended December 31, 2022, an increase of 50%.

Research and development expenses as a percentage of revenues were 0.6% for the twelve months ended December 31, 2023 compared to 0.6% for the twelve months ended December 31, 2022.

Selling and marketing. Selling and marketing expenses were \$5.5 million for the twelve months ended December 31, 2023, compared to \$5.6 million for the twelve months ended December 31, 2022.

Selling and marketing expenses as a percentage of revenues were 4.8% for the twelve months ended December 31, 2023, compared to 6.7% for the twelve months ended December 31, 2022, a decrease of 1.9 %.

General and administrative. General and administrative expenses were \$10.6 million for the twelve months ended December 31, 2023, compared to \$10 million for the twelve months ended December 31, 2022, an increase of 6%.

General and administrative expenses as a percentage of revenues were 9.3% for the twelve months ended December 31, 2023, compared to 11.8% for the twelve months ended December 31, 2022.

Other expenses (income). Other expenses (income) were (\$0.4) million for the twelve months ended December 31, 2023, compared to (\$0.1) million for the twelve months ended December 31, 2022, an increase of 480%.

Other income as a percentage of revenues were 0.4% for the twelve months ended December 31, 2023, compared to 0.1% for the twelve months ended December 31, 2022.

Restructuring expenses. The company completed its restructuring plan by the end of 2022.

Restructuring expenses as a percentage of revenues were 2% for the twelve months ended December 31, 2022

Financial expenses, net. Financial income, net for the twelve months ended December 31, 2023 were \$1.3 million, compared to \$0.1 million of financial expenses for the twelve months ended December 31, 2022. The increase was mainly due to an increase in the interest rates and loans proceeds in 2023 and lower exchange rate differences. Additionally, In 2022 there were high exchange rate differences as a result of a stronger US dollar compared to the Israeli Shekel (the Israeli Shekel weakened by 13.2% against the US dollar in 2022, compared to 2021 in which the Israeli Shekel strengthen by 3.3% against the US dollar).

Taxes on income (tax benefit). Taxes on income for the twelve months ended December 31, 2023, amounted to \$0.5 million, compared to \$0.1 million tax benefits for the twelve months ended December 31, 2022.

Share in results of equity investment of affiliated companies. Share in results of equity investment of affiliated companies for the twelve months ended December 31, 2023, amounted to a gain of \$0.5 million compared to a gain of \$0.2 million for the twelve months ended December 31, 2022.

Year ended December 31, 2023 compared with Year ended December 31, 2022

Please see Item 5 on Form 20-F for the Year ended December 31, 2022 filed on March 29, 2023 for this comparison.

Conditions in Israel

TAT is incorporated under the laws of the State of Israel, and its principal executive offices and manufacturing and research and development facilities are located in Israel. See “RISK FACTORS” for a description of governmental, economic, fiscal, monetary or political policies or factors (including the ongoing war and hostilities with Hamas and Hezbollah) that have materially affected or could materially affect TAT’s operations.

Trade Relations

Israel is a member of the United Nations, the International Monetary Fund, the International Bank for Reconstruction and Development and the International Finance Corporation. Israel is a member of the World Trade Organization and is a signatory to the General Agreement on Tariffs and Trade. In addition, Israel has been granted preferences under the Generalized System of Preferences from the United States, Australia, Canada and Japan. These preferences allow Israel to export the products covered by such programs either duty-free or at reduced tariffs.

Israel and the European Union Community, known now as the “European Union,” concluded a Free Trade Agreement in July 1975 that confers some advantages with respect to Israeli exports to most European countries and obligates Israel to lower its tariffs with respect to imports from these countries over a number of years. In 1985, Israel and the United States entered into an agreement to establish a Free Trade Area. The Free Trade Area has eliminated all tariff and some non-tariff barriers on most trade between the two countries. On January 1, 1993, an agreement between Israel and the European Free Trade Association, known as the “EFTA,” established a free-trade zone between Israel and the EFTA nations. In November 1995, Israel entered into a new agreement with the European Union, which includes a redefinition of rules of origin and other improvements, such as allowing Israel to become a member of the Research and Technology programs of the European Union. In recent years, Israel has established commercial and trade relations with a number of other nations, including Russia, China, India, Turkey and other nations in Eastern Europe and the Asia-Pacific region.

Impact of Currency Fluctuation and of Inflation

TAT reports its financial results in dollars and receives payment primarily in dollars or dollar-linked NIS for all of its sales while it incurs a portion of its expenses, principally salaries and related personnel expenses in Israel, in NIS. Additionally, certain assets, as well as a portion of its liabilities, are denominated in NIS. Therefore, the dollar cost of its operations is influenced by the extent to which any inflation in Israel is offset on a lagging basis or is not offset by the devaluation of the NIS in relation to the U.S. dollar. When the rate of inflation in Israel exceeds the rate of devaluation of the NIS against the U.S. dollar, the dollar cost of operations in Israel increases. If the dollar cost of operations in Israel increases, its dollar-measured results of operations will be adversely affected. It is uncertain whether TAT will be materially and adversely affected in the future if inflation in Israel exceeds the devaluation of the NIS against the dollar or if the timing of the devaluation lags behind inflation in Israel.

