ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	915 740 243
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	FOMA NORGE AS
Forretningsadresse:	Haugenveien 1 1423 SKI

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Stein Arne Askautrud
Dato for fastsettelse av årsregnskapet:	14.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert

År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 17.07.2024

Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	135 759 273	130 525 927
Annen driftsinntekt			81 316
Sum inntekter		**135 759 273**	**130 607 243**
Kostnader			
Varekostnad	3	76 136 594	74 773 855
Lønnskostnad	4,5	24 176 814	23 495 360
Avskrivning på varige driftsmidler og immaterielle eiendeler	6,7	317 097	474 658
Annen driftskostnad		31 256 298	28 417 481
Sum kostnader		**131 886 803**	**127 161 354**
Driftsresultat		**3 872 470**	**3 445 889**
Finansinntekter og finanskostnader			
Annen renteinntekt		66 547	17 051
Annen finansinntekt		45 645	634 322
Sum finansinntekter		**112 192**	**651 373**
Rentekostnad til foretak i samme konsern	3		172 965
Annen rentekostnad		5 348	2 297
Annen finanskostnad		16 146	86
Sum finanskostnader		**21 494**	**175 348**
Netto finans		**90 698**	**476 025**
Ordinært resultat før skattekostnad		**3 963 168**	**3 921 914**
Skattekostnad på ordinært resultat	8	878 626	865 712
Ordinært resultat etter skattekostnad		**3 084 542**	**3 056 202**
Årsresultat		**3 084 542**	**3 056 202**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		3 084 542	3 056 202
Sum overføringer og disponeringer		**3 084 542**	**3 056 202**

Resultatregnskap

Beløp i: NOK	Note	2022	2021

Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	6		56 350
Utsatt skattefordel	8	2 438 822	2 361 451
Sum immaterielle eiendeler		**2 438 822**	**2 417 801**
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	7	386 746	549 694
Sum varige driftsmidler		**386 746**	**549 694**
Finansielle anleggsmidler			
Investering i datterselskap		0	0
Sum finansielle anleggsmidler		**0**	**0**
Sum anleggsmidler		**2 825 568**	**2 967 495**
Omløpsmidler			
Varer			
Varer	9	41 908 664	33 367 657
Sum varer		**41 908 664**	**33 367 657**
Fordringer			
Kundefordringer	3	18 878 515	18 731 202
Andre fordringer	3	578 666	357 563
Sum fordringer		**19 457 181**	**19 088 765**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	10	3 465 683	6 362 298
Sum bankinnskudd, kontanter og lignende		**3 465 683**	**6 362 298**
Sum omløpsmidler		**64 831 528**	**58 818 720**
SUM EIENDELER		**67 657 096**	**61 786 215**

Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	11,12	26 920 000	26 920 000
Annen innskutt egenkapital	12	100 015	100 015
Sum innskutt egenkapital		**27 020 015**	**27 020 015**
Opptjent egenkapital			
Annen egenkapital	12	5 078 062	1 993 520
Sum opptjent egenkapital		**5 078 062**	**1 993 520**
Sum egenkapital		**32 098 077**	**29 013 535**
Gjeld			
Langsiktig gjeld			
Garantiforpliktelser	13	1 122 000	1 155 000
Sum avsetninger for forpliktelser		**1 122 000**	**1 155 000**
Annen langsiktig gjeld			
Sum langsiktig gjeld		**1 122 000**	**1 155 000**
Kortsiktig gjeld			
Leverandørgjeld	3	23 108 793	19 434 195
Betalbar skatt	8	955 997	996 671
Skyldige offentlige avgifter		5 633 981	5 940 033
Kortsiktig konserngjeld	3	4 738 248	5 246 781
Sum kortsiktig gjeld		**34 437 019**	**31 617 680**
Sum gjeld		**35 559 019**	**32 772 680**
SUM EGENKAPITAL OG GJELD		**67 657 096**	**61 786 215**

ÅRSBERETNING FOR FOMA NORGE AS REGNSKAPSÅRET 2022

Marked og lokasjon
Foma Norge AS er et ledende selskap i det norske rengjøringsmarkedet. Selskapet importerer, selger og installerer tekniske rengjøringsprodukter, hovedsakelig under navnet IPC og FOMA. Selskapets hovedkontor er lokalisert på Langhus, rett syd for Oslo.

Foma Norge AS er en del av IPC gruppen som i 2017 ble kjøpt opp av Tennant Company som har hovedkontor i Minneapolis i USA. Tennant er en anerkjent leder innen renholdsbransjen og har en visjon om å bli en global leder innen bærekraftig rengjøringsinnovasjon.

Det norske markedet for tekniske rengjøringsprodukter har vært utfordrende i 2022 grunnet urolighetene i Europa som har ført til høyere kostnader og vanskeligere tilgang til råvarer. Selskapet har innen enkelte varegrupper allikevel klart å øke sine markedsandeler.

IPC gruppen har valgt å ha høyt fokus på det profesjonelle markedet som også er i samsvar med vår strategi. I tillegg har vi hatt enda høyere fokus på teknisk support og betjening av ettermarkedet for reservedeler og service. Selskapet har ikke hatt noen forsknings- og utviklingsaktiviteter i 2022.

Fortsatt drift
I samsvar med regnskapslovens § 3-3 og med grunnlag i redegjørelsen over, bekreftes det at forutsetningen om fortsatt drift er lagt til grunn ved utarbeidelse av regnskapet. Med en økonomisk og operasjonell fordel fra IPC gruppen som Foma Norge AS er en del av anser den lokale ledelsen at forutsetningen for videre drift er til stedet.

Foma Norge AS har klart å øke salget i 2022 selv med utfordringene rundt urolighetene i Europa. Styret ser derfor positivt på videre utvikling av selskapet, da det anses å være etablert et godt grunnlag for videre drift av selskapet.

I overensstemmelse med gjeldene regelverk, inkludert regnskapslov, kan vi bekrefte at regnskapene er ført iht. lovgivning.

Fremtidige utfordringer
Selskapets virksomhet er påvirket av konkurransen i markedet som er sterkere enn noen gang grunnet større priskonkurranse. Selskapet er også berørt av utviklingen i Europa som fører til økte vare- og transportkostnader.

Selskapet vil fortsette å følge de føringer som ligger i planen og ytterligere utnytte alle mulige synergier med de andre bedriftene i gruppen og få alle fordelene som en tilhørighet i en gruppe gir. Dette gir oss en mulighet til å markedsføre et bredt sortiment av rengjøringsprodukter (maskiner og utstyr) med innovative løsninger til meget konkurransedyktige priser.

Redegjørelse for årsregnskapet
Selskapets inntekter ble i 2022 NOK 135.759.273,- sammenlignet med NOK 130.607.243,- i 2021. Årets resultat ble et overskudd på NOK 3.084.542,- mot et overskudd i 2021 på NOK 3.056.202,-. Årsaken til økningen i resultatet er i hovedsak økning i salg.

Totalkapitalen var ved utgangen av 2022 på NOK 67.657.096,- mot NOK 61.786.215,- sammenlignet med året før. Egenkapitalen pr. 31.12.2022 var NOK 32.098.077,- og utgjorde 47,4% mot 47% for 2021.

Selskapet hadde i 2022 en netto kontantstrøm fra operasjonelle aktiviteter på NOK -2.798.816,- som blant annet knytter seg til endring i varelager og leverandørgjeld. Netto kontantstrøm fra investeringsaktiviteter viser NOK -97.799,-.

Styret mener at årsregnskapet gir et rettvisende bilde av selskapets eiendeler, gjeld, finansielle stilling og resultat pr. 31.12.2022.

Finansiell risiko
Selskapet er utsatt for finansiell risiko i forskjellige områder. Spesielt utgjør fremmed valuta en betydelig risiko. Den største eksponeringen har vært mot IPC selskapene for innkjøp av maskiner og utstyr. Denne risikoen ble redusert da man i 2015 begynt å kjøpe maskiner og utstyr i NOK for å redusere valutarisikoen.

Markedsrisiko
Selskapet selger i hovedsak i den profesjonelle delen av rengjøringsmarkedet som er mindre utsatt for trender og svingninger.

Kredittrisiko
Selskapet anser risikoen for at motparter ikke har økonomisk evne til å oppfylle sine forpliktelser som lav. Som nevnt selger selskapet i hovedsak til den profesjonelle delen av rengjøringsmarkedet og har historisk lite tap på fordringer. Selskapet har i år heller ingen store tap på kundefordringer relatert til eksterne kunder.

Likviditetsrisiko
Likviditetsrisiko er risikoen for at selskapet ikke har likviditet til å møte betalingsforpliktelser ved forfall. Selskapet styrer mot å sikre at tilgjengelig likviditet er tilstrekkelig til å oppfylle forpliktelser ved forfall.

Like muligheter
Selskapets mål er å være en arbeidsplass der alle har like muligheter. Selskapets mål er å unngå diskriminering av noe art. Selskapet har tradisjonelt sett rekruttert likt blant menn og kvinner. Foma Norge AS har totalt 29 ansatte og andelen kvinner er 14%.

Forsikring
Selskapet har forsikring for styrets medlemmer og daglig leder for deres mulige ansvar overfor foretaket og tredjepersoner gjennom selskapets eier Tennant. Dekningen er på 80 MUSD.

Ytre miljø
Avfall fra produksjon, inkludert avfall som ansees som skadelig for miljøet blir behandlet innenfor gjeldende regelverk. Bedriften har siden 1999 vært medlem av RENAS, landets ledende EE-returselskap. Medlemskapet sikrer trygg innsamling og forsvarlig behandling av våre produkter etter endt levetid. I tillegg har vi en avtale med Regnbuen Gjenvinning for håndtering av farlig avfall.

Arbeidsmiljø og ansatte
Selskapet har en god intern kultur og et akseptabelt antall fraværsdager blant de ansatte. Selskapet vil fortsette sitt arbeid med å implementere gode rutiner som motiverer våre ansatte.
Totalt antall sykedager utgjorde 482 dager og 8,3% av total arbeidstid i 2022 mot 577 dager og 9,2% av total arbeidstid i 2021. Reduksjonen skyldes i hovedsak at selskapet har hatt færre langtidssykemeldte i år. Det har ikke forekomment noen store skader eller ulykker blant de ansatte i 2022.

Åpenhetsloven
Selskapets redegjørelse etter åpenhetsloven vil bli tilgjengeliggjort på selskapets nettsider.

Langhus, 06.06.2023

Sylvain Rottier
Styreleder

Stein Askautrud
Styremedlem

Thomas Stueve
Styremedlem

Kristin Stokes
Styremedlem

Årsregnskap
Foma Norge AS
2022

Resultatregnskap

Foma Norge AS

Driftsinntekter og driftskostnader	Note	2022	2021
Salgsinntekt	2	135 759 273	130 525 927
Annen driftsinntekt		0	81 316
Sum driftsinntekter		**135 759 273**	**130 607 243**
Varekostnad	3	76 136 594	74 773 855
Lønnskostnad	4, 5	24 176 813	23 495 361
Avskrivning av driftsmidler og immaterielle eiendeler	6, 7	317 097	474 658
Annen driftskostnad		31 256 298	28 417 481
Sum driftskostnader		**131 886 803**	**127 161 354**
Driftsresultat		**3 872 470**	**3 445 889**
Finansinntekter og finanskostnader			
Annen renteinntekt		66 548	17 051
Annen finansinntekt		45 645	634 321
Rentekostnad til foretak i samme konsern	3	0	172 965
Annen rentekostnad		5 348	2 297
Annen finanskostnad		16 146	86
Resultat av finansposter		**90 698**	**476 025**
Resultat før skattekostnad		3 963 168	3 921 914
Skattekostnad på resultat	8	878 626	865 712
Resultat		**3 084 542**	**3 056 202**
Årsresultat		**3 084 542**	**3 056 202**
Overføringer			
Avsatt til annen egenkapital		3 084 542	3 056 202
Sum overføringer		**3 084 542**	**3 056 202**

Balanse

Foma Norge AS

Eiendeler	Note	2022	2021
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter o.l.	6	0	56 350
Utsatt skattefordel	8	2 438 822	2 361 451
Sum immaterielle eiendeler		2 438 822	2 417 801
Varige driftsmidler			
Driftsløsøre, inventar o.a. utstyr	7	386 746	549 694
Sum varige driftsmidler	7	386 746	549 694
Finansielle anleggsmidler			
Sum anleggsmidler		2 825 568	2 967 495
Omløpsmidler			
Lager av varer og annen beholdning	9	41 908 664	33 367 657
Fordringer			
Kundefordringer	3	18 878 515	18 731 202
Andre kortsiktige fordringer	3	578 666	357 563
Sum fordringer		19 457 181	19 088 765
Bankinnskudd, kontanter o.l.	10	3 465 683	6 362 299
Sum omløpsmidler		64 831 528	58 818 720
Sum eiendeler		67 657 096	61 786 215

Balanse

Foma Norge AS

Egenkapital og gjeld	Note	2022	2021
Innskutt egenkapital			
Aksjekapital	11, 12	26 920 000	26 920 000
Annen innskutt egenkapital	12	100 015	100 015
Sum innskutt egenkapital		27 020 015	27 020 015
Opptjent egenkapital			
Annen egenkapital	12	5 078 062	1 993 520
Sum opptjent egenkapital		5 078 062	1 993 520
Sum egenkapital		32 098 077	29 013 535
Gjeld			
Avsetning for forpliktelser			
Garantiforpliktelser	13	1 122 000	1 155 000
Sum avsetning for forpliktelser		1 122 000	1 155 000
Annen langsiktig gjeld			
Kortsiktig gjeld			
Leverandørgjeld	3	23 108 793	19 434 195
Betalbar skatt	8	955 997	996 671
Skyldig offentlige avgifter		5 633 981	5 940 033
Annen kortsiktig gjeld	3	4 738 248	5 246 781
Sum kortsiktig gjeld		34 437 018	31 617 680
Sum gjeld		35 559 018	32 772 680
Sum egenkapital og gjeld		67 657 096	61 786 215

Balanse

Foma Norge AS

Langhus, 06.06.2023
Styret i Foma Norge AS

Stein Arne Askautrud styremedlem	Thomas Allan Stueve styremedlem	Kristin Anne Stokes styremedlem

Sylvain Rottier
styreleder

Indirekte kontantstrøm

Foma Norge AS

	Note	2022	2021
Kontantstrømmer fra operasjonelle aktiviteter			
Resultat før skattekostnad		3 963 168	3 921 914
Periodens betalte skatt		996 671	132 359
Tap/gevinst ved salg av anleggsmidler		0	-130 917
Ordinære avskrivninger		317 097	474 658
Endring i varelager		-8 541 007	-2 812 154
Endring i kundefordringer		-147 313	-4 659 538
Endring i leverandørgjeld		3 674 598	13 725 568
Endring i andre tidsavgrensningsposter		-1 068 688	-7 309 469
Netto kontantstrøm fra operasjonelle aktiviteter		**-2 798 816**	**3 077 703**
Kontantstrømmer fra investeringsaktiviteter			
Innbetalinger ved salg av varige driftsmidler		0	465 000
Utbetalinger ved kjøp av varige driftsmidler		97 799	585 528
Netto kontantstrøm fra investeringsaktiviteter		**-97 799**	**-120 528**
Kontantstrømmer fra finansieringsaktiviteter			
Netto endring i kontanter og kontantekvivalenter		-2 896 615	2 957 175
Beh. av kont. og kontantekvivalenter ved per. begy		6 362 299	3 405 124
Beh. av kont. og kontantekvivalenter ved per. slutt		**3 465 683**	**6 362 299**

Note 1 Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapsloven. Det er utarbeidet etter norske regnskapsstandarder.

Hovedregel for vurdering og klassifisering av eiendeler og gjeld
Eiendeler bestemt til varig eie eller bruk er klassifisert som anleggsmidler. Andre eiendeler er klassifisert som omløpsmidler. Fordringer som skal tilbakebetales innen ett år er klassifisert som omløpsmidler. Ved klassifisering av kortsiktig gjeld og langsiktig gjeld er tilsvarende kriterier lagt til grunn.

Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt mottatt beløp på etableringstidspunktet.

Anleggsmidler vurderes til anskaffelseskost, men nedskrives til gjenvinnbart beløp dersom dette er lavere enn bokført verdi, og verdifallet forventes ikke å være forbigående. Anleggsmidler med begrenset økonomisk levetid avskrives planmessig.

Eiendeler og gjeld i utenlandsk valuta
Pengeposter i utenlandsk valuta er i balansen omregnet til balansedagens kurs. Valutakursdifferanser og omregningsdifferanser presenteres som finansinntekt og finanskostnad i årsregnskapet.

Aksjer i datterselskap
Investeringer i datterselskaper vurderes etter kostmetoden. Investeringene blir nedskrevet til virkelig verdi dersom verdifallet ikke er forbigående, og det må anses nødvendig etter god regnskapsskikk.

Varer
Varer er vurdert til det laveste av anskaffelseskost etter FIFO-metoden og netto salgsverdi.

Inntekter
Inntekter regnskapsføres når den er opptjent, altså når både risiko og kontroll i hovedsak er overført til kunden. Dette vil normalt være tilfelle når varen er levert til kunden. Inntektene regnskapsføres med verdien av vederlaget på transaksjonstidspunktet.

Fordringer
Kundefordringer og andre fordringer er oppført til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av en individuell vurdering av de enkelte fordringene.

Bankinnskudd, kontanter og lignende
Bankinnskudd, kontanter og lignende inkluderer kontanter, bankinnskudd og andre betalingsmidler med forfallsdato som er kortere enn tre måneder fra anskaffelse.

Pensjoner
Innskuddsplaner periodiseres etter sammenstillingsprinsippet. Årets innskudd til pensjonsordningen kostnadsføres.

Kostnader
Kostnader regnskapsføres som hovedregel i samme periode som tilhørende inntekt. I de tilfeller det ikke er en klar sammenheng mellom utgifter og inntekter fastsettes fordelingen etter skjønnsmessige kriterier. Øvrige unntak fra sammenstillingsprinsippet er angitt der det er aktuelt.

Skatter
Skattekostnaden sammenstilles med regnskapsmessig resultat før skatt. Skatt knyttet til egenkapitaltransaksjoner er ført mot egenkapitalen. Skattekostnaden består av betalbar skatt (skatt på årets direkte skattepliktige inntekt) og endring i netto utsatt skatt.

Konsernregnskap
Foma Norge AS er et datterselskap av Tennant N.V i Nederland. Foma Norge AS inngår således i konsolidert konsernregnskap til konsernspissen Tennant Holding B.V. og har fritak for konsolidering av sitt datterselskap.

Note 2 Salgsinntekt

Per virksomhetsområde:	2022	2021
Profesjonell	130 407 884	126 670 738
Service	5351389	3 936 505
Sum	**135 759 273**	**130 607 243**

Per geografisk område:	2022	2021
Norge	131 830 001	126 047 946
Sverige	2 751 811	2 500 030
Danmark	1 177 461	2 059 267
Sum	**135 759 273**	**130 607 243**

Note 3 Transaksjoner og mellomværende med selskap i samme konsern m.v.

Resultatmessige transaksjoner med nærstående parter:

Transaksjons-gruppe	Tilhører resultatlinje	Motpart	Forhold til motpart	2022	2021
Varekjøp	Varekostnad	IP Cleaning SRL	TS	55 467 042	53 497 437
Varekjøp	Varekostnad	IPC Tools	TS	17 242	67 550
Varekjøp	Varekostnad	IPC Soteco Benelux	TS	42 727	54 651
Rentekostnad	Rentekostnad	IP Cleaning SRL	TS	0	172 965
Rentekostnader	Rentekostnader	IP Cleaning Sverige AB	Datterselskap	0	0
Sum				**55 527 011**	**53 792 603**

Mellomværende med nærstående parter:

Motpart	Forhold til motparten	Kundefordringer 2022	Kundefordringer 2021	Andre fordringer 2022	Andre fordringer 2021
IP Cleaning SRL	TS	0	0	0	0
IP Cleaning Sverige AB	Datterselskap	0	0	0	0
Sum		**0**	**0**	**0**	**0**

Motpart	Forhold til motparten	Leverandørgjeld 2022	Leverandørgjeld 2021	Annen gjeld 2022	Annen gjeld 2021
IP Cleaning SRL	TS	17 246 386	18 168 573	0	0
IP Cleaning Sverige AB	Datterselskap	0	0	0	0
Sum		**17 246 386**	**18 168 573**	**0**	**0**

Note 4 Lønnskostnad, antall ansatte, godtgjørelser, lån til ansatte m.m.

Lønnskostnad	**2022**	**2021**
Lønn	19 553 649	19 466 396
Folketrygdavgift	3 129 463	2 833 190
Pensjonskostnader	406 447	362 201
Andre ytelser	1 087 254	833 574
Sum	**24 176 813**	**23 495 361**
Antall årsverk sysselsatt i regnskapsåret	28	28

Selskapet har ikke daglig leder.

Det er ikke utbetalt honorar eller andre godtgjørelser til styret i 2022.
Det er ikke gitt lån eller sikkerhetsstillelser til ledende personer, aksjonærer m.v. i 2022.

Revisor
Godtgjørelse til revisor fordeler seg slik:

	2022	**2021**
Lovpålagt revisjon	230 000	230 000
Teknisk bistand regnskap og skatt	55 000	50 000
Annen bistand	0	
Sum	**285 000**	**280 000**

Note 5 Innskuddspensjon

Foretaket er pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon, og har pensjonsordning som tilfredsstiller kravene i denne loven.
Årets pensjonspremie utgjør kr 406 447, og er innregnet i resultatregnskapet.

Note 6 Immatrielle eiendeler

	Utvikling av ny netthandel	**Sum**
Anskaffelseskost 1.1.2022	475 000	475 000
Tilgang i året	0	0
Avgang i året	0	0
Anskaffelseskost 31.12.2022	**475 000**	**475 000**
Akk. avskrivninger 31.12.2022	475 000	475 000
Bokført verdi 31.12.2022	**0**	**0**
Årets avskrivninger	56 350	56 350
Økonomisk levetid	3 år	
Avskrivningsplan	Lineær	

Note 7 Anleggsnote

	Maskiner/ Inventar	Transportmidler	Sum varige driftsmidler
Anskaffelseskost 01.01.2022	3 233 994	35 109	3 269 103
Tilgang kjøpte driftsmidler	97 799	0	97 799
Anskaffelseskost 31.12.2022	**3 331 793**	**35 109**	**3 366 902**
Akkumulerte avskrivinger 31.12.2022	2 945 045	35 109	2 980 154
Bokført verdi per 31.12.2022	**386 748**	**0**	**386 748**
Årets avskrivinger	260 745	0	260 745

Note 8 Skatt

Årets skattekostnad	**2022**	**2021**
Resultatført skatt på ordinært resultat:		
Betalbar skatt	955 997	996 671
Endring i utsatt skattefordel	-77 371	-130 959
Skattekostnad ordinært resultat	878 626	865 712
Skattepliktig inntekt:		
Resultat før skatt	3 963 168	3 921 914
Permanente forskjeller	30 588	13 139
Endring i midlertidige forskjeller	351 687	595 267
Skattepliktig inntekt	4 345 443	4 530 321
Betalbar skatt i balansen:		
Betalbar skatt på årets resultat	955 997	996 671
Sum betalbar skatt i balansen	955 997	996 671

Skatteeffekten av midlertidige forskjeller som har gitt opphav til utsatt skatt og utsatte skattefordeler, spesifisert på typer av midlertidige forskjeller

	2022	**2021**	**Endring**
Varige driftsmidler	-429 831	-289 070	140 761
Varebeholdning	-9 417 539	-9 221 353	196 186
Fordringer	-137 936	-95 634	42 302
Gevinst – og tapskonto	21 752	27 190	5 438
Avsetninger mv	-1 122 000	-1 155 000	-33 000
Sum	-11 085 554	-10 733 867	351 687
Grunnlag for utsatt skattefordel	-11 085 554	-10 733 867	351 687
Utsatt skattefordel (22 %)	-2 438 822	-2 361 451	77 371

Note 9 Varer

	2022	2021
Ferdigvarer	41 908 664	33 367 657

Note 10 Bankinnskudd

Bankinnskudd omfatter bundne skattetrekksmidler med kr 915 563.

Note 11 Aksjekapital og aksjonærinformasjon

Aksjekapitalen i selskapet per 31.12.2022 består av:

	Antall	Pålydende	Bokført
Aksjer	26 920	1 000	26 920 000

Eierstruktur

Aksjonærene i selskapet per 31.12.2022 var:	Aksjer	Eierandel	Stemmeandel
Tennant N.V	26 920	100 %	100 %
Totalt antall aksjer	**26 920**	**100 %**	**100%**

Aksjer eid av medlemmer i styret og daglig leder:

	Verv	Antall aksjer
Stein Askautrud	Styremedlem	0

Note 12 Egenkapital

	Aksjekapital	Annen innskutt egenkapital	Annen egenkapital	Sum egenkapital
Egenkapital 1.1.2022	26 920 000	100 015	1 993 520	29 013 535
Årets resultat	0	0	3 084 542	3 084 542
Egenkapital 31.12.2022	**26 920 000**	**100 015**	**5 078 062**	**32 098 077**

Note 13 Pantstillelser og garantier m.v.

Garantiansvar	2022	2021
Garantiansvar (avsetning for service- og garantiforpliktelser)	1 122 000	1 155 000

Note 14 Datterselskap

Firma	Anskaffelses-tidspunkt	Forretningskontor	Stemmeandel	Eierandel
IP Cleaning Sverige AB	2008	Gøteborg, Sverige	100 %	100 %

Firma	Egenkapital iflg siste årsregnskap	Årsresultat iflg siste årsregnskap
IP Cleaning Sverige AB	210 560	0

Note 15 Hendelser etter balansedag

Selskapet er ikke kjent med at det er inntruffet vesentlige hendelser etter balansedag som er av betydning for vurdering av selskapets finansielle stilling pr. 31.12.2022.

Indirekte kontantstrøm

Foma Norge AS

	Note	2022	2021
Kontantstrømmer fra operasjonelle aktiviteter			
Resultat før skattekostnad		3 963 168	3 921 914
Periodens betalte skatt		996 671	132 359
Tap/gevinst ved salg av anleggsmidler		0	-130 917
Ordinære avskrivninger		317 097	474 658
Endring i varelager		-8 541 007	-2 812 154
Endring i kundefordringer		-147 313	-4 659 538
Endring i leverandørgjeld		3 674 598	13 725 568
Endring i andre tidsavgrensningsposter		-1 068 688	-7 309 469
Netto kontantstrøm fra operasjonelle aktiviteter		**-2 798 816**	**3 077 703**
Kontantstrømmer fra investeringsaktiviteter			
Innbetalinger ved salg av varige driftsmidler		0	465 000
Utbetalinger ved kjøp av varige driftsmidler		97 799	585 528
Netto kontantstrøm fra investeringsaktiviteter		**-97 799**	**-120 528**
Kontantstrømmer fra finansieringsaktiviteter			
Netto endring i kontanter og kontantekvivalenter		-2 896 615	2 957 175
Beh. av kont. og kontantekvivalenter ved per. begy		6 362 299	3 405 124
Beh. av kont. og kontantekvivalenter ved per. slutt		**3 465 683**	**6 362 299**

Deloitte.

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Til generalforsamlingen i Foma Norge AS

UAVHENGIG REVISORS BERETNING

Konklusjon
Vi har revidert årsregnskapet for Foma Norge AS som består av balanse per 31. desember 2022, resultatregnskap og 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 rettvisende bilde av selskapets finansielle stilling per 31. desember 2022, 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 (ledelsen) er ansvarlige for informasjonen i årsberetningen. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. 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 rettvisende 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.

Deloitte.

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.

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 regnskapet, 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 modifiserer 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 rettvisende 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.

Oslo, 19. juni 2023
Deloitte AS

Joachim Eriksen
statsautorisert revisor

PENNEO

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

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

Joachim Eriksen
Statsautorisert revisor
Serienummer: 9578-5995-4-174171
IP: 217.173.xxx.xxx
2023-06-20 12:00:01 UTC

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Tennant Holding B.V.
Uden

Annual Report
2021

Deloitte Accountants B.V.
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Management Report

Management of Tennant Holding B.V. (the Company) hereby presents its financial statements for the financial year ended on 31 December 2021.

General information

Tennant is a world leader in designing, manufacturing and marketing solutions that empower customers to achieve quality cleaning performance, reduce environmental impact and help create a cleaner, safer, healthier world. The Company is committed to creating and commercializing breakthrough, sustainable cleaning innovations to enhance its broad suite of products, including floor maintenance and cleaning equipment, detergent-free and other sustainable cleaning technologies, aftermarket parts and consumables, equipment maintenance and repair service, and asset management solutions. Our products are used in many types of environments, including retail establishments, distribution centers, factories and warehouses, public venues such as arenas and stadiums, office buildings, schools and universities, hospitals and clinics, and more. Customers include contract cleaners to whom organizations outsource facilities maintenance as well as businesses that perform facilities maintenance themselves. The Company reaches these customers through the industry's largest direct sales and service organization and through a strong and well-supported network of authorized distributors worldwide.

Tennant Holding B.V. is a private limited company registered in the Netherlands, Uden, of which the shares are ultimately fully owned by Tennant Company, Minneapolis, U.S.A. The financial information of the Company is included in the consolidated financial statements of Tennant Company. The consolidated financial statements can be obtained at http://investors.tennantco.com.

The main activity of Tennant Holding B.V. and its subsidiaries (further referred to as “The Group”) is manufacturing and sales of floor cleaning equipment. The activities of the Company and the Group are carried out both inland and abroad, with the countries of the European Union and specific regions in Asia Pacific being the primary sales markets.

COVID-19 impact uncertainty

We continue to actively manage our business to respond to the COVID-19 pandemic and related impacts.

Throughout 2021 and into 2022, we have experienced disruption in the supply of raw materials and component parts, as well as raw material price inflation and inefficiencies as a result of supply chain issues. Although we regularly monitor the financial health and operations of companies in our supply chain, financial hardship or government restrictions on our suppliers or sub-suppliers caused by the COVID-19 pandemic could cause a disruption in our ability to obtain raw materials or component parts required to manufacture our products and adversely affect our operations. We have established frequent communications with suppliers to review, track and prioritize high-risk components. We have also identified and activated alternative suppliers, materials and components as needed. The Company continues work to minimize the impact of price inflation in inputs and market supply challenges by employing local-for-local and region-for-region manufacturing and sourcing to allow us to manufacture our products closer to our customers. At the same time, our engineering teams are evaluating platform design to allow for available parts and to increase our sourcing flexibility. Regarding transportation, we have set up tracking, reporting and communication channels with carriers to understand their risks and to evaluate available options where necessary. The supply chain challenges, and inflationary trends continue in 2022, resulting in an increased sales backlog and some pressure on our gross margin.

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We maintain our commitment to protect the health and safety of our employees and customers. We have continued our enhanced safety protocols for those on-site at our manufacturing facilities, and we have implemented work-from home processes for much of our workforce which partially remain in effect. We continue to monitor the evolving situation and guidance from local authorities.

All indications are that 2022 will require us to be agile as we manage through the year. However, as many governments shift their COVID-19 governance strategies from pandemic to endemic, and demand for our products remains strong, we remain confident in the long-term growth trends for all our products and locations.

If the pandemic continues for a longer duration going into 2022 and beyond, we will need to assess our liquidity needs. A sustained disruption in the global economy could materially affect our ability to generate sufficient cash from operations and could require us to seek additional sources of liquidity or take further actions. Cash is managed centrally by Tennant Company and credit line facilities are available in case needed. The revolving credit facility continues to be maintained globally at Tennant Company and Tennant Company has access to draw down cash if we would need it in the future. The management of Tennant Company, Minneapolis, U.S.A. has stated in a Letter of support that it is committed to provide the necessary level of financial support to the Group, to enable them to pay its debts as they become due for a period of at least 12 months after the signing date of the Annual Accounts for the year ended December 31, 2021.

Management has no indications the consequences of COVID-19 pandemic will have a material negative effect on the financial position of the Company. When preparing the financial statements, management assessed the impact of COVID-19 pandemic and determined the pandemic has no impact on the valuation of assets or liabilities.

Based on the information currently available and the nature of the entity's business activities, the measures taken and the financial position, the going concern assumption used in preparing the financial statements is not affected.

Financial information

In 2021, the Company showed an increase in net turnover of 22.3% to EUR 405.4 million. The increase in revenues were primarily driven by volume growth across all business units and product categories due to continued recovery from COVID-19 in 2021. Incremental pricing increase also favorably impacted sales in 2021.

Gross margin on turnover increased 24.8% to EUR 138.6 million. The Gross margin percentage is 34.2% (2020: 33.5%). The increase was driven by market growth and leveraging product categories in EMEA which was also favorably impacted by higher selling prices in 2021.

Total operating expenses increased 5.4 % or EUR 6.3 million to EUR 123.3 million. The increase in 2021 was primarily driven by more normalized spending as profitability improved compared to 2020, when the Company took cost containment actions, including employee furloughs, reduction in travel spending, and temporary pay reductions, as well as benefits from government programs received related to COVID-19.

The increase in net turnover and gross margin resulted in a higher contribution for the operating expenses which resulted in a net result on turnover of EUR 15.3 million (2020: EUR 5.9 million loss). The net result of the legal entity increased to a profit of EUR 18.8 million (2020: EUR 15.0 million loss). Next to the increase in volume and gross margin, the following items have had a positive impact on the consolidated result after tax:

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	Amount in Euro millions
Gain on sale of IPC Eagle to a Tennant group company in 2021	4.8
Tax on result gain as of:	
- Italian tax incentive	4.2
- Unrecognized tax assets prior years	2.8

As per December 31, 2021 the solvency defined as group equity divided by total assets was 44.0% (2020: 41.7 %). As per December 31, 2021 the current ratio was 0.9 (2020: 1.88). There is no additional financing requirement for 2021 foreseen. Cash management is centralized at Tennant Company, and intercompany financing is used to provide working capital to subsidiaries as needed. The Company continues to have a strong balance sheet.