Because exchange rates between the NIS and the dollar fluctuate continuously, exchange rate fluctuations and especially larger periodic devaluations will have an impact on TAT’s profitability and period-to-period comparisons of its results. The effects of foreign currency re-measurements are reported in TAT’s consolidated financial statements in current operations. Although TAT hedges a portion of its exchange rate risk through the use of forward contracts and other derivative instruments, there is no certainty that future results of operations may not be materially adversely affected by currency fluctuations.

Corporate Tax Rate

Israeli companies are generally subject to corporate tax on their taxable income (including capital gains). The regular corporate tax rate for Israel was 23% for the year ended December 31, 2021, December 31, 2022 and December 31, 2023.

However, the rate is effectively reduced for income derived from Approved and Beneficiary Enterprises, as defined by the Law for the Encouragement of Capital Investments, 1959, as amended.

For additional information, please see Item 10.E below “*Taxation - Israeli Tax Considerations - Tax Benefits under the Law for the Encouragement of Capital Investments, 1959*”.

Certain investment income derived by TAT from investments may not be regarded by the Israeli tax authorities as income from TAT’s Preferred Enterprise and consequently may be taxed at the regular statutory rate in Israel.

Certain of TAT’s subsidiaries operate in and are subject to the tax laws of various other jurisdictions, primarily the United States. TAT’s U.S. subsidiaries are taxed based on federal and state tax laws. The U.S. federal statutory flat tax rate for tax years 2022 and 2023 is 21%.

Recently Issued Accounting Standards

Recently adopted accounting pronouncements:

1 In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The amended guidance enhances income tax disclosures primarily related to the effective tax rate reconciliation and income taxes paid information. This guidance requires disclosure of specific categories in the effective tax rate reconciliation and further information on reconciling items meeting a quantitative threshold. In addition, the amended guidance requires disaggregating income taxes paid (net of refunds received) by federal, state, and foreign taxes. It also requires disaggregating individual jurisdictions in which income taxes paid (net of refunds received) is equal to or greater than 5 percent of total income taxes paid (net of refunds received). The amended guidance is effective for fiscal years beginning after December 15, 2024. The guidance can be applied either prospectively or retrospectively. We are evaluating the impact this amended guidance may have on the footnotes to our consolidated financial statements.

2. In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The amended guidance requires incremental reportable segment disclosures, primarily about significant segment expenses. The amendments also require entities with a single reportable segment to provide all disclosures required by these amendments, and all existing segment disclosures. The amendments will be applied retrospectively to all prior periods presented in the financial statements and is effective for fiscal years beginning after December 15, 2023, and interim periods in fiscal years beginning after December 15, 2024, with early adoption permitted. We are evaluating the impact this amended guidance may have on the footnotes to our consolidated financial statements.

Liquidity and Capital Resources

On December 21, 2023, TAT completed the issuance and sale of 1,158,600 Ordinary Shares of the Company in a private placement to Israeli institutional and accredited investors (as defined under Israel's Securities Law, 5728-1968), for a purchase price of NIS 31.70 per share (which equaled \$8.77 per share based on the exchange rate published by the Bank of Israel at such time), resulting in net proceeds to the Company, after deducting offering expenses, of approximately NIS 36.2 million (or approximately \$10.0 million). The newly issued shares represent approximately 11.5% of the Company's issued and outstanding Ordinary Shares after the consummation of such sale.

As of December 31, 2023, TAT had cash and cash equivalents of \$16.9 million compared to \$ 8 million as of December 31, 2022, an increase of \$8.9 million primarily due to the private placement.

During 2023, TAT increased its loans and lines of credit from commercial banks by \$1.7 million, and repaid loans in the amount of \$1.7 million.

During 2022, TAT received a loan from a commercial bank in the amount of \$3.7 million. The loan bears annual interest rate of 6.65% (Prime Rate +0.9%) and is repaid in equal monthly installment as of [April 2022] through March 2029. This new loan is in addition to four previous loans received during 2020 and 2021 in an aggregate amount of \$6.3 million.

During 2022, TAT received loans from a commercial bank in the US in an aggregate amount of \$7.9 million. These loans are secured with a first degree lien on TAT's US subsidiaries equipment. The loans bear annual interest of 3.75% and 4.2% and are repaid in equal monthly installments until 2029 and 2031. In addition, TAT received loans from Machinery Finance Resources in 2023 in the total amount of \$0.7 million. The loans bear annual interest of 6.65% which are paid in equal monthly installments until 2028

During 2022 TAT subsidiary received a credit line from a US commercial bank in the amount of \$7 million with maturity date of February 2024 and carry an interest of WSJP+0.1% . During 2023, the Company utilized an additional \$1 million from the credit line.