Significant risks and uncertainties

In the performance of its business activities, Tennant is exposed to various types of operational and non-operational risks. The risk appetite is limited, and mitigating measures have been drawn up. The risk appetite is evaluated periodically by the Executive board and management, and if necessary adjusted; actual indicators play a key role here. This section describes the main risks.

Strategy

We may encounter financial difficulties if economies experience an additional or continued long-term economic downturn, decreasing the demand for our products and negatively affecting our sales growth. Our product sales are sensitive to declines in capital spending by our customers. Decreased demand for our products could result in decreased revenues, profitability and cash flows and may impair our ability to maintain our operations and fund our obligations to others. Our revenues could decline to the point that we may have to take further cost-saving measures, such as restructuring actions. In addition, other fixed costs would have to be reduced to a level that is in line with a lower level of sales. A long-term economic downturn that puts downward pressure on sales could also negatively affect investor perception relative to our publicly stated growth targets.

We are subject to competitive risks associated with developing innovative products and technologies, including but not limited to, our inability to expand as rapidly or aggressively in the global market as our competitors, our customers ceasing to pay for innovation and competitive challenges to our products, technology and the underlying intellectual property.

Simplification of our customer product pricing is a key initiative to reduce the complexity in which we operate. The current competitive landscape, coupled with macroeconomic factors, could impact our ability to achieve our pricing targets. These pressures, along with internal constraints, may limit our ability to sell our products at our expected prices and may result in a change to the mix of product offerings or where we have a competitive advantage. Increasing our prices in this competitive market, where customers are very price sensitive, could have an adverse effect on our financial condition or operating results.

We are continuing to refine our global company strategy to guide our next phase of performance as our structure has become more complex due to recent acquisitions. We continue to consolidate and reallocate

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TENNANT

resources as part of our ongoing efforts to optimize our cost structure and to drive synergies and growth. Our operating results may be negatively impacted if we are unable to implement new processes and manage organizational changes, which include changes to our go-to-market strategy, systems and processes; simultaneous focus on expense control and growth; and introduction of alternative cleaning methods. In addition, if we do not effectively realize and sustain the benefits that these transformations are designed to produce, we may not fully realize the anticipated savings of these actions or they may negatively impact our ability to serve our customers or meet our strategic objectives.

Financial currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, the euro. The currencies in which these transactions primarily are denominated are EURO, US-dollar (USD), Norwegian Krone (NOK) and New Zealand dollar (NZD). To minimize the currency risks the cash positions are monitored on a global level. Our objective in managing the exposure to foreign currency fluctuations is to minimize the earnings effects associated with foreign exchange rate changes on certain of our foreign currency-denominated assets and liabilities. Our policy prohibits the group from entering into transactions for speculative purposes.

The net currency position (EUR) as at 31 December 2021 is presented below:

	Assets	Liabilities	Position
USD	4,069K	734K	3,335K
GBP	5,221K	45K	5,176K
NOK	195K	-	195K
NZD	30K	-	30K
SEK	12K	3K	9K
Total	9,527K	782K	8,745K

Impact on the pre-tax result as at 31 December 2021 in case the exchange rate of the EUR against other currencies would decrease by 10 percent, leaving all other variables constant:

- EUR against USD: EUR 334K (2020: EUR 514K) lower;
- EUR against GBP: EUR 518K (2020: EUR 117K) lower;
- EUR against NOK: EUR 20K (2020: EUR 62K) lower;
- EUR against NZD: EUR 3K (2020: 3K) lower;
- EUR against SEK: EUR 1K (2020: 0K) lower.

Operational

Increases in the cost of, quality, or disruption in the availability of, raw materials and components that we purchase to manufacture our products could negatively impact our operating results or financial condition.

Our sales growth, expanding geographical footprint and continued use of sole-source vendors, coupled with suppliers' potential credit issues, could lead to an increased risk of a breakdown in our supply chain. Our use of sole-source vendors creates a concentration risk. There is an increased risk of defects due to the highly configured nature of our purchased component parts that could result in quality issues, returns or production slowdowns. In addition, modularization may lead to more sole-sourced products and as we

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seek to outsource the design of certain key components, we risk loss of proprietary control and becoming more reliant on a sole source. There is also a risk that the vendors we choose to supply our parts and equipment fail to comply with our quality expectations, thus damaging our reputation for quality and negatively impacting sales.

A disruption in supply from sole-source vendors for certain components may disrupt the Company's operations. There is an increased risk of defects due to the highly configured nature of our purchased component parts that could result in quality issues, returns or production slowdowns. In addition, modularization may lead to more sole-sourced products, and as we seek to outsource the design of certain key components, we risk loss of proprietary control and becoming more reliant on a sole source. There is also a risk that the vendors we choose to supply our parts and equipment fail to comply with our quality expectations, thus damaging our reputation for quality and negatively impacting sales.

We are dependent on key suppliers to make certain materials available at a contracted price. If labor, overhead, and material costs increase, we may not be able to offset these increased manufacturing costs with a higher finished product price. We also may not be able to push those direct cost increases onto our customers in a timely manner given the competitive environment. A decline in demand for our products may have a direct impact on our ability to achieve better pricing through volume discounts.

We may encounter risks to our IT infrastructure, such as access and security, that may not be adequately designed to protect critical data and systems from theft, corruption, unauthorized usage, viruses, sabotage or unintentional misuse.

We rely on our computer systems, manufacturing plants and distribution facilities to efficiently operate our business. If we experience an interruption in the functionality in any of these items for a significant period of time for any reason, we may not have adequate business continuity planning contingencies in place to allow us to continue our normal business operations on a long-term basis. In addition, the increase in customer-facing technology raises the risk of a lapse in business operations. Therefore, significant long-term interruption in our business could cause a decline in sales, an increase in expenses and could adversely impact our financial results.

Financial reporting

We may not be able to upgrade and evolve our information technology systems, such as internal and external reporting systems, as quickly as we wish and we may encounter difficulties as we upgrade and evolve these systems, which could adversely impact our abilities to accomplish anticipated future cost savings, better serve our customers and protect against information system disruption, corruption or intrusions.

We have many information technology systems that are important to the operation of our business and are in need of upgrading in order to effectively implement our growth strategy. Given our greater emphasis on customer-facing technologies, we may not have adequate resources to upgrade our systems at the pace which the current business environment demands. Additionally, significantly upgrading and evolving the capabilities of our existing systems could lead to inefficient or ineffective use of our technology due to lack of training or expertise in these evolving technology systems. These factors, among other things, could lead to significant expenses, adversely impacting our results of operations and hindering our ability to offer better technology solutions to our customers.

Laws and regulations

Our global operations are subject to laws and regulations that impose significant compliance costs and create reputational and legal risk. Due to the international scope of our operations, we are subject to a complex system of commercial, tax and trade regulations around the world. Recent years have seen an

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increase in the development and enforcement of laws regarding trade, tax compliance, data-privacy, labor and safety and anti-corruption. Despite our due diligence, there is a risk that we do not have adequate resources or comprehensive processes to stay current on changes in laws or regulations applicable to us worldwide and maintain compliance with those changes. Increased compliance requirements may lead to increased costs and erosion of desired profit margin. We cannot predict the nature, scope or effect of future regulatory requirements to which our operations might be subject or the manner in which existing laws might be administered or interpreted.

Financial and non-financial performance indicators

For 2021, we used sales, operating profit and operating profit margin as key indicators of financial performance and the primary metrics for performance-based incentives.

A non-financial metric used by management to evaluate how effectively we utilize our net assets is "Accounts Receivable Days Sales Outstanding" ("DSO"). Our DSO was 65.4 in 2021 (2020: 77.8) and decrease is primarily due to continued recovery from COVID-19 in 2021.

Environmental and personnel-related information

Tennant Holding B.V. and its subsidiaries employ 2,001 employees. It is expected that, with autonomous growth, the workforce may decrease slightly as a result of efficiency measures and investment in new technologies. It is expected that any drop in number of employees can be fully achieved through natural attrition.

Environmental compliance in countries regulating the discharge of materials into the environment, or otherwise relating to protection of the environment, has not had, and the Company does not expect it to have, a material effect upon the Company's capital expenditures, earnings or competitive position.

Information regarding financial instruments *

Price risks

The Company is subject to exposures resulting from potential cost increases related to our purchase of raw materials or other product components. We don't use derivative commodity instruments to manage our exposures to changes in commodity prices such as steel, oil, gas, lead and other commodities. We continue to focus on mitigating the risk of future raw material or other product component cost increases through supplier negotiations, ongoing optimization of our supply chain, the continuation of cost-reduction actions and product pricing. The success of these efforts will depend upon our ability to leverage our commodity spend in the current global economic environment. If the commodity prices increase significantly and we are not able to offset the increases with higher selling prices, our results may be unfavorably impacted in the future. The Company has not experienced any significant price risks.

Credit risks

Credit risk is the risk of financial loss to the entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Loans, receivables and cash contain credit risks. Approximately 12% (2020: 10%) of the trade receivables is concentrated at five major clients in the industry. The maximum amount of credit risk is equal to the amount of the trade receivables shown in the balance sheet.

Currency risk

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The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, the euro. The currencies in which these transactions primarily are denominated are EURO, US-dollar (USD), Norwegian Krone (NOK) and New Zealand dollar (NZD). To minimize the currency risks the cash positions are monitored on a global level. Our objective in managing the exposure to foreign currency fluctuations is to minimize the earnings effects associated with foreign exchange rate changes on certain of our foreign currency-denominated assets and liabilities. Our policy prohibits the group from entering into transactions for speculative purposes.

Liquidity risks

Whenever possible, cash management is centralized, and intercompany financing is used to provide working capital to subsidiaries as needed. Management ensures the cash position is sufficient to meet the Company's financial obligations towards creditors. The potential impact of extreme circumstances that cannot reasonable be predicted, such as natural disasters are not considered.

Interest rate risk and cash flow risk

The carrying amounts reported on the balance sheet for receivables, cash and cash equivalents and current liabilities approximate fair value due to their short-term nature. The Company has not experienced any significant cash flow risks.

The Company runs an interest rate risk on interest bearing assets and liabilities and on the refinancing of existing loans. It is the Group's policy to attract only fixed interest rate loans and no variable interest rate loans to finance its operations. All the loans have a fixed interest rate over their entire term, therefore the risk is limited. The loans are held to maturity. The Company's policy is not to use derivative financial instruments to control interim or other interest rate fluctuations.

* The notes on page 22 - 24 provide further information regarding the use of financial instruments and related risks.

Research and development information

Research and development and Social aspects of the business are led at Tennant Company. Tennant Company strives to be an industry leader in innovation and is committed to investing in research and development. The engineers are dedicated to various activities, including researching new technologies to create meaningful product differentiation, development of new products and technologies, improvements of existing product design or manufacturing processes and exploring new product applications with customers.

Information regarding social aspects of operating the business

General

Tennant Company is committed to creating and commercializing breakthrough, sustainable cleaning innovations to enhance its broad suite of products. These products empower customers to significantly reduce their environmental impact in the product "use-phase" and help to create a cleaner, safer and a healthier world.

In 2021 we continued to make notable progress in each of our Focus Areas: People and Communities, Products and GHG emissions/Energy.

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Social

The Company's growth and expansion around the globe give us greater opportunities to focus on People & Communities, Human Rights & Ethics and Safety. Tennant continues to support a company-sponsored volunteering program. In 2021 we continued to deploy Safety professionals into plant operations and completed a global Safety Operating Model Assessment that will enable us to establish core baselines and design and implement appropriate solutions.

Ethics and business conduct

Tennant's Business Ethics Guide is an important tool for all Tennant employees to use as a guidepost for their behavior. The Guide applies to everyone at Tennant Company in every region of the world. Translations of the text are available in local languages, allowing almost every employee to read the Guide in their native language. Details of the Guide can be found at www.tennantco.com.

Other information

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision and with the participation of our management, we assessed the effectiveness of our internal control over financial reporting. No material weaknesses were found.

Information on male/female split of board members

As of December 31, 2021, women represented 57% of our (worldwide) executive management team at the Tennant Corporation level and 33% of our Board of Directors at the Tennant Holding B.V level. At the Tennant Holding B.V level, we have two board members who were appointed in 2020, one male (J. Moonen) and one female (K. Stokes). The board has a one-tier structure. In addition, we support Tennant's policy to appoint a well-balanced mix of women and men to its Board and according to Dutch legislation having at least 30% of the seats held by women and at least 30% of the seats held by men. Currently we qualify as balanced within the legislation. Tennant feels that gender is part of diversity. Future members will continue to be selected on the basis of wide-ranging experience, backgrounds, skills, knowledge and insights.

Outlook

Tennant is competitively well positioned, with exciting technologies and opportunities to expand the product portfolio and geographic presence, particularly in EMEA with the acquisition of IP Cleaning S.p.A. and its subsidiaries ("IPC Group") by Tennant Company in April 2017.

Furthermore, in January 2019 the acquisition of Hefei Gaomei Cleaning Machines Co., Ltd. and Anhui Rongen Environmental Protection Technology Co., Ltd (collectivity "Gaomei") by Tennant N.V. was completed. Gaomei is a designer and manufacturer of commercial cleaning solutions based in China.

Through these acquisitions, identified integration activities and related operating synergies to be realized and our restructuring actions, the Company is positioned to accelerate revenue growth and improve profitability in 2022 and beyond.

For the coming year we don't expect any significant investments or acquisitions to be made, that would have a significant effect on the group.

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Attracting, retaining, and developing top talent is essential to our long-term success as a company. We focus on having talent acquisition resources and employee development resources to support our future hiring needs and provide training and development opportunities to all employees. We are continuing to refine our global company strategy to guide our next phase of performance as our structure has become more complex due to recent acquisitions. We expect to consolidate and reallocate resources as part of our ongoing efforts to optimize our cost structure and to drive synergies and growth. The Company will continue to evaluate its organizational structure to align with this growth strategy in order to leverage the improvements we have made in technology and other business process enhancements.

The COVID-19 pandemic and ongoing economic downturn has affected the Company and it is expected that it will continue to do so in the near future. We continue to monitor the evolving situation and guidance from authorities. The timing and extent of the impact of the pandemic is influenced by factors such as variants, vaccination rates and broader economic impacts. Accordingly, we cannot reasonably estimate the long-term impact of the pandemic on our financial results, although we expect factors including an increased cost of freight, materials and labor to impact our gross profit and overall operating results for 2022 and potentially beyond. All indications are that 2022 will require us to be agile as we manage through the year. However, as many governments shift their COVID-19 governance strategies from pandemic to endemic, and demand for our products remains strong, we remain confident in the long-term growth trends for all our products and locations.

We expect continuing macroenvironment challenges in the second half of 2022 and will focus our efforts on what we can control: supply-chain recovery to ramp production output; selling innovative new products; delivering a superior experience to benefit our customers; executing our enterprise strategy to drive permanent structural improvements into our business; and prudently managing price and cost. We believe that our focus in these areas will position us well as the supply-chain constraints abate.

The Company has a strong cash position. Cash is managed centrally by Tennant Company and credit line facilities are available in case needed. Tennant Company has access to draw down cash, which is available for the Company if we would need it in the future. We are not aware of any significant collection issues from customers and have been working on managing payments with our vendors. A full year 2021 and 2022 budget has been prepared, there are no liquidity concern identified for the near future.

Looking ahead, we are confident in Tennant's long-term growth plan and its ability to deliver shareholder value. We are committed to:

- Diversifying our revenue streams by expanding our sales growth drivers across EMEA and specific regions in Asia Pacific and managing our go-to-market strategy to address new customer segments and products;
- Building on our recognized technology leadership and supporting our robust new product pipeline;
- Optimizing our cost structure to improve operating efficiency while continuing to fuel growth investments;
- Strengthening our financial position and balancing solid cash flow, growth investments, debt reduction, dividends and share repurchases;
- Successfully completing the further integration of IPC Group (integration in France started in April 2022, in Germany integration started in October 2022) and Gaomei Group (integration started from January 2022); and,
- Focusing on both our organic growth and inorganic growth by investing when we have the ability to execute on strategic acquisitions.

Subsequent events

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Project Florence

Following the acquisition of the IPC Group, the company has undertaken various actions to integrate the legacy Tennant and IPC businesses in countries which have joint operations. The company has also taken steps to optimize its capital structure and refinance various intercompany debts. During 2022 up until the date of this report several steps were executed pursuant to that plan;

- The sale of Vaclensa Ltd. by IP Cleaning Srl to Tennant UK Cleaning Solutions Ltd., the sale of IP Industria e Commercio Ltda by IP Cleaning Srl and IPC Tools SpA to Tennant SA Holdings LLC.
- The merger of Interclean Assistance ICA and Tennant S.A.
- The merger of IP Gansow and Tennant KG GMBH
- The refinancing of the 150 million intercompany loan payable owed to Tennant Company through a combination of new loans, cash on hand, and note receivables from related parties (see Footnote 8 for description of new loans); and
- A capital contribution to share premium from Tennant Company comprised of various intercompany notes receivable.

Ukraine war uncertainty

The crisis in Russia and Ukraine that began in February 2022 continues as of the date of this report. While we do not have any direct operations or employees in Russia or Ukraine and have suspended sales to Russia and Belarus, our operating results have and may continue to be negatively impacted by supply chain constraints and inflationary pressures stemming from this conflict. In addition to fully adhering to all sanctions, we will continue to monitor developments in the region. Sales to Russia and Belarus represented less than 1% of consolidated net sales and less than 2% of Europe, Middle East and Africa net sales for the year ended December 31, 2021.

Uden, 28 October 2022

Director	Director
Thomas Stueve	Jorge Moonen
Effective date of position per 13 April 2016	Effective date of position per 2 April 2020

Director

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Kristin Stokes
Effective date of position per 2 April 2020

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Financial Statements

Consolidated Balance Sheet as at December 31, 2021
(Before appropriation of net profit)

In thousands of Euros	2021	2020
Fixed assets		
Intangible fixed assets (1)	211,820	234,730
Tangible fixed assets (2)	69,962	67,505
Financial fixed assets (3)	19,805	18,568
Total fixed assets	**301,587**	**320,803**
Current assets		
Inventories (4)	88,739	69,698
Trade and other receivables (5)	87,094	78,184
Cash and cash equivalents (6)	71,063	55,105
Total current assets	**246,896**	**202,987**
Current liabilities (7)		
Affiliated companies	7,125	2,103
Debts to shareholders/ participants	174,764	33,348
Accounts payable to suppliers and trade creditors	52,641	38,762
Taxes and social securities	13,440	9,429
Accrued and other liabilities	27,788	24,299
Total current liabilities	**275,758**	**107,941**
Current assets less current liabilities	**-28,862**	**95,046**
Total assets less current liabilities	**272,725**	**415,849**
Non-current liabilities (8)		
Affiliated companies	-	150,000
Other non-current liabilities	2,071	1,956
Total non-current liabilities	**2,071**	**151,956**
Provisions (9)		
Pensions	4,194	4,482
Other Employee Provisions	1,272	1,357
Warranty	2,022	2,142
Deferred tax liability	16,113	28,110
Uncertain tax positions	5,118	7,739
Restructuring	651	639
Total provisions	**29,370**	**44,469**

The notes on pages 18 to 58 are an integral part of these consolidated financial statements.

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In thousands of Euros	2021	2020
Shareholder's equity (10)		
Issued capital	7,676	7,676
Share premium	231,890	231,890
Legal reserve	456	456
Foreign currency translation reserve	-1,466	-4,516
Other reserves	-16,878	-7,549
Accumulated other comprehensive income / (loss)	-390	-368
Unappropriated profit / (loss)	18,810	-9,329
Total Shareholder's equity	**240,098**	**218,260**
Third-party share in group equity (10)	**1,186**	**1,164**
Total Group equity	**241,284**	**219,424**

The notes on pages 18 to 58 are an integral part of these consolidated financial statements.

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Consolidated Profit and Loss Account for the year ended December 31, 2021

In thousands of Euros	2021	2020
Net turnover (11)	405,418	331,479
Cost of sales	-266,865	-220,467
Gross margin on turnover	**138,553**	**111,012**
Selling and distribution expenses	-42,577	-45,921
General and administrative expenses	-80,680	-71,037
Total operating expenses (12, 13)	**-123,257**	**-116,958**
Net result on turnover	**15,296**	**-5,946**
Interest income and similar income (14)	5,416	937
Interest expenses and similar charges (15)	-7,463	-13,139
Result before tax	**13,249**	**-18,148**
Tax on result (16)	5,561	3,102
Consolidated result after tax	**18,810**	**-15,046**
Third-party share	**-5**	**-**
Result of the legal entity	**18,805**	**-15,046**

The notes on pages 18 to 58 are an integral part of these consolidated financial statements.

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Consolidated Statement of Comprehensive Income for the year ended December 31, 2021

In thousands of Euros	2021	2020
Result of the legal entity	**18,805**	**-15,046**
Foreign currency translation	3,050	-1,755
Actuarial benefits income / (loss)	-22	-156
Total of items recognized directly in shareholders' equity	**3,028**	**-1,911**
Total result of the legal entity	**21,833**	**-16,957**

The notes on pages 18 to 58 are an integral part of these consolidated financial statements.

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Notes to the 2021 Consolidated Financial Statements

General

Relationship with parent company and principal activities

Tennant Holding B.V. (further referred to as "The Company") is a private limited company registered in the Netherlands at Industrielaan 6, Uden under number 16063264 in the Trade Register, of which the shares are ultimately fully owned by Tennant Company, Minneapolis, U.S.A. The financial information of the Company is included in the consolidated financial statements of Tennant Company in Minneapolis, U.S.A. The consolidated financial statements can be obtained at http://investors.tennantco.com. The main activity of Tennant Holding B.V. and its subsidiaries (further referred to as "The Group") is manufacturing and sales of floor cleaning equipment. The activities of the Company and the Group are carried out both inland and abroad, with the countries of the European Union and specific regions in Asia Pacific being the primary sales markets.

Financial reporting period

These financial statements cover the year 2021, that ended at the balance sheet date of 31 December 2021.

Basis of preparation

The consolidated financial statements of the Company are part of the statutory financial statements of the Company and have been prepared in accordance with Title 9 Book 2 of the Netherlands Civil Code.

The applied accounting policies for measurement of assets and liabilities and determination of results are based on the historical cost convention, unless otherwise stated in the further principles.

Income and expenses are accounted for on accrual basis. Profit is only included when realised on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Application of Section 402, Book 2 of the Dutch Civil Code

The financial information of the Company is included in the consolidated financial statements. For this reason, in accordance with Section 402, Book 2 of the Netherlands Civil Code, the company-only profit and loss account of the Company exclusively states the share of the result of participating interests after tax and the general result after tax.

Going concern

These financial statements have been prepared on the basis of the going concern assumption.

Accounting Principles

General

Unless stated otherwise in the further principles, assets and liabilities are measured at historical costs.

An asset is recognized in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. Assets that are not recognized in the balance sheet are considered as off-balance sheet assets. A liability

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is recognized in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow from the entity of resources embodying economic benefits and the amount necessary to settle this obligation can be measured with sufficient reliability. Provisions are included in the liabilities of the Company. Liabilities that are not recognized in the balance sheet are considered as off-balance sheet liabilities.

An asset or liability that is recognized in the balance sheet, remains recognized on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken in to account in this assessment.

If a transaction results in a transfer of all or substantially all rights to future economic benefits and all or substantially all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer recognized in the balance sheet. In such cases, the results of the transaction are directly recognized in the profit and loss account, taking into account any provisions related to the transaction. Assets and liabilities are not recognized in the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability. If assets are recognized of which the Company does not have the legal ownership, this fact is being disclosed.

Income is recognized in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognized when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

Revenues and expenses are allocated to the period to which they relate. Revenues are recognized when the Company has transferred the significant risks and rewards of ownership of the goods to the buyer.

The financial statements are presented in euros, the Company's functional currency. All financial information in euros has been rounded to the nearest thousand.

COVID-19 impact uncertainty

We continue to actively manage our business to respond to the COVID-19 pandemic and related impacts.

Throughout 2021 and into 2022, we have experienced disruption in the supply of raw materials and component parts, as well as raw material price inflation and inefficiencies as a result of supply chain issues. Although we regularly monitor the financial health and operations of companies in our supply chain, financial hardship or government restrictions on our suppliers or sub-suppliers caused by the COVID-19 pandemic could cause a disruption in our ability to obtain raw materials or component parts required to manufacture our products and adversely affect our operations. We have established frequent communications with suppliers to review, track and prioritize high-risk components. We have also identified and activated alternative suppliers, materials and components as needed. The Company continues work to minimize the impact of price inflation in inputs and market supply challenges by employing local-for-local and region-for-region manufacturing and sourcing to allow us to manufacture our products closer to our customers. At the same time, our engineering teams are evaluating platform design to allow for available parts and to increase our sourcing flexibility. Regarding transportation, we have set up tracking, reporting and communication channels with carriers to understand their risks and to evaluate available options where necessary. The supply chain challenges, and inflationary trends continue in 2022, resulting in an increased sales backlog and some pressure on our gross margin.

We maintain our commitment to protect the health and safety of our employees and customers. We have continued our enhanced safety protocols for those on-site at our manufacturing facilities, and we have

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implemented work-from home processes for much of our workforce which partially remain in effect. We continue to monitor the evolving situation and guidance from local authorities.

All indications are that 2022 will require us to be agile as we manage through the year. However, as many governments shift their COVID-19 governance strategies from pandemic to endemic, and demand for our products remains strong, we remain confident in the long-term growth trends for all our products and locations.

If the pandemic continues for a longer duration going on well into 2022 and beyond, we will need to assess our liquidity needs. A sustained disruption in the global economy could materially affect our ability to generate sufficient cash from operations and could require us to seek additional sources of liquidity or take further actions. Cash is managed centrally by Tennant Company and credit line facilities are available in case needed. The revolving credit facility continues to be maintained globally at Tennant Company and Tennant Company has access to draw down cash if we would need it in the future. The management of Tennant Company, Minneapolis, U.S.A. has stated in a Letter of support that it is committed to provide the necessary level of financial support to the Group, to enable them to pay its debts as they become due for a period of at least 12 months after the signing date of the Annual Accounts for the year ended December 31, 2021. As of December 31, 2021, Tennant Company has approximately USD 261.9 million of unused borrowing capacity on the revolving credit facility.

Management has no indications the consequences of COVID-19 pandemic will have a material negative effect on the financial position of the Company. When preparing the financial statements, management assessed the impact of COVID-19 pandemic and determined the pandemic has no impact on the valuation of assets or liabilities.

Based on the information currently available and the nature of the entity's business activities, the measures taken and the financial position, the going concern assumption used in preparing the financial statements is not affected.

Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that influence the application of accounting principles and the reported values of assets and liabilities and of income and expenses. Actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences. The following accounting policies are in the opinion of management the most critical for the purpose of presenting the financial position and require estimates and assumptions.

- Tangible and intangible fixed assets
- Allowance for doubtful accounts
- Inventory reserves
- Warranty reserves
- Income taxes
- Uncertain tax positions

Consolidation principles

Consolidation scope

The consolidated financial statements include the financial data of the Company, its subsidiaries in the group, other group companies and other companies over which the Company can exercise control or of

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which it conducts the central management. Subsidiaries are participating interests in which the Company (and/or one or more of its subsidiaries) can exercise more than half of the voting rights in the general meeting or can appoint or dismiss more than half of the managing directors or supervisory directors. Group companies are participating interests in which the Company has a majority interest, or in which it can exercise decisive influence (control) by other means. In assessing whether controlling interest exists, potential voting rights are taken into account that can be exercised in such a way that they will provide the Company with more or less influence.

Newly acquired participating interests are consolidated as from the date that decisive influence (control) can be exercised. Participating interests disposed of remain included in the consolidation until the date of loss of this influence.

Consolidation method

The consolidated financial statements are prepared by using uniform accounting policies for measurement and determination of result of the group.

In the consolidated financial statements, intragroup shareholdings, liabilities, receivables and transactions are eliminated. Also, the results on transactions between group companies are eliminated to the extent that the results are not realized through transactions with third parties outside the group and no impairment loss is applicable. Subsidiaries are consolidated in full.

For an overview of the consolidated group companies, please refer to note 18 'Financial fixed assets' of the company-only financial statements.

Principles for the translation of foreign currency

Transactions in foreign currencies

Transactions denominated in foreign currency are translated into the relevant functional currency of the group companies at the exchange rate applying on the transaction date.

Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into to the functional currency at the exchange rate applying on that date. Exchange differences resulting from the settlement of monetary items or resulting from the translation of monetary items denominated in foreign currency, are recognized in the profit and loss account in the period in which they arise, except for exchange differences on monetary items that are part of a net investment in a foreign operation.

Non-monetary assets and liabilities denominated in foreign currency that are stated at historical cost, are translated into euros at the exchange rates applying on the transaction date.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into euros at exchange rates applying on the balance sheet date. Income and expenses of foreign operations are translated into euros at the exchange rate applying on the transaction date.

Goodwill resulting from the acquisition of a foreign operation and fair value adjustments made at the acquisition date are translated into the functional currency at the exchange rate at the reporting date.

Translation gains and losses are taken to reserve for translation difference within equity. If a foreign operation is fully or partially sold, the respective amount is transferred from the reserve for translation difference to the profit and loss account.

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Principles for the financial instruments

These financial statements contain the following financial instruments: loans and receivables (both purchased and issued) and other financial liabilities.

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously. If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

A financial asset or a financial liability is recognized in the balance sheet when the contractual rights or obligations in respect of that instrument arise. A financial instrument is no longer recognized in the balance sheet when there is a transaction that results in a transfer to a third party of all or substantially all of the rights to economic benefits and all or substantially all of the risks related to the position.

Financial instruments (and individual components of financial instruments) are presented in the consolidated financial statements in accordance with the economic substance of the contractual terms. Presentation of the financial instruments is based on the individual components of financial instruments as a financial asset, financial liability or equity instrument.

Financial instruments are initially stated at fair value, including discount or premium and directly attributable transaction costs.

After initial recognition, financial instruments are valued in the manner described below.

Loans granted and other receivables

Loans granted and other receivables are carried at amortized cost using the effective interest method, less impairment losses. The effective interest and impairment losses, if any, are directly recognized in the profit and loss account. Purchases and sales of financial assets that belong to the category loans granted and other receivables are accounted for at the transaction date.

Non-current and current liabilities and other financial commitments

Non-current and current liabilities and other financial commitments are stated after their initial recognition at amortized cost on the basis of the effective interest rate method.

Redemption payments regarding long-term liabilities that are due next year, are presented under current liabilities. The effective interest is directly recorded in the profit and loss account.

Impairment of financial assets

A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

The entity considers evidence of impairment for financial assets measured at amortized cost (loan and receivables and held-to-maturity financial assets) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

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Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between the carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognized by using the asset's original effective interest rate. When an event occurring after the impairment was recognized causes the amount of impairment loss to decrease, and the decrease can be related objectively to an event occurring after the impairment was recognized, the decrease in impairment loss is reversed through profit or loss.

Financial instruments risk management

General

During the normal course of business, the Company uses various financial instruments that expose it to currency, interest, cash flow, fair value, market, credit and liquidity risks. To control these risks, the Company has instituted a policy including a system of limits and procedures that are intended to limit the risks of unpredictable adverse developments for the financial markets and thus for the financial performance of the company. The Company does not apply nor trade in financial derivatives.

Credit risk

Credit risk is the risk of financial loss to the entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Loans, receivables and cash contain credit risks. Approximately 12% (2020: 10%) of the trade receivables is concentrated at five major clients in the industry. The maximum amount of credit risk is equal to the amounts of the trade receivables shown in the balance sheet.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the management; these limits are reviewed quarterly.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, the euro. The currencies in which these transactions primarily are denominated are EURO, US-dollar (USD), Norwegian Krone (NOK) and New Zealand dollar (NZD). To minimize the currency risks the cash positions are monitored on a global level. Our objective in managing the exposure to foreign currency fluctuations is to minimize the earnings effects associated with foreign exchange rate changes on certain of our foreign currency

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denominated assets and liabilities. Our policy prohibits the group from entering into transactions for speculative purposes.

The net currency position (EUR) as at 31 December 2021 is presented below:

	Assets	Liabilities	Position
USD	4,069K	734K	3,335K
GBP	5,221K	45K	5,176K
NOK	195K	-	195K
NZD	30K	-	30K
SEK	12K	3K	9K
Total	9,527K	782K	8,745K

Impact on the pre-tax result as at 31 December 2021 in case the exchange rate of the EUR against other currencies would decrease by 10 percent, leaving all other variables constant:

- EUR against USD: EUR 334K (2020: EUR 514K) lower;
- EUR against GBP: EUR 518K (2020: EUR 117K) lower;
- EUR against NOK: EUR 20K (2020: EUR 62K) lower;
- EUR against NZD: EUR 3K (2020: 3K) lower;
- EUR against SEK: EUR 1K (2020: 0K) lower.

Liquidity risk

Whenever possible, cash management is centralized, and intercompany financing is used to provide working capital to subsidiaries as needed. Management ensures the cash position is sufficient to meet the Company's financial obligations towards creditors. The potential impact of extreme circumstances that cannot reasonable be predicted, such as natural disasters are not considered.

Interest rate risk and cash-flow risk

The Company runs an interest rate risk on interest bearing assets and liabilities and on the refinancing of existing loans. It is the Group's policy to raise only fixed interest rate loans and no variable interest rate loans to finance its operations. All the loans have a fixed interest rate over their entire term, therefore the risk is limited. The loans are held to maturity. The Company's policy is not to use derivative financial instruments to control interim or other interest rate fluctuations.

Fair value

The fair value of the financial instruments stated on the balance sheet, including accounts receivable from affiliated companies, trade receivables from third parties, cash and cash equivalents, current liabilities and non-current liabilities, do not significantly differ from the carrying amount of the financial instruments.

Principles of valuation of assets and liabilities

Intangible fixed assets

Intangible fixed assets consist of goodwill and definite lived customer lists, trade names and technology. Intangible fixed assets are only recognized in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of that

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asset can be measured reliably. Intangible fixed assets are measured at acquisition or construction cost, less accumulated amortization and impairment losses.