During 2022 TAT received a long-term loan of \$5 million from a commercial bank in the US, loan bears an annual fixed interest rate of 2.9% and maturity date of March 2024

During 2023 the company secured another short term line of credit for the amount of \$4.5 million from an Israeli bank. The company's building and land in Kiryat Gat serves as collateral for this loan.

For more information about the company's loans please refer to Note 10 in the financial statements.

Capital expenditures for the years ended December 31, 2023, 2022 and 2021 were approximately \$2.9 million, \$16.1 million and \$15.6 million, respectively. TAT funded these expenditures mainly from its own cash resources, cash flows from operations. TAT expects that its available cash and cash equivalents and cash flow generated from operations will be sufficient to fund its capital expenditures.

Management believes that anticipated cash flow from operations and its current cash balances will be sufficient to meet its cash requirements for at least 12 months from the financial statement issuance date. TAT's future capital requirements will depend on many factors, including its rate of revenue growth, the expansion of its selling and marketing activities, costs associated with expansion into new markets and the timing of the introduction of new products and services.

Cash Flows

The following table summarizes TAT's cash flows for the periods presented:

	Year Ended December 31,		
	(in thousands)		
	2023	2022	2021
Net cash provided by (used in) operating activities	\$ 2,255	\$ (4,867)	\$ (2,269)
Net cash used in investing activities	(3,579)	(16,120)	(15,639)
Net cash provided by financing activities	10,240	15,798	6,042
Net cash provided by (used in) discontinued activities	-	-	777
Net increase (decrease) in cash and cash equivalents	8,916	(5,189)	(11,089)
Cash and cash equivalents at beginning of the year	8,026	13,215	24,304
Cash and cash equivalents at end of the year	\$ 16,942	\$ 8,026	\$ 13,215

Net cash provided in operating activities for the year ended December 31, 2023, amounted to approximately \$2.2 million, compared to net cash used in operating activities of (\$4.9) million for the year ended December 31, 2022 and net cash used in by operating activities of (\$2.3) million for the year ended December 31, 2021.

Net cash provided by operating activities for the year ended December 31, 2023 was impacted by the company's working capital needs.

Net cash used in operating activities for the year ended December 31, 2023 was principally derived from the following adjustments of non-cash line items: an upward adjustment of \$4.7 million for depreciation and amortization; an upward adjustment of \$4.2 million for an increase in trade accrued expenses other; an offset adjustment of \$5.4 million for inventory ; a downward adjustment of \$4.2 million for increase in trade accounts receivable.

Net cash used in operating activities for the year ended December 31, 2022 was impacted by the company's restructuring plan costs with an amount of \$1.7 million.

Net cash used in operating activities for the year ended December 31, 2022 was principally derived from the following adjustments of non-cash line items: an upward adjustment of \$3.7 million for depreciation and amortization; an upward adjustment of \$1.1 million for an increase in trade accounts payable; an upward adjustment of \$2.7 million for accrued expenses. This was offset by a loss of \$1.5 million; a downward adjustment of \$5 million for increase in inventory; a downward adjustment of \$2.6 million for increase in trade accounts receivable; and a downward adjustment of \$1.8 million for increase in other current assets and prepaid expenses.

Net cash used in operating activities for the year ended December 31, 2021 was impacted by the company's restructuring plan cost with a total amount of \$0.58 million.

Net cash used in operating activities for the year ended December 31, 2021 was principally derived from the following adjustments of non-cash line items: an upward adjustment of \$4.8 million for depreciation and amortization; an upward adjustment of \$2.6 million for increase in trade accounts payable; an upward adjustment of \$1.8 million for impairment of fixed assets. This was offset by \$3.9 million loss; a downward adjustment of \$2.9 million for increase in trade accounts receivable; a downward adjustment of \$1.4 million for government loan forgiveness; a downward adjustment of \$1.3 million due to change in lease right of use and lease liability; and a downward adjustment of \$1 million for increase in other current assets and prepaid expenses.

In the year ended December 31, 2023, net cash used by investing activities was \$3.6 million, out of which approximately \$5.1 million was attributed to investment mainly in new machinery and buildings and \$2 million from sale of machinery and equipment.

In the year ended December 31, 2022, net cash used by investing activities was \$16.1 million, out of which approximately \$12.3 million was attributed to investment in new machinery and buildings due to the company's restructuring plan.

In the year ended December 31, 2021, net cash used by investing activities was \$15.6 million, out of which approximately \$5.8 million was attributed to investment in machinery and buildings due to the Company's restructuring plan.