The accounting principles for the determination and recognition of impairments are included under the section Impairments of fixed assets.

Goodwill

Goodwill represents the excess of the cost of the acquisition of the participating interest (including transaction costs directly related to the acquisition) over the Company's interest in the net realizable value of the assets acquired and the liabilities assumed of the acquired entity, less cumulative amortization and impairment losses. Internally generated goodwill is not capitalized.

Goodwill paid upon the acquisition of foreign group companies and subsidiaries is translated at the exchange rates at the date of acquisition.

The capitalized positive goodwill is amortized on a straight-line basis over the estimated useful life, determined at 20 years.

In case of a full or partial sale of a participating interest, the positive goodwill that can be allocated to the sold part is written off proportionally and is charged to the book result. A useful life of 20 years is assumed in determining the amount to be reversed.

Customer lists

Customer Lists are stated at cost less accumulated amortization and impairment losses. The capitalized amount is amortized on a straight-line or accelerated basis between 12-20 years based on the pattern with which economic benefits flow to the entity.

Trade names

Trade names are stated at cost less accumulated amortization and impairment losses. The capitalized amount is amortized on a straight-line basis between 10-15 years.

Technology

Technology is stated at cost less accumulated amortization and impairment losses. The capitalized amount is amortized on an accelerated basis of 10 years based on the pattern with which economic benefits flow to the entity.

Tangible fixed assets

Tangible fixed assets are recognized on the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of that asset can be measured reliably.

Tangible fixed assets are measured at cost, less accumulated depreciation and impairment losses, if applicable.

The cost consists of the price of acquisition or manufacture, plus other costs that are necessary to get the assets to their location and condition for their intended use. Expenditure is only capitalized when it extends the useful life of the asset. The cost of self-constructed assets includes the cost of materials and consumables and other costs that can be directly allocated to the construction. The cost of construction furthermore includes a reasonable portion of the indirect costs during the period of construction of the assets.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets. Land and tangible fixed assets under construction are not depreciated. Depreciation starts as soon as the asset is available for its intended use and ends at decommissioning or divestment.

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The following rates of depreciation are applied:

- Buildings and roadwork	: 3 1/3%	–	20%
- Machinery and equipment (including motor vehicles)	: 10%	–	33 1/3%
- Other fixed operating assets	: 14%	–	33 1/3%

The Company determines the depreciable amount without taking into account a residual value.

Assets retired from active use are measured at the lower of book value or net realizable value.

Periodical major maintenance is capitalized according to the components approach, with which the aggregate expenditures are allocated to the component parts.

Financial fixed assets

Participating interests with significant influence

Participating interests where significant influence can be exercised over the business and financial policy are valued according to the equity method on the basis of net asset value. If measurement at net asset value is not possible because the information required for this cannot be obtained, the participating interest is measured according to the visible equity. In assessing whether the Company has significant influence over the business and financial policies of a participating interest, all facts and circumstances and contractual relationships, including potential voting rights, are taken into account.

The net asset value is calculated on the basis of the Company's accounting policies. If the Company transfers an asset or a liability to a participating interest that is measured according to the equity method, the gain or loss resulting from this transfer is recognized to the extent of the relative interests of third parties in the participating interest (proportionate determination of result). Any loss that results from the transfer of current assets or an impairment of fixed assets is fully recognized. Results on transactions involving transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests are eliminated to the extent that these cannot be regarded as having been realized. Unrealized profits on transactions with participating interests that are accounted for at net asset value are eliminated to the extent of the Company's share in the participating interest. This elimination is allocated to the share of result from participating interests and the net asset value of the participating interest.

The Company realizes the eliminated result as a result of a sale to third parties, depreciation or impairment of the transferred assets recognized by the participating interest.

Participating interests with a negative net asset value are valued at nil. In particular, this relates to loans for which settlement is neither planned nor likely to occur in the foreseeable future. A share in the profits of the participating interest in subsequent years will only be recognized if and to the extent that the cumulative unrecognized share of loss has been absorbed. If the Company fully or partially guarantees the debts of the relevant participating interest, or if has the constructive obligation to enable the participating interest to pay its debts (for its share therein), then a provision is recognized accordingly to the amount of the estimated payments by the Company on behalf of the participating interest.

Participating interests with no significant influence

Participating interests where no significant influence is exercised are stated at the lower of cost or realizable value. In case of a firm intention to sell, then the participating interest is stated at the lower expected sales value. If the Company transfers an asset or a liability to a participating interest that is measured at cost or current value, the gain or loss resulting from this transfer is recognized directly and in full in the profit and loss account, unless the gain is in substance not realized.

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Joint arrangements

Participating interests where the Company exercises control along with other participants, such as in joint ventures, are valued according to the equity method on the basis of net asset value.

Other financial fixed assets

Loans to non-consolidated participating interests are initially measured at fair value plus directly attributable transaction costs. Subsequently, these receivables are measured at amortized cost using the effective interest method, less impairment losses.

The accounting policies for other financial fixed assets are included under the heading 'Financial instruments'.

Dividends are accounted for in the period in which they are declared. Dividends from participating interests that are carried at cost, are recognized as income from participating interests (under financial income) in the period in which the dividends become payable.

Impairments of fixed assets

Tangible and intangible fixed assets are assessed at each reporting date whether there is any indication of an impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of value in use and net realizable value. If it is not possible to assess the recoverable amount for an individual asset, the recoverable amount is assessed for the cash-generating unit to which the asset belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognized for the difference between the carrying amount and the recoverable amount. If there is an impairment loss for a cash-generating unit, the loss is first allocated to goodwill allocated to the cash-generating unit. Any residual loss is allocated to the other assets of the unit pro rata to their book values.

Subsequently, at each reporting date, the entity assesses whether there is any indication that an impairment loss that was recorded in previous years has been decreased. If any such indication exists, then the recoverable amount of the asset or cash-generating unit is estimated.

Reversal of a previously recognized impairment loss only takes place when there is a change in the assessment used to determine the recoverable amount since the recognition of the last impairment loss. In such case, the carrying amount of the asset (or cash- generating unit) is increased to its recoverable amount, but not higher than the carrying amount that would have applied (net of depreciation) if no impairment loss had been recognized in previous years for the asset (or cash-generating unit).

An impairment loss of goodwill is not reversed in a subsequent period.

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost includes the expenses for acquisition or manufacture, plus other expenditure to bring the inventories to their present location and condition. Net realizable value is based on the most reliable estimate of the amount the inventories will generate at the most, less costs still to make.

Raw materials and consumables are carried at the lower of cost, determined in accordance with the first-in, first-out (FIFO) principle, and market value.

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Finished products are measured at cost on the basis of weighted average prices comprising cost of used raw materials and consumables and the other costs directly attributable to manufacture. In addition, part of the indirect costs over the period of manufacture are attributed to the cost of manufacture.

Trade discounts, rebates and similar indemnities received (or to be received) in connection with purchasing are deducted from the costs of purchase.

Receivables

The accounting policies applied for the valuation of trade and other receivables are described under the heading ‘Financial instruments’.

Cash and cash equivalents

Cash and cash equivalents are available on demand. If cash and cash equivalents are not readily available, this fact is considered in the measurement. Cash and cash equivalents are measured at nominal value.

Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the exchange rate ruling at that date. Reference is made to the accounting policies for foreign currencies.

Cash and cash equivalents that are not readily available to the Company within 12 months are presented under financial fixed assets.

Shareholders’ equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders’ equity. Payments to holders of these instruments are deducted from the shareholders’ equity as part of the profit distribution.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognized in the profit and loss as financial income or expense.

Third-party share in group equity

The share of third parties in the group equity concerns the minority interest of third parties in the shareholders’ equity of consolidated companies. In the profit and loss account the share of third parties in the result of consolidated companies is deducted from the group result.

If the losses attributable to the minority interest of third parties exceed the minority interest of third parties in the shareholders’ equity of the consolidated companies, the difference - as well as any further losses - will be fully charged to XYZ BV, unless and insofar as the minority shareholder is committed to assume responsibility for those losses and is able to do so. If the consolidated companies once again generate profit, these profits will fully be debited to XYZ BV, until the losses for which XYZ BV has assumed responsibility have been recovered.

Share premium

Amounts contributed by the shareholder(s) of the Company in excess of the nominal share capital, are accounted for as share premium. This also includes additional capital contributions by existing shareholders without the issue of shares or issue of rights to acquire or acquire shares of the Company.

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Costs and capital taxes associated with the issue of shares that are not capitalized are deducted from share premium, after applicable tax effects. If the share premium is insufficient for such deductions, the amounts are deducted from retained earnings.

Provisions

General

A provision is recognised if the following applies:
- the Company has a legal or constructive obligation, arising from a past event; and
- the amount can be estimated reliably;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Rights and obligations resulting from contracts under which neither party has performed any of its obligations or both parties have partially performed their obligations to an equal extent, are not recognised. Recognition occurs when the consideration to be received is not (or no longer) in balance with the performance obligation of the Company and this imbalance has adverse effects for the Company.

If all or part of the payments that are necessary to settle a provision are likely to be fully or partially compensated by a third party upon settlement of the provision, then the compensation amount is presented separately as an asset.

Provisions are stated at the nominal value of the best estimate of the expenditures that are expected to be required to settle the liabilities and losses.

Provision for restructuring

A provision for restructuring costs is established if a detailed restructuring plan has been formalised at the balance sheet date and, no later than on the preparation date of the financial statements, a valid expectation of implementation of the plan has been raised for those persons that will be affected by the restructuring. A valid expectation applies when implementation of the restructuring has started, or when the main elements of the plan have been announced to persons that will be affected by the restructuring.

The provision for restructuring costs includes the costs that are directly associated with the restructuring, which are not associated with the ongoing activities of the Company.

Other employee provisions

The other employee provisions relate to end-of-career indemnities for which the Company has a legal obligation for the French and Italian subsidiaries to pay an amount at the end of the career of the employee. The amount of the provision can be estimated reliably and is based on factors as the monthly salary, years of service and the age. For further details, refer to 'Other employee provisions' (page 49).

Provision for warranties

The provision for warranties relates to the estimated costs of replacing and provided service of delivered products, for both legal obligations (products delivered / service performed do not meet the agreed quality standards) and constructive obligations (by way of service / leniency, in so far generally known and conventional). A provision for warranties is recognised when the underlying products are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

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Pension provision

Based on DAS 271.101 the pension provision is calculated using ASC 715. The pension provision relates to Germany (Tennant GmbH & Co. KG) and Italy (IP Cleaning Srl and IPC Tools SpA including IP Cleaning Industria e Commercio Ltda). We further refer to the accounting policies included under 'Foreign pension plans' under the heading 'Employee benefits/pensions'.

Uncertain tax positions

An uncertain tax position is a tax treatment for which there is uncertainty whether the relevant tax authorities will accept the treatment under the local tax law. The provision represents the best estimate of the deviation of the amount of the estimate compared to the (proposed) tax returns. Under the acquisition method of accounting for business combinations, if we identify changes to acquired deferred tax asset valuation allowances or liabilities related to uncertain tax positions during the measurement period, and they are related to new information obtained about facts and circumstances that existed as of the acquisition date, those changes are considered a measurement-period adjustment, and we record the offset to goodwill.

Non-current liabilities

The valuation of non-current liabilities is explained under the heading 'Financial instruments'.

Current liabilities

The valuation of current liabilities is explained under the heading 'Financial instruments'.

Principles of determination of income

Net turnover

Net sales

Net sales is defined as the revenue from the sale and delivery of goods and services to third parties, net of discounts and sales tax.

Sale of goods

Revenue from the sale of goods is accounted for in net turnover at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue from the sales of goods is recognized in the profit and loss account when the significant risks and rewards of ownership have been transferred to the buyer, the amount of the revenue can be determined reliably, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods. Transfer of risks and rewards is mainly based on the delivery term CIP (Carriage and Insurance Paid) and Ex Works.

Rendering of services

Revenue from services rendered is accounted for in net turnover at the fair value of the consideration received or receivable, net of allowances and rebates. Revenues from services rendered are recognized in the profit and loss account when the revenue amount can be determined in a reliable manner, collection of the related compensation to be received is probable, the extent to which the services have been

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performed on the balance sheet date can be determined reliably, and the costs already incurred and (possibly) yet to be incurred to complete the service can be determined reliably.

If the result from a specific service contract cannot be determined reliably, then the revenues are recognized up to the amount of the service costs that are covered by the revenues.

Revenues from services rendered are recognized in the profit and loss account when the service is finally completed. Revenues from service contracts are recognized in the profit and loss account proportionally over the contract period.

Cost of sales

Cost of sales is defined as the manufacturing costs of goods and services sold and delivered. The cost of sales consists of the cost of goods sold and delivered, consisting of direct use of materials, direct wages and machine costs and other direct and indirect production costs that can be attributed to the production.

Employee benefits/pensions

Employee benefits are charged to the profit and loss account in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognized as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments by the Company.

For benefits with accumulating rights, sabbatical leave, profit-sharing and bonuses the projected costs are taken into account during the employment. An expected payment resulting from profit-sharing and bonus payments is recognized if the obligation for that payment has arisen on or before the balance sheet date and a reliable estimate of the liabilities can be made.

If a benefit is paid in case of non-accumulating rights (e.g., continued payment in case of sickness or disability), the projected costs are recognized in the period in which such benefit is payable.

The recognized liability relates to the best estimate of the expenditure necessary to settle the obligation at the balance sheet date. The best estimate is based on contractual agreements with employees (collective agreement and individual employment contract). Additions to and reversals of liabilities are charged or credited to the profit and loss account.

For disability risks that are insured, all premiums are paid within the year in which they become due.

Dutch pension plans

The Company accounts for its multi-employer defined benefit plan as if it were a defined contribution plan as the multi-employer union managing the plan is not able to provide the Company with sufficient information to enable the Company to account for the plan as a defined benefit plan.

The main principle is that the pension charge to be recognized for the reporting period should be equal to the pension contributions payable to the pension fund over the period. In so far as the payable contributions have not yet been paid as at balance sheet date, a liability is recognized. If the contributions already paid exceed the payable contributions as at balance sheet date, a receivable is recognized to account for any repayment by the fund or settlement with contributions payable in the future.

A provision is included if at balance sheet date additional commitments exist to the fund and the employees, if it is likely that there will be an outflow of funds for the settlement of the commitments, and it is possible to reliably estimate the amount of the commitments. The existence or non-existence of

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additional commitments is assessed based on the administration agreement concluded with the fund, the pension agreement with the staff and other (explicit or implicit) commitments to staff. The liability is stated at the best estimate of the present value of the anticipated costs of settling the commitments as at balance sheet date. The Company is not obliged to fund any shortages of the plan.

For any surplus at the pension fund as at balance sheet date, a receivable is recognized if the Company has the power to withdraw this surplus, if it is likely that the surplus will flow to the Company and if the receivable can be reliably determined.

German pension plan

For the German pension plan, the Company uses the accounting method in accordance with ASC 715.

Pension plans that are comparable in design and functioning to the Dutch pension system, having a strict segregation of the responsibilities of the parties involved and risk sharing between the said parties (the Company, the fund and its members) are recognized and measured in accordance with Dutch pension plans (see before).

For foreign pension plans that are not comparable in design and functioning to the Dutch pension system, a best estimate is made of the liability as at balance sheet date. This liability is measured on the basis of an actuarial measurement principle generally accepted in the Netherlands, refer to the details below.

Defined contribution plans

Obligations for contributions to defined contribution plans are recognized in the profit and loss account as incurred.

Defined benefit plans

Most of the Company's defined benefit pension plans are funded with plan assets that are segregated in a trust or foundation. For plans which are not separately funded, the Company recognizes a provision. Valuations of both funded and unfunded plans are carried out by independent actuaries based on the projected unit credit method. Pension costs primarily represent the increase in the actuarial present value of the obligation for projected pension benefits based on employee service during the year and the interest on this obligation in respect of employee service in previous years, net of the expected return on plan assets.

Actuarial gains and losses that arise after January 1, 2004, in calculating the Company's obligation in respect of a plan, are recognized to the extent that any cumulative unrecognized actuarial gain or loss exceeds ten percent of the greater of the present value of the defined benefit obligation and the fair value of plan assets. That portion is recognized in the statement of income over the expected average remaining working lives of the employees participating in the plan. Otherwise, actuarial gains or losses are not recognized.

When the benefits of a plan improve, the portion of the increased benefit relating to past service employees is recognized as an expense in the statement of income on a straight-line basis over the average period until the benefits become vested. If the benefits vest immediately, the expense is recognized immediately in the statement of income.

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Italian Pension Plan

Employee benefits for defined benefit plans, paid once they stop working for the Group, including employee severance indemnities for Italian companies, are calculated by measuring with actuarial techniques the amount of the future benefit that the employees accrued in the financial year and in previous financial years. The benefit calculated in this way is discounted and shown net of the fair value of any related assets. The calculation is made annually by an independent actuary.

Actuarial gains and losses (income and costs due when the actuarial assumptions change as well as the difference between the forecasts and the events actually occurred) are recorded in full in the period in which they arise and are recognized directly in equity.

The employee severance indemnity of the Italian companies was considered a defined benefit plan until 31 December 2006. The regulations of this provision were amended by Italian Law no. 296 of 27 December 2006 ("2007 Finance Act") and subsequent decrees and regulations issued during the first months of 2007. It should be noted that, in the light of these amendments and based on a generally agreed interpretation:

- the employee severance indemnity accrued up to 31 December 2006 (and not yet paid at the end of the reporting period) continues to be considered a "defined benefit plan"; hence, it is necessary to make actuarial calculations that will still have to exclude the component relating to future salary increases;
- the employee severance indemnity accrued after 31 December 2006 that, following the reform, the companies are obliged to pay each month to the supplementary pension funds or to the pension fund treasury, is considered a "defined contribution plan" and is accounted for by recognizing in profit or loss, on an accrual basis, the contributions to be paid to the funds for the work performed by employees, without having to make any actuarial calculation.

Severance payments

Severance payments are employee benefits provided in exchange for the termination of the employment. A severance payment is recognized as a liability and an expense when the Company is demonstrably and unconditionally committed to terminate the employment of one or more employees before the normal retirement date. If the termination is part of a restructuring, the costs of the severance payments are part of the restructuring provision. See the policy under the heading 'Provisions'. Termination benefits are measured in accordance with their nature. When the termination benefit is an enhancement to post-employment benefits, measurement is done according to the same policies as applied to post-employment plans. Other termination benefits are measured at the best estimate of the expenditures required to settle the liability. The severance payments that shall be payable over more than 12 months after the balance sheet date, are measured at present value. The discount rate is the market interest rate (effective yield) on high quality corporate bonds at the balance sheet date.

Leasing

The Company may enter into financial and operating leases. A lease agreement under which the risks and rewards of ownership of the leased object are carried entirely or almost entirely by the lessee are classified as finance leases. All other leases are classified as operating leases. For the lease classification, the economic substance of the transaction is conclusive rather than the legal form. At inception of an arrangement, the Company assesses whether the lease classifies as a finance or operating lease.

Operating leases

If the Company acts as lessee in an operating lease, the leased property is not capitalized. Benefits received as an incentive to enter into an agreement are recognized as a reduction of rental expense over the lease term. Lease payments and benefits regarding operating leases are recognized to the profit and

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loss account on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the benefits from the use of the leased asset.

Interest receivable and similar income and interest payable and similar charges

Interest income is recognized in the profit and loss account on an accrual basis, using the effective interest rate method. Interest expenses and similar charges are recognized in the period to which they belong.

Corporate income tax

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognized in the profit and loss account except to the extent that it relates to items recognized directly to equity, in which case it is recognized in equity.

Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years.

If the carrying values of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences.

A provision for deferred tax liabilities is recognized for taxable temporary differences.

For deductible temporary differences, unused loss carry forwards and unused tax credits, a deferred tax asset is recognized, but only in so far as it is probable that taxable profits will be available in the future for offset or compensation.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

For taxable temporary differences related to group companies a deferred tax asset is recognized unless the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

For deductible temporary differences regarding group companies a deferred tax asset is only recognized in so far as it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available to offset the temporary difference.

The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the manner in which the Company expects, at the balance sheet date, to realize or settle its assets, provisions, debts and accrued liabilities. Deferred tax assets and liabilities are stated at nominal value. Deferred tax assets and deferred tax liabilities are netted for entities under same fiscal authority if criteria under Dutch Accounting Guidelines (DAS 272.607) are met.

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes.

Share in result of participating interests

The share in the result of participating interests consists of the share of the group in the result of these participating interests, determined on the basis of the accounting principles of the group. Results on transactions, where the transfer of assets and liabilities between the group and the non-consolidated

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participating interests and mutually between non-consolidated participating interests themselves, are not recognized as they can be deemed as not realized. The results of participating interests acquired or sold during the financial year are stated in the group result from the date of acquisition or until the date of sale respectively.

Cash flow statement

The cash flow statement has been omitted from these financial statements, since a consolidated cash flow statement that includes the cash flow of Tennant Holding B.V. is included in the consolidated financial statements of Tennant Company (US). The consolidated financial statements can be obtained at http://investors.tennantco.com. Tennant Holding B.V. makes use of the exemption rule.

Related parties

Transactions with related parties are disclosed if they have not been entered at arm's length. Disclosed are the nature and amounts involved with such transactions, and other information that is deemed necessary for an insight into the transactions.

Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognized in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognized in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

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Balance Sheet

In thousands of Euros

1. Intangible fixed assets

Movements in intangible fixed assets were as follows:

	Goodwill	Customer lists	Trade names	Technology	Total
Balance at January 1, 2021					
Acquisition or construction cost	170,798	131,293	26,555	9,371	338,017
Accumulated amortization and impairments	-34,428	-53,859	-9,598	-5,402	-103,287
Carrying amount at January 1, 2021	136,370	77,434	16,957	3,969	234,730
Changes in carrying amount:					
Carrying amount of disposals	-	-1,273	-	-38	-1,311
Amortization	-8,247	-12,325	-2,617	-909	-24,098
Translation differences	1,205	1,161	131	2	2,499
Balance	-7,042	-12,437	-2,486	-945	-22,910
Balance at December 31, 2021					
Purchase price	171,023	129,926	26,715	9,158	336,822
Accumulated amortization and impairments	-41,695	-64,929	-12,244	-6,134	-125,002
Carrying amount at December 31, 2021	129,328	64,997	14,471	3,024	211,820

Note that the Purchase Price and Accumulated amortization line items include accumulated translation differences. For the initial EUR purchase values, refer to notes below.

Goodwill

- In November 2010 the group recorded EUR 12,675 goodwill due to purchase of the assets of Tennant Australia Pty Limited from Tennant Company. This amount is amortized on a straight-line basis over 20 years since we expect to earn the benefits over at least 20 years;
- In January 2019 the group recorded EUR 10,825 goodwill due to purchase of the assets of Hefei Gaomei Cleaning Machines Co., Ltd. and Anhui Rongen Environmental Protection Technology Co.

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Ltd. (collectively "Gaomei"). Due to changes in the estimated fair value in relation to the earn-out value and uncertain tax position the acquired purchase price of the Goodwill changed in 2021 to EUR 11,787K. This amount is amortized on a straight-line basis over 20 years since we expect to earn the benefits over at least 20 years. In 2021 the contingent purchase consideration changed regarding the estimated fair value of the remaining earn-out value from EUR 1,500 (2020) to EUR 61 as per December 31. The effect of changes in estimates are reflected and adjusted in the Goodwill due to the purchase of Gaomei and amount to EUR -1,057.

- In April 2017 the group recorded EUR 148,648 goodwill due to purchase of assets of IPC Cleaning S.p.A. and its subsidiaries (IPC Group). This amount is amortized on a straight-line basis over 20 years since we expect to earn the benefits over at least 20 years.

Customer lists

- The customer list Walter Broadley is capitalized during 2004 for an amount of EUR 1,020. This amount is amortized on a straight-line basis over 20 years as we are to expect to get revenues over at least this period;
- The customer list from Dofesa Barrido Mecanizado, S.A. de C.V. is recorded for EUR 2,582 in September 2016. This amount is amortized on a straight-line basis over 15 years since we expect to earn the benefits over at least 15 years;
- The customer lists from Hefei Gaomei Cleaning Machines Co., Ltd. and Anhui Rongen Environmental Protection Technology Co., Ltd. are recorded for EUR 12,193 in January 2019. This amount is amortized on a straight-line basis over 13 years since we expect to earn the benefits over at least 13 years.
- The customers lists from IPC Cleaning S.p.A. and its subsidiaries (IPC group) are recorded for EUR 115,000 in April 2017. This amount is amortized on an accelerated basis over 15 years since we expect to earn the benefits over at least 15 years with more value out of the intangible assets in the earlier part of their life.

Trade names

- The trade name from Hefei Gaomei Cleaning Machines Co., Ltd. is recorded for EUR 1,345 in January 2019. This amount is amortized on a straight-line basis over 15 years since we expect to earn the benefits over at least 15 years.
- The trade name from Anhui Rongen Environmental Protection Technology Co., Ltd. is recorded for EUR 243 in January 2019. This amount is amortized on a straight-line basis over 10 years since we expect to earn the benefits over at least 10 years.
- The trade names for IPC Cleaning S.p.A and its subsidiaries (IPC Group) are recorded for EUR 25,000 in April 2017. This amount is amortized on a straight-line basis over 10 years since we expect to earn the benefits over at least 10 years.

Technology

- The technology for IPC Cleaning S.p.A and its subsidiaries (IPC Group) is recorded for EUR 9,371 in April 2017. This amount is amortized on an accelerated basis over 10 years since we expect to earn the benefits over at least 10 years with more value out of the intangible assets in the earlier part of their life.

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2. Tangible fixed assets

Movements in tangible fixed assets were as follows:

	Land and buildings	Machinery and equipment	Other fixed operating assets	Assets under construc-tion	Total
Balance at January 1, 2021					
Purchase price	50,779	71,700	4,778	1,622	128,879
Accumulated depreciation and impairments	-14,762	-42,736	-3,876	-	-61,374
Carrying amount at January 1, 2021	36,017	28,964	902	1,622	67,505
Changes in carrying amount:					
Depreciation	-2,484	-11,615	-397	-	-14,496
Investments	882	16,329	743	1,945	19,899
Carrying amount of disposals	-15	-3,203	-	-120	-3,338
Translation differences	23	368	-	1	392
Transfer to fixed assets ready	-	1,831	-	-1,831	-
Balance	-1,594	3,710	346	-5	2,457
Balance at December 31, 2021					
Purchase price	51,035	76,729	2,983	1,617	132,364
Accumulated depreciation and impairments	-16,612	-44,055	-1,735	-	-62,402
Carrying amount at December 31, 2021	34,423	32,674	1,248	1,617	69,962

Note that the purchase price and accumulated depreciation line items include accumulated translation differences.

Land and buildings mainly relate to the production plants located in the Netherlands and Italy. Machinery and equipment mainly relate to the fixed assets used in the production cycle.

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3. Financial fixed assets

Movements in financial fixed assets were as follows:

	Accounts receivable from affiliated companies	Accounts receivable from third parties	Other recei-vables	Deferred tax assets	Invest-ment in joint venture	Other Invest ments	Total
Carrying amount at January 1, 2021	5,756	669	2,869	9,118	-	156	18,568
Changes in carrying amount:							
Share in result of joint venture	-	-	-	-	-87	-	-87
Reclassification to / from Current Assets	-389	-	-687	-	-	-	-1,076
Additions	-	-	2,206	-	-	68	2,274
Repayments	-	-118	-1,392	-	-	-	-1,510
Utilization	-	-	-	-1,186	-	-	-1,186
Recognition of prior unrecognised tax asset	-	-	-	2,881	-	-	2,881
Write-off	-87	-	-	-	87	-	-
Translation difference	-	-2	-57	-	-	-	-59
Movements	-476	-120	70	1,695	-	68	1,237
Carrying amount at December 31, 2021	5,280	549	2,939	10,813	-	224	19,805

Note that the cost price and accumulated depreciation line items include accumulated translation differences. For the initial EUR purchase values, refer to notes below.

Accounts receivable from affiliated companies

The financial fixed assets related to affiliated companies are long-term loans:

- Loan Sociedade Alfa Ltda: EUR 775, Interest 3.5%, paid periodically. The loan is fully repayable at maturity date 31 January 2024;
- Loan Sociedade Alfa Ltda: EUR 900, Interest 3.5%, paid periodically. The loan is fully repayable at maturity date 31 January 2024;
- Loan to Sociedade Alfa Ltda: EUR 3,605, Interest 3.5%, paid periodically. The loan is fully repayable at maturity date 31 January 2024;

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- Loan to the Joint Venture I-Team North America B.V with the principal amount of $1,500K (EUR 1,319K), Interest 5%, paid at the end of each quarter. The loan is fully repayable at maturity date February 28, 2022. As at 28 February 2022 the original loan agreement has been renewed and rollforwards the old loan of $1,500K, Interest 5%, paid periodically. The loan is fully repayable at maturity date 31 December 2022.

	Sociada de Alfa Ltda	Joint Venture I-Team North America B.V.	Total
Book value at January 1, 2021	5,280	476	5,756
Reclassification to Current Assets	-	-389	-389
Interest	-	-	-
Repayment	-	-	-
Write-off	-	-87	-87
Translation difference	-	-	-
Book value at December 31, 2021	5,280	-	5,280

Accounts receivable from third parties

The financial fixed assets to third parties are related to long-term loans provided:

- Loan to Clean Machine I Falkenberg AB per 11 January 2019: EUR 395, Interest 1-month Euribor + 2.5%, paid periodically. The loan shall be repaid in twenty-four equal monthly installments after five years till maturity date 31 December 2025;
- Loan to Clean Machine Holding AB per 11 January 2019: EUR 590, Interest 2%, paid periodically. The loan shall be repaid in twenty equal quarterly installments for five years till maturity date 31 December 2023.

Other receivables

There are no specific conditions or interest calculated for the deposits. All other receivables are due within one year.

Deferred tax assets

Deferred tax assets are recognized for the expected future tax consequences of temporary differences between the book and tax bases of existing assets. Included are deferred tax assets which primarily relate to net operating loss carryforwards. As at 31 December 2021, Tennant GmbH & Co. KG had net operating loss carryforwards of EUR 14,947 (31 December 2020: EUR 15,739) which have no expiration date. We have recognized the full tax benefit for these loss carryovers as we expect to fully utilize the losses in the future.

As of 31 December 2021, the tax loss carry-forward related to the Dutch fiscal unity was EUR 12,573 (2020: EUR 18,018). As a result of a Dutch tax law change in 2021 which now allows for an unlimited net

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operating loss carryover period, we released the prior year valuation allowance of EUR 11,524 and have recognized the full tax benefit for the loss carryovers as we expect to fully utilize the losses in the future.

Movements in unrecognized tax assets during the reporting period can be specified as follows:

	2021	2020
Balance as at January 1, 2021	4,045	3,793
Additional fiscal losses	-	-
Used fiscal losses	-	-
Changes in tax rates	-	380
Recognition of prior unrecognized tax assets	-2,881	-
Revised estimates	-	-128
Balance as at December 31, 2021	1,164	4,045

Investment in joint venture

The investment in joint venture relates to:

Joint venture	Statutory residence	Share of issued capital
I-Team North America B.V.	Eindhoven, The Netherlands	50%

In this joint venture, the Company is entitled to 50% of the profits.

The book value of this investment was EUR -87 per December 31, 2021. The deficit was deducted from the Loan to I-Team North America B.V.

4. Inventories

	2021	2020
Finished goods and consumables	46,510	42,855
Raw materials	42,065	26,850
Goods in transit	8,255	5,236
Semi-finished goods	1,309	4,512
Payments in advance	595	676
Provision for obsolete inventories	-9,995	-10,431
	88,739	69,698

The cost of inventories that was recognized as an expense in the profit and loss account during the financial year, amounts to EUR 180,349 (2020: EUR 140,642).

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The movements in the provision for obsolescence (i.e., write-down to lower net realizable value) are as follows:

	2021	2020
Balance at 1 January	-10,431	-11,103
Addition, charged to the profit and loss account	-2,265	-2,001
Write-offs charged against the provision	2,304	2,484
Translation differences	397	189
Balance at 31 December	-9,995	-10,431

The carrying amount of inventories that are valued at lower net realizable value amounts to EUR 18,815 (2020: EUR 18,656).

5. Trade and other receivables

	2021	2020
Trade receivables	72,634	70,658
Affiliated companies	6,347	1,838
Taxes and social securities	4,984	2,107
Prepaid expenses	1,516	1,387
Current portion of third party loans	118	118
Other receivables	1,495	2,076
	87,094	78,184

All trade and other receivables are due within one year. The carrying values of the recognized receivables approximate their respective fair values, given the short maturities of the positions and the fact that allowances for doubtful debts have been recognized, if necessary.

Trade receivables

	2021	2020
Amortized cost of outstanding receivables	77,939	75,746
Less: Provision for bad debts	-5,305	-5,088
	72,634	70,658

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6. Cash and cash equivalents

	2021	2020
Cash funds	70,581	54,831
Restricted cash	482	274
	71,063	55,105

7. Current liabilities

Affiliated companies

All debts to affiliated companies are due within one year. There are no specific conditions or interest calculated for the debts to affiliated companies.

Debts to shareholders/ participants

The amount of debts to shareholders of EUR 174,764 (2020: EUR 33,348) consists of the current portion of the EUR 150,000 loan and the trade payable position of EUR 24,764 (2020: EUR 33,348) Tennant Company, Minneapolis, U.S.A.

The loan has a fixed interest rate of 4.80% and is fully repayable at maturity date 5 April 2022. The interest rate of the trade payable position is 1.00%. There is no repayment scheme agreed upon.

Accounts payable to suppliers and trade creditors

All accounts payable to suppliers and trade creditors are due within one year.

Taxes and social securities

	2021	2020
Wage tax	3,948	3,979
Value-added tax	3,087	2,887
Corporate income tax	4,835	-
Social security contributions	1,516	1,287
Other taxes	54	1,276
	13,440	9,429

All taxes and social securities are due within one year.