In the year ended December 31, 2023, net cash provided by financing activities was primarily attributable to an amount of \$10.2million from issuance of common shares during 2023.

In the year ended December 31, 2022, net cash provided by financing activities was primarily attributable to an amount of \$16.7 million in commercial loans and lines of credit extended to the company during 2022. See Note 10 in the company's financial statements.

In the year ended December 31, 2021, net cash provided by financing activities was primarily attributable to a \$3 million short-term line of credit received from a commercial bank and to loans of \$3 million received in connection with a loan guaranteed by Israeli government due to Covid-19 government support.

A. Research and Development, Patents and Licenses

Not applicable.

B. Trend Information

In recent years, the aerospace industry in which we operate has been impacted by the increase in number of commercial and defense aircraft, increase in commercial passenger traffic and a corresponding increase in airlines' revenue. The Covid-19 pandemic did, however, result in a slow-down in commercial aviation markets during the years 2019-2022. Commercial carriers remain committed to their efforts to reduce cost of MRO activities and increase efficiencies.

C. Off-Balance Sheet Arrangements

We are not a party to any material off-balance sheet arrangements. In addition, we have no unconsolidated special purpose financing or partnership entities that are likely to create material contingent obligations.

D. Tabular Disclosure of Contractual Obligations

The following table summarizes our minimum contractual obligations and commercial commitments as of December 31, 2023, and the effect we expect them to have on our liquidity and cash flow in future periods:

Contractual Obligations	Payments due by Period (Amounts in Thousands of US\$)				
	Total	Less than 1 year	1-3 Years	3-5 Years	More than 5 years
Operating lease obligations	2,730	1,033	1,147	550	-
Purchase commitments	24,927	20,732	4,195	-	-
Total	\$ 27,657	\$ 21,765	\$ 5,341	\$ 550	\$ -

In addition, we have long-term liabilities for severance pay that are calculated pursuant to Israeli severance pay law generally based on the most recent salary of the employees multiplied by the number of years of employment, as of the balance sheet date. Employees are entitled to one month's salary for each year of employment or a portion thereof. As of December 31, 2023, our severance pay liability, net was \$ 336 thousand.

TAT expects to pay \$722 thousand in future benefits to their employees during 2024 through 2033 upon their normal retirement age. The amount was determined based on the employee's current salary rates and the number of service years that will be accumulated upon the retirement date. These amounts do not include amounts that might be paid to employees that will cease working for the Israeli company before their normal retirement age.

TAT also has the following guarantees as of December 31, 2023:

In order to secure TAT's liability to the Israeli customs, TAT provided bank guarantees in the amount of \$42 thousand. The guarantees are linked to the consumer price index and will expire from December 2023 through December 2024.

Item 19. Exhibits

The following exhibits are filed as a part of this Annual Report:

<u>12.1</u>	<u>Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended</u>
<u>12.2</u>	<u>Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended</u>
<u>13.1</u>	<u>Certification of the Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
<u>13.2</u>	<u>Certification of the Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

TAT TECHNOLOGIES LTD.

By: /s/ Ehud Ben-Yair
Ehud Ben-Yair
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: March 7, 2024

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Rule 13a-14(a) and 15d-14(a)
Under the Securities Exchange Act of 1934, as Amended

I, Igal Zamir, certify that:

1. I have reviewed this annual report on Form 20-F/A of TAT Technologies Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13(a)-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated Subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 7, 2024

/s/ Igal Zamir

Igal Zamir

Chief Executive Officer

* The originally executed copy of this Certification will be maintained at the Company's offices and will be made available for inspection upon request.

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to Rule 13a-14(a) and 15d-14(a)
Under the Securities Exchange Act of 1934, as Amended

I, Ehud Ben-Yair, certify that:

1. I have reviewed this annual report on Form 20-F/A of TAT Technologies Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13(a)-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated Subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent function):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 7, 2024

/s/ Ehud Ben-Yair

Ehud Ben-Yair

Chief Financial Officer (Principal Financial and Accounting Officer)

* The originally executed copy of this Certification will be maintained at the Company's offices and will be made available for inspection upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of TAT Technologies Ltd. (the "Company") on Form 20-F/A for the period ending December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Igal Zamir, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Igal Zamir

Igal Zamir
Chief Executive Officer

Date: March 7, 2024

* The originally executed copy of this Certification will be maintained at the Company's offices and will be made available for inspection upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of TAT Technologies Ltd. (the "Company") on Form 20-F/A for the period ending December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ehud Ben- Yair, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Ehud Ben-Yair

Ehud Ben-Yair
Chief Financial Officer (Principal Financial and Accounting Officer)

Date: March 7, 2024

* The originally executed copy of this Certification will be maintained at the Company's offices and will be made available for inspection upon request.