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Accrued and other liabilities

	2021	2020
Accrued holiday allowance	6,041	5,912
Accrued bonuses and commissions staff	5,519	3,300
Accrued rebates	5,173	3,841
Deferred revenue	2,600	2,775
Accrued residual value loss	138	224
Customer advance	229	219
Accrued freight	240	95
Other liabilities and accruals	7,848	7,933
	27,788	24,299

The other liabilities and accruals of EUR 7,848 mainly relate to accrued operating expenses, such as freight, sales- and marketing expenses and consultancy fees.

All accrued and other liabilities are due within one year.

8. Non-current liabilities

	2021	2020
Debts to affiliated companies	-	150,000
Other non-current liabilities	2,071	1,956
	2,071	151,956

Debts to affiliated companies

With the acquisition of the IPC Group, the Company became the holder of a loan of EUR 150,000 with Tennant Company. The interest rate is 4.8%. This is a fixed rate and is not dependent on market risk factors. The loan and interest are fully repayable at maturity date 5 April 2022.

As at 5 April 2022 the loan of EUR 150,000 has been refinanced with two new loan agreements of respectively EUR 75,000 (interest rate is 3.0%, fully repayable at maturity date 5 April 2027) and EUR 7,000 (interest rate is Euribor 3 months + 0.5%, fully repayable at maturity date 30 April 2025). The remaining part of EUR 68,000 has been redeemed as at 5 April 2022 by cash payments and transfer of notes to Tennant Company.

The fair value and book value of the long-term loan do not differ significantly.

Movements were as follows:

Balance as at 1 January 2021	150,000
Reclassification to current liabilities	-150,000
Balance as at December 31, 2021	-

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Other non-current liabilities

Movements were as follows:

Balance as at 1 January 2021	1,956
Additions	533
Repayments	-374
Translation difference	-44
Balance as at December 31, 2021	2,071

These represent financial arrangements that bear interest between 1.43% - 4.54% per annum. The amount repayable within 1 year is EUR 763.

The fair value and book value of the long-term loan do not differ significantly.

Of the debts mentioned above, an amount of EUR 0 has a remaining term of more than five years (2020: EUR 0).

9. Provisions

	Pensions	Other Employee Provisions	Warranty	Restruc-turing	Deferred tax liability	Uncertain tax positions	Total
Balance January 1, 2021	4,482	1,357	2,142	639	28,110	7,739	44,469
Allocations	66	29	2,332	2,351	-	-	4,778
Usage	-366	-114	-2,442	-2,339	-	-2,621	-7,882
Release	-	-	-	-	-11,997	-	-11,997
Accrued interest	12	-	-	-	-	-	12
Translation differences	-	-	-10	-	-	-	-10
Balance December 31, 2021	4,194	1,272	2,022	651	16,113	5,118	29,370

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Pensions

	German Pension Plan	Italian Pension Plan	Total
Balance January 1, 2021	973	3,509	4,482
Provisions made during the year	11	55	66
Provisions used during the year	-35	-331	-366
Accrued interest	10	2	12
Translation differences	-	-	-
Balance December 31, 2021	959	3,235	4,194

German pension plan

The pension provision contains the provision for the pension commitments to the employees of Tennant GmbH & Co. KG.

The provision for pensions is essentially long term by nature. An amount of EUR 36 is due within one year.

Tennant has defined benefit pension plan for employees in Germany. The plan is based primarily on years of service and employees' compensation. The funding policy for the plan is consistent with local requirements in Germany.

Obligations under the defined benefit plans are systematically provided for by depositing funds with trustees or separate foundations, under insurance policies, or by balance sheet provisions.

Valuations of the obligations under the pension plans are carried out by independent actuaries.

Defined benefit obligation

	2021	2020
Benefit obligation at beginning of year	973	886
Interest cost	10	11
Actuarial loss	11	109
Benefits paid	-35	-33
Benefit obligation at end of year	959	973

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Plan assets

	2021	2020
Fair value of plan assets at beginning of year	-	-
Actual return on assets	-	-
Employer contributions	35	33
Plan participants' contributions	-	-
Other changes	-	-
Benefits paid	-35	-33
Fair value of plan assets at end of year	-	-
Funded status	**959**	**973**

Amounts recognized in the Consolidated Balance Sheet consist of:

Provisions	959	973

Amounts recognized in accumulated other comprehensive income consist of:

Net actuarial loss	284	395
Tax	-80	-111
Accumulated other comprehensive income	204	284

The net periodic pension costs for the defined benefit pension plans were as follows:

	2021	2020
Service cost	-	-
Interest cost	10	11
Expected return on assets	-	-
Amortization of unrecognized losses	14	10
Net periodic pension cost	24	21

The weighted average assumptions for the German pension plan underlying the computations were:

	2021	2020
Discount rate	1.30%	1.00%
Mortality tables	Richttafeln 2018 G	Richttafeln 2018 G
Expected long-term rate of return	N/A	N/A
Salary increases	N/A	N/A

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The discount rate is used to discount future benefit obligations back to today's euros. Our discount rate reflects the yield on high quality corporate bonds available at the valuation date with maturities and currency matching the pension obligation. The resulting discount rate is consistent with the duration of plan liabilities.

The German pension plan is related to former employees; therefore, no salary increase is taken into account. The benefit obligation is calculated in accordance with the Richttafeln 2018 G of Klaus Heubeck. The measurement date is December 31st.

The following benefit payments, which take into account the effect of future service, are expected to be paid:

	Germany
2022	36
2023	40
2024	41
2025	42
2026	44
2027-2031	217

Italian pension plan

For calculating the financial statement items related to employee severance indemnity, the Company used an independent actuary who determined its value referring to Italian Law no. 296 of 27 December 2006, using the calculation instructions provided by the National Association of Actuaries and by the Italian Accounting Body (OIC, Organismo Italiano di Contabilità) as well as based on the following main assumptions:

- Mortality;
- Disability;
- Termination of relationship with company (resignation or dismissal);
- Requests for advances;
- Trends of real purchasing power of money;

In particular, on the basis of abovementioned real data the following assumptions were adopted in accordance with the Company:

- Annual probability of removal for death: IPS55 (Italian life tables of the resident population - 2019 (gender specific) were used;
- Other causes of removal were obtained through appropriate equalizations of the historical data of the assessed companies;
- Annual probability of request for advances on employee severance indemnity: assumed to be inside the range of 4.2% - 5.6%;
- Annual inflation rate 1.75%;
- Discount rate 1.00%.

The actuarial profit for the period was recognized in equity net of related tax effects, whereas the values related to the discounting of the payable were recognized in profit or loss under the item Other financial costs.

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Dutch pension plan

The employees in the Netherlands have a pension scheme which is administered by PME, Pensioenfonds van de Metalektro. The pension scheme is a conditionally indexed average-salary scheme. Entitlements and rights granted are only indexed (adjusted in line with increase in prices) if and to the extent that the pension provider has sufficient resources and has decided accordingly. The board may decide to reduce the entitlements if the pension provider's position so dictates.

The pension scheme is classified as a defined-benefit agreement under the Pensions Act and is accounted for as if it were a defined contribution plan, as stated in the accounting policies.

The premium for the mandatory pension scheme is fixed for an eight-year period, i.e. the period January 1, 2015 to December 31, 2022.

The main arrangements in the agreement are:

- Indexation does not result in a change in contributions;
- The funding ratio for PME requires a minimum of 118.5%. For the years that the funding ratio is below this percentage, PME has a recovery plan in place until 2029. The actual funding ratio in 2021 is 103.2%;
- During the period that the recovery plan is in place, a funding ratio of 104.3% for a minimum duration of five years is required. A lower funding ratio does not lead to increase of contributions or additional obligations;
- The total contribution in 2021 is 27.59% of pensionable salary. The employer contribution is 16.7%.

Other employee provisions

	Provision for agents' leaving indemnities	Provisions for indemnities "Fin de Carriere"	Total
Balance January 1, 2021	385	972	1,357
Provisions made during the year	29	-	29
Provisions used during the year	-7	-107	-114
Translation differences	-	-	-
Balance December 31, 2021	407	865	1,272

Provision for agents' leaving indemnities

The provision for agents' leaving indemnities includes provisions, made by the Italian companies of the Group (IP Cleaning Srl and IPC Tools SpA), against future payables with regard to sales agents for retirement pensions.

Provision for indemnities "Fin de Carriere"

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The provision is entitled as an end-of-career indemnity and relates to the French entities of the Group (Tennant S.A. and Interclean Assistance ICA S.A). The calculation is based on the average gross monthly salary for the 12 months preceding the date of retirement or termination of the employment contract. The calculation is performed by Société GDE.

Warranty

The provision for warranties relates to legal and contractual warranty liabilities that arise as a result of sold products and services performed, not complying with contract quality conditions. The provision is based on estimates made from historical warranty data associated with similar products and services. The maximum warranty period for machines and parts is 2 years.

Deferred tax liability

The releases of EUR 11,997 includes release to Italian tax base step-up of EUR 7,611 and other movements of EUR 4,386. Regarding the Italian tax base step-up, pursuant to Art. 110 of Decree-Law No. 104 of 14 August 2020 (Italian tax authorities), converted, as amended, by Law No. 126 of 13 October 2020 and supplemented by Law No. 234 of 30 December 2021, the Company opted to realign the statutory and tax values of goodwill and intangible assets recorded under the items "Patent rights, trademarks and intellectual property rights" and "Concessions, licences and similar" resulting from the financial statements at 31 December 2020, for EUR 94,845, EUR 13,325 and EUR 2,672, respectively.

These values had originated in the process of allocation of the reverse merger deficit by incorporation of Tennant Holding Italy S.r.l. The realignment is recognised for tax purposes as from the financial year 2021, through the payment of a substitute tax for IRES and IRAP in the amount of 3% of the realigned value, to be paid in a maximum of three equal annual instalments. The total amount of the substitute tax to be paid was therefore equal to EUR 3,325. The exercise of this option took place after the approval of the 2020 financial statements, paying the first instalment of the IRES and IRAP substitute tax, amounting to EUR 1,108 on 30 July 2021 and completing the appropriate section of the tax return for the 2020 tax year.

The substitute tax related to the realignment of the intangibles recorded in the items "Patent rights, trademarks and intellectual property" and "Concessions, licenses and similar", equal to EUR 3,325, was charged to the income statement together with the release of the deferred tax liabilities (EUR 7,611) allocated on these realigned activities for EUR 4,286.

Uncertain tax positions

As part of the acquisition of Gaomei and the IPC Group, certain tax liability positions were acquired. These tax positions are of a certain uncertainty in nature. It is probable that the tax treatment of this positions will be sustained upon examination.

Restructuring

During the year a restructuring provision was formed and partially used to cover the costs for redundancy and outplacement. Only for the entities Tennant S.A. (EUR 390), Tennant GmbH & Co. KG (EUR 81), Tennant Europe N.V. (EUR 9), IP Gansow GmbH (EUR 28) and Interclean Assistance ICA S.A. (EUR 143) a restructuring provision was recorded per year-end.

The restructuring provision is due within one year.

10. Group equity

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Share of the legal entity in the group equity

For the notes regarding the Shareholders Equity in the group equity we refer to note 19. The guaranteed equity comprises group equity. There are no subordinated loans.

Third-party share in group equity

The movements during the financial year are as follows:

	2021	2020
Balance at 1 January	1,164	1,253
Addition, charged to the profit and loss account	-5	-
Other movements	27	-89
Balance at 31 December	1,186	1,164

Off- balance sheet assets and liabilities

Claims

Our global operations are subject to laws and regulations that impose significant compliance costs and create reputational and legal risk. Due to the international scope of our operations, we are subject to a complex system of commercial, tax and trade regulations around the world. Despite our due diligence, there is a risk that we do not have adequate resources or comprehensive processes to stay current on changes in laws or regulations applicable to us worldwide and maintain compliance with those changes.

In the ordinary course of business, we may become liable with respect to pending and threatened litigation, tax, environmental and other matters. While the ultimate results of current claims, investigations and lawsuits involving us are unknown at this time, we do not expect that these matters will have a material adverse effect on our consolidated financial position or results of operations. Legal costs associated with such matters are expensed as incurred.

Long-term financial commitments

The Group has long-term rental commitments. The operating leasing costs are recognized on a straight-line basis in the profit and loss account over the lease period. At the end of 2021 the remaining term can be specified as follows:

	< 1 Year	1 – 5 Year	> 5 Years
As at 31 December 2021	8,822	16,518	1,439

The short-term commitments relate to car lease EUR 3,634, building lease EUR 4,712 and other lease EUR 476. The lease expenses in 2021 amounted to EUR 9,348.

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Guarantees

At balance sheet date the following commitments that are not recorded on the balance sheet are applicable:

A commitment of GBP 1,171 (EUR 1,394) not recorded in the balance sheet relating to a guarantee issued in favor of the British subsidiary Vaclensa PLC. The guarantee relates to the lease agreement where the Company has its registered office.

A current account overdraft facility of EUR 5,000 is applicable for Tennant NV. The credit facility is an uncommitted daily recoverable facility with an unspecified term. Any unauthorized excess of the contractual amounts leads to an interest of 2% per year over the excess amounts. As per December 31, 2021 the credit facility is not in use.

Pledges of shares and interests

Tennant Company has entered into a deed of pledge on registered shares in the capital of the Company in connection with its Credit Agreement dated April 4, 2017 with JPMorgan Chase, N.A. Pursuant to the Pledge Agreement, Tennant Company has agreed to grant a first priority right of pledge over certain shares of the Company. JPMorgan Chase, NA currently holds the shares, which consist of 49,890 shares with a nominal value of EUR 100 each, representing 65% of the total issued and outstanding shares of the Company.

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Income Statement

11. Net turnover

The Group operates in various geographical areas. The breakdown of net turnover is as follows:

	2021	2020
France	57,142	47,988
North America	49,082	31,707
Germany	43,189	39,542
Italy	31,900	27,745
Spain	27,932	24,611
United Kingdom	25,890	19,174
China	24,323	14,853
Australia	23,488	19,544
Rest of Asia	17,350	15,202
The Netherlands	15,720	13,450
Norway	12,768	10,417
Japan	12,579	12,274
Rest of Europe	12,576	10,478
Austria	11,580	9,504
Belgium	9,545	7,374
Brazil	8,007	6,965
Portugal	4,666	4,245
Sweden	4,338	3,447
Switzerland	3,029	2,766
Africa	2,938	2,435
Russia	2,865	3,805
New Zealand	1,768	1,620
Denmark	1,407	1,475
South America	1,336	858
	405,418	331,479

Net turnover product segmentation:

	2021	2020
Machines sales	276,689	228,250
Service	47,410	44,028
Parts sales	63,041	44,064
Rental service	18,278	15,137
	405,418	331,479

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12. Salaries, wages and social charges

	2021	2020
Wages and salaries	79,986	75,884
Social charges	19,609	17,658
Pension costs	3,545	3,545
	103,140	97,087

Further, the operating expenses include an amount of EUR 2,351 (2020: EUR 4,310) related to the restructuring expenses.

Personnel

The breakdown of the average number of personnel denominated in FTE employed by the Group, allocated to the main departments, is as follows:

	2021	2020
Production	822	817
Selling	898	916
General	281	345
	2,001	2,078

The breakdown of the average number of personnel denominated in FTE employed by the Group is as follows:

	2021	2020
The Netherlands	226	237
Rest of Europe	1,240	1,259
Outside Europe	535	582
	2,001	2,078

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13. Amortization and depreciation

Amortization and depreciation is reported in the following reporting lines the consolidated income statement:

	2021	2020
Cost of sales - Depreciation	14,496	14,534
General and administrative expenses - Amortization	24,098	25,820
	38,594	40,354

For more details we refer to the notes of the intangible and tangible fixed assets.

14. Interest income and similar income

	2021	2020
Interest income from third parties	294	532
Interest income from affiliated companies	317	405
Gain on sale of subsidiaries	4,805	-
	5,416	937

The gain on sale of subsidiaries of EUR 4,892 relates to the sale of subsidiary IPC Eagle Corporation to Tennant Company as of 31 December 2021.

15. Interest expenses and similar charges

	2021	2020
Interest expenses to third parties	-30	-533
Interest expense to affiliated companies	-7,407	-7,637
Currency exchange rate differences	-26	-4,969
	-7,463	-13,139

The interest expense to affiliated companies mainly consists of EUR 7,200 of interest expenses due to the loan between the Group and Tennant Company.

16. Tax on result

The Company forms a fiscal unity for corporate income tax purposes together with the Dutch group companies. Each of the companies recognizes the portion of corporate income tax that the relevant company would owe as an independent tax payer, taking into account the tax facilities applicable to the company. During 2021, the Dutch tax law was changed allowing for an unlimited loss carryforward period. As a result, the Company has now fully valued the remaining loss carryovers. The total value of this carry forward loss was EUR 12,573 (2020: EUR 18,018).

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For the disclosure on deferred tax assets refer to Note 3 Financial Fixed Assets. The income tax expense furthermore includes the tax effect of the Italy Tax Basis Step-up. The rational regarding this movement is disclosed in disclosure note 9, page 50 deferred tax liability.

The major components of the tax charge are as follows:

	2021	**2020**
Tax liability for current financial year	-8,526	-3,411
Movement in temporary differences	13,692	6,384
Adjustment of prior periods	395	129
Income tax (expense)/income	5,561	3,102

The tax income recognized in the profit and loss account for 2021 amounts to EUR 5,561 or 41.8% of the result before tax (2020: tax income EUR 3,102 or 17.1%). The numerical reconciliation between the applicable and the effective income tax rate is as follows (in EUR):

	2021	**2020**
Result before tax	13,249	-18,148
Income tax using the applicable tax rate in the Netherlands	-3,048	4,537
Tax effect of:		
Non-deductible Goodwill amortization	-2,061	-2,174
Effect of foreign operations	1,818	-136
Italy Tax Basis Step-Up	4,386	-
Participation Exemption on Sale of Subsidiaries	1,201	-
Effect of deferred rate change	100	755
Recognition of prior unrecognized tax assets	2,879	-9
Adjustment of prior periods	295	129
Other	-9	-
Tax income (expense)	5,561	3,102

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The numerical reconciliation between the applicable and the effective income tax rate is as follows (in percentages):

	2021	2020
Tax at statutory rate (applicable tax rate in the Netherlands)	25.0%	25.0%
Increases (decreases) in the tax rate from:		
Nondeductible Goodwill amortization	20.7%	-12.0%
Effect of foreign operations	-14.9%	-0.7%
Italy Tax Basis Step-Up	-35.2%	-
Participation Exemption on Sale of Subsidiaries	-9.9%	-
Effect of deferred rate change	-0.8%	4.2%
Recognition of prior unrecognized tax assets	-23.6%	-0.1%
Adjustment of prior periods	-3.2%	0.7%
Other	0.1%	0.0%
Effective income tax rate	-41.8%	17.1%

17. Related party transactions

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the Company. This includes, amongst others, the relationship between the Company and its subsidiaries, shareholders, directors and key management personnel. Transactions are transfers of resources, services or obligations, regardless whether anything has been charged.

As part of its ordinary activities, the Company buys and sells goods and services from and to joint ventures and from and to participating interests in which significant influence can be exercised. Generally, these transactions are conducted on a commercial basis under comparable conditions that apply to transactions with third parties.

In 2021 the purchases of goods from related parties amounted to EUR 31,929 (2020: EUR 14,196) and the sales of goods to related parties amounted to EUR 42,969 (2020: EUR 12,868).

As at 31 December 2021, the long-term assets from related parties amounted to EUR 5,280 whereas the long-term amounts owed to related parties amounted to EUR 0. As at 31 December 2021, the accounts receivable from related parties amounted to EUR 6,347 whereas the amounts owed to related parties amounted to EUR 181,889.

The Board of Directors consists of 3 members (2020: 3). For 2 of the 3 members, the remuneration is paid by Tennant Company. This is not considered at arm's length since no costs are charged for the services provided. Further information on remuneration of the Board of Directors is disclosed under note 25 of the company-only financial statements.

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Subsequent events

Project Florence

Following the acquisition of the IPC Group, the company has undertaken various actions to integrate the legacy Tennant and IPC businesses in countries which have joint operations. The company has also taken steps to optimize its capital structure and refinance various intercompany debts. During 2022 up until the date of this report, several steps were executed pursuant to that plan;

- The sale of Vaclensa Ltd. by IP Cleaning Srl to Tennant UK Cleaning Solutions Ltd., the sale of IP Industria e Commercio Ltda by IP Cleaning Srl and IPC Tools SpA to Tennant SA Holdings LLC.
- The merger of Interclean Assistance ICA and Tennant S.A.
- The merger of IP Gansow and Tennant KG GMBH
- The refinancing of the 150 million intercompany loan payable owed to Tennant Company through a combination of new loans, cash on hand, and note receivables from related parties (see Footnote 8 for description of new loans); and
- A capital contribution to share premium from Tennant Company comprised of various intercompany notes receivable.

Ukraine war uncertainty

The crisis in Russia and Ukraine that began in February 2022 continues as of the date of this report. While we do not have any direct operations or employees in Russia or Ukraine and have suspended sales to Russia and Belarus, our operating results have and may continue to be negatively impacted by supply chain constraints and inflationary pressures stemming from this conflict. In addition to fully adhering to all sanctions, we will continue to monitor developments in the region. Sales to Russia and Belarus represented less than 1% of consolidated net sales and less than 2% of Europe, Middle East and Africa net sales for the year ended December 31, 2021.

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Company financial statements

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Tennant Holding B.V. Company Balance Sheet as at December 31, 2021
(Before appropriation of net result)

In thousands of Euros	2021	2020
Fixed assets		
Financial fixed assets (18)	240,098	218,260
Total assets less current liabilities	**240,098**	**218,260**
Issued capital	7,676	7,676
Share premium	231,890	231,890
Legal reserve	456	456
Foreign currency translation reserve	-1,466	-4,516
Other reserves	-16,878	-7,549
Accumulated other comprehensive income / (loss)	-390	-368
Unappropriated profit/ (loss)	18,810	-9,329
Shareholder's equity (19)	**240,098**	**218,260**

The notes on pages 62 to 68 are an integral part of these consolidated financial statements.

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Tennant Holding B.V. Company profit and loss account for the year ended December 31, 2021

In thousands of Euros	2021	2020
Share of result of participating interests after taxes (23)	18,810	-15,046
Other income and expenses after tax	-	-
Net result	**18,810**	**-15,046**

The notes on pages 62 to 68 are an integral part of these consolidated financial statements.

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Notes to the Tennant Holding B.V. 2021 Company Financial Statements

General

For the company profit and loss account, use has been made of the exemption pursuant to Section 2:402 of the Netherlands Civil Code. The financial information of the Company is included in the Company's consolidated financial statements. In so far as no further explanation is provided of items in the company balance sheet and the company profit and loss account, please refer to the notes to the consolidated balance sheet and profit and loss account.

Accounting policies

The principles for the valuation of assets and liabilities and the determination of the result are the same as those applied to the consolidated profit and loss account, with the exception of the following principles:

Financial instruments

In the company financial statements, financial instruments are presented on the basis of their legal form.

Participating interests in group companies

Participating interests in group companies are accounted for in the company financial statements according to the equity accounting method on the basis of net asset value. For details we refer to the accounting policy for financial fixed assets in the consolidated financial statements.

Share of result of participating interests

This item concerns the Company's share of the profit or loss of these participating interests. Results on transactions involving the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves, are eliminated to the extent that they can be considered as not realized.

18. Financial fixed assets

The movements in financial fixed assets are as follows:

	2021	**2020**
Balance at January 1	218,260	235,217
Adjustment related to SFAS No, 158	-22	-156
Share of results from participations	18,810	-15,046
Translation differences	3,050	-1,755
Balance at December 31	240,098	218,260

Financial fixed assets only reflect investments in Participating interests in group companies and Other participating interests.

The Company is severally liable for liabilities resulting from legal acts of her Dutch subsidiaries (Tennant Netherland Holding B.V., Tennant NL B.V., Tennant International Holding B.V., Tennant N.V., Tennant

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Europe B.V., Hofmans Machinefabriek en Constructiebedrijf B.V.) as stipulated in article 403, paragraph 1, subparagraph f of Title 9 of The Netherlands Civil Code, Book 2.

The Company in Industrielaan 6, Uden, The Netherlands is at the head of the group and has the following capital interests:

Consolidated participating interests:	Statutory residence:	Share of issued capital
Tennant Netherland Holding B.V.	Uden, The Netherlands	100%
Tennant NL B.V.	Uden, The Netherlands	100%
Tennant International Holding B.V.	Uden, The Netherlands	100%
Tennant N.V.	Uden, The Netherlands	100%
Tennant Europe B.V.	Uden, The Netherlands	100%
Tennant GmbH & Co. KG	Kirchheim, Germany	100%
Tennant Verwaltungsgesellschaft mbH	Kirchheim, Germany	100%
Hofmans Machinefabriek en Constructiebedrijf B.V.	Uden, The Netherlands	100%
Tennant Sverige AB	Stockholm, Sweden	100%
Tennant Australia Pty Limited	Regents Park, Australia	100%
Tennant S.A.	Villepinte, France	100%
Tennant Sales & Services Spain S.A.	Madrid, Spain	100%
Tennant Portugal – Equipamentos de Limpeza, Sociedade Unipessoal, L.da	Lisboa, Portugal	100%
Tennant Europe N.V.	Antwerp, Belgium	100%
Tennant Cleaning Systems India Private Limited	New Delhi, India	100%
Tennant Ventas & Servicios de Mexico, S.A. de C.V.	Mexico City, Mexico	100%
Tennant Company Japan Ltd	Yokohama, Japan	100%
Tennant Cleaning Solutions Ireland Limited	Dublin, Ireland	100%
Hefei Gaomei Cleaning Machines Co., Ltd	Hefei, China	100%
Anhui Rongen Environmental Protection Technology Co., Ltd	Hefei, China	99%
IP Cleaning Srl	Portogruaro (VE), Italy	100%
IPC Tools SpA	Cittadella (PD), Italy	100%
IP Gansow GmbH	Unna, Germany	100%
Interclean Assistance ICA S.A.	Epone, France	100%
IP Cleaning España S.L.	Vilassar De Dalt, Spain	100%
Foma Norge AS	Langhus, Norway	99.91%
IP Cleaning Sverige AB	Bengtsfors, Sweden	99.91%
IP Cleaning India Pvt. Ltd.	New Delhi, India	99.99%
IP Cleaning Industria e Commercio Ltda	Pinhais, Brazil	100%
Soteco Benelux B.V.B.A.	Wommelgem, Belgium	100%
IPC Euromop Iberica S.L.	Barcelona, Spain	51%
CT Corporation Ltd.	Fo Shan, PRC	80%
Vaclensa Plc	Manchester, UK	100%

Joint venture (not consolidated):

I-Team North America B.V.	Eindhoven, The Netherlands	50%

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19. Shareholder's equity

The movements in Shareholder's equity are as follows:

	Issued capital	Share premium	Legal reserve	Foreign currency translation reserve	Other reserves	Accumulated other comprehensive income / (loss)	Unappropriated result	Total
As at January 1, 2021	7,676	231,890	456	-4,516	-7,549	-368	-9,329	218,260
Result appropriation 2019	-	-	-	-	5,717	-	-5,717	-
Result appropriation 2020	-	-	-	-	-15,046	-	15,046	-
Result 2021	-	-	-	-	-	-	18,810	18,810
Adjustment related to SFAS No, 158 adoption	-	-	-	-	-	-22	-	-22
Translation differences	-	-	-	3,050	-	-	-	3,050
As at December 31, 2021	7,676	231,890	456	-1,466	-16,878	-390	18,810	240,098

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	Issued capital	Share premium	Legal reserve	Foreign currency translation reserve	Other reserves	Accumulated other comprehensive income / (loss)	Unappropriated result	Total
As at January 1, 2020	7,676	241,338	456	-2,761	-7,549	-212	-3,731	235,217
Result appropriation 2019	-	-9,448	-	-	-	-	9,448	-
Result 2020	-	-	-	-	-	-	-15,046	-15,046
Adjustment related to SFAS No, 158 adoption	-	-		-	-	-156	-	-156
Translation differences	-	-	-	-1,755	-	-	-	-1,755
As at December 31, 2020	7,676	231,890	456	-4,516	-7,549	-368	-9,329	218,260

Issued capital

The Company's authorized capital, amounting to EUR 15 million (2020: EUR 15 million), consists of 150.000 ordinary shares of EUR 100 each, of which 76.755 shares have been issued and fully paid.

Share premium

The share premium concerns the income from the issuing of shares insofar as this exceeds the nominal value of the shares. The share premium reserve can be considered as freely distributable share premium as referred to in the 2001 Income Tax Act.

Legal reserve

The legal reserve relates to a reserve in IP Cleaning Srl that is required by Italian law. Based on DAS 240.229a the legal reserve is required when a participating interest (subsidiary) is restricted from distributing earnings or reserves by law.

Foreign currency translation reserve

Exchange gains and losses arising from the translation of foreign operations from functional to reporting currency are accounted for in this statutory reserve. In the case of the sale of a participating interest, the associated accumulated exchange differences are taken to other reserves.

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Other reserves

The other reserves relate to the retained earnings from previous years.

Accumulated other comprehensive income / (loss)

The accumulated other comprehensive income / loss, net of tax consists of pension benefits. These pension benefits are related to the defined benefit plan for employees in Germany.

Unappropriated result

Appropriation of result of 2020

The financial statements for the reporting year 2020 have been adopted by the General Meeting on January 18, 2022 and the General Meeting has adopted the appropriation of the result as proposed by the Board of Management.

Proposal for result appropriation 2021

At the General Meeting of Shareholders, it will be proposed to approve the following appropriation of the 2021 result after tax: add the result of EUR 18,810 to the other reserves.

20. Financial instruments

There are no specific financial instruments for the Company.

21. Commitments and Contingent Liabilities

The Company is severally liable for liabilities resulting from legal acts of her Dutch subsidiaries as stipulated in article 403, paragraph 1, subparagraph f of Title 9 of The Netherlands Civil Code, Book 2.

Statements to that effect have been/will be filed with the Trade Register of the Chamber of Commerce where these companies are registered. Therefore, no annual accounts have been publicly filed for these subsidiaries.

Tennant Holding B.V. and its Dutch subsidiaries form a fiscal unity. Therefore, each individual entity is jointly and severally liable for the corporate tax liabilities of the fiscal unity. The following method is applied with regard to recharges/allocation of corporate income taxes within the fiscal unity:

All income tax positions, including deferred tax positions, are recognized at each individual company that is part of the fiscal unity for corporate income purposes, as if they were independently liable to pay tax

The tax loss carry-forward which has not been included in the valuation amounts to EUR 0 (2020: EUR 11,524).

22. Employee benefits and number of employees

The Company has no employees in 2021 (2020: 0).

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23. Share of result of participating interests after taxes

This concerns the share of the Company in the results of its participating interests, of which an amount of EUR 18,810 (2020: EUR -15,046) concerns group companies.

The results are calculated based on the accounting principles of the Company.

24. Auditor's fee

The following fees were charged by Deloitte Accountants B.V. to Tennant Holding B.V. including its subsidiaries and other consolidated companies, as referred to in Section 2:382a (1) and (2) of the Netherlands Civil Code.

The fees mentioned in the table for the audit of the financial statements relate to the total invoiced fees in the respective year.

	Deloitte Accountants B.V. 2021	Other Deloitte network 2021	KPMG Accountants N.V. 2021	Other KPMG network 2021	**Total 2021**
Audit of the financial statements	205	169	-	-	**374**
Tax-related advisory services	5	63	-	-	**68**
	210	232	-	-	**442**

	Deloitte Accountants B.V. 2020	Other Deloitte network 2020	KPMG Accountants N.V. 2020	Other KPMG network 2020	**Total 2020**
Audit of the financial statements	15	117	301	170	**603**
Tax-related advisory services	-	47	-	304	**351**
	15	164	301	474	**954**

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25. Remuneration of Board of Directors

The Board of Directors consists of 3 members (2020: 3). For 2 of the 3 members, the remuneration is paid by Tennant Company. No costs are charged to Tennant Holding B.V. for these remunerations. This is not considered at arm's length as disclosed under note 17 Related party transactions of the consolidated financial statements.

For 1 member, the emoluments, including pension costs as referred to in Section 2:383(1) of the Netherlands Civil Code, charged in the financial year to the Company and group companies amounted to EUR 212 (2020: EUR 149).

26. Related party transactions

For related party transactions please refer to the consolidated financial statements.

Subsequent events

For subsequent events please refer to the consolidated financial statements.

Uden, 28 October 2022

Director	Director
Thomas Stueve	Jorge Moonen
Effective date of position per 13 April 2016	Effective date of position per 2 April 2020

Director
Kristin Stokes
Effective date of position per 2 April 2020

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Other Information

Statutory provisions concerning Appropriation of Profit

Under the Articles of Association, the profit remaining after the addition to the reserves is at the disposal of the General Meeting of Shareholders (article 7.5).

Independent Auditor's Report

Refer to the following page for the independent auditor's report.

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Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Tennant Holding B.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2021 INCLUDED IN THE ANNUAL REPORT 2021

Our opinion

We have audited the accompanying financial statements the year ended December 31, 2021 of Tennant Holding B.V., based in Uden, The Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Tennant Holding B.V. as at December 31, 2021, and of its result for the year ended December 31, 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code. The financial statements comprise:

1. The consolidated and company balance sheet as at December 31, 2021.

2. The consolidated and company profit and loss account for the year ended December 31, 2021.

3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Tennant Holding B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of the impact of the Russia/Ukraine-Crisis

The Russia/Ukraine-Crisis also impacts Tennant Holding B.V. Management disclosed the estimated impact on financial performance and health of the entity and her plans to deal with these events or circumstances in the subsequent events section of the financial statements. Our opinion is not modified in respect of this matter.

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Report on the other information included in the annual report 2021

In addition to the financial statements and our auditor's report thereon, the annual report 2021 contain other information.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management Board's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

22106B8056/DD/2

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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.

- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

Eindhoven, October 28, 2022

Deloitte Accountants B.V.

Initials for identification purposes:

I.H.C. van de Kerkhof

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