



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

### Enheten

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

### Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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### Konsern

Morselskap i konsern:	Nei
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### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Sylvain Rottier
Dato for fastsettelse av årsregnskapet:	28.06.2024

### Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 08.07.2025



## Resultatregnskap

Beløp i: NOK	Note	2023	2022
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt		135 441 212	135 759 273
Annen driftsinntekt		25 243	0
<b>Sum inntekter</b>		<b>135 466 455</b>	<b>135 759 273</b>
<b>Kostnader</b>			
Varekostnad		70 600 148	76 136 594
Lønnskostnad		25 025 044	24 176 813
Avskrivning på varige driftsmidler og immaterielle eiendeler		115 872	317 097
Annen driftskostnad		35 108 351	31 256 299
<b>Sum kostnader</b>		<b>130 849 415</b>	<b>131 886 803</b>
<b>Driftsresultat</b>		<b>4 617 040</b>	<b>3 872 470</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		84 448	66 548
Annen finansinntekt		8 908	45 645
<b>Sum finansinntekter</b>		<b>93 356</b>	<b>112 193</b>
Annen rentekostnad		1 140	5 348
Annen finanskostnad		481 155	16 147
<b>Sum finanskostnader</b>		<b>482 295</b>	<b>21 495</b>
<b>Netto finans</b>		<b>-388 939</b>	<b>90 698</b>
<b>Ordinært resultat før skattekostnad</b>		<b>4 228 101</b>	<b>3 963 168</b>
Skattekostnad på ordinært resultat		935 383	878 626
<b>Ordinært resultat etter skattekostnad</b>		<b>3 292 718</b>	<b>3 084 542</b>
<b>Årsresultat</b>		<b>3 292 718</b>	<b>3 084 542</b>
<b>Overføringer og disponeringer</b>			
Avsatt til annen egenkapital		3 292 718	3 084 542
<b>Sum overføringer og disponeringer</b>		<b>3 292 718</b>	<b>3 084 542</b>



## Balanse

Beløp i: NOK	Note	2023	2022
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel		1 886 942	2 438 822
<b>Sum immaterielle eiendeler</b>		<b>1 886 942</b>	<b>2 438 822</b>
<b>Varige driftsmidler</b>			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende		270 874	386 746
<b>Sum varige driftsmidler</b>		<b>270 874</b>	<b>386 746</b>
<b>Sum anleggsmidler</b>		<b>2 157 816</b>	<b>2 825 568</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Lager av varer og annen beholdning		34 271 159	41 908 664
<b>Sum varer</b>		<b>34 271 159</b>	<b>41 908 664</b>
<b>Fordringer</b>			
Kundefordringer		16 423 500	18 878 515
Andre kortsiktige fordringer		355 821	578 666
<b>Sum fordringer</b>		<b>16 779 321</b>	<b>19 457 181</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende		4 836 453	3 465 683
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>4 836 453</b>	<b>3 465 683</b>
<b>Sum omløpsmidler</b>		<b>55 886 933</b>	<b>64 831 528</b>
<b>SUM EIENDELER</b>		<b>58 044 749</b>	<b>67 657 096</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital		26 920 000	26 920 000



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Annen innskutt egenkapital		100 015	100 015
<b>Sum innskutt egenkapital</b>		<b>27 020 015</b>	<b>27 020 015</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		8 370 780	5 078 062
<b>Sum opptjent egenkapital</b>		<b>8 370 780</b>	<b>5 078 062</b>
<b>Sum egenkapital</b>		<b>35 390 795</b>	<b>32 098 077</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Garantiforpliktelser		989 000	1 122 000
<b>Sum avsetninger for forpliktelser</b>		<b>989 000</b>	<b>1 122 000</b>
<b>Annen langsiktig gjeld</b>			
<b>Sum langsiktig gjeld</b>		<b>989 000</b>	<b>1 122 000</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		9 887 478	23 108 793
Betalbar skatt		383 503	955 997
Skyldige offentlige avgifter		5 092 043	5 633 981
Annen kortsiktig gjeld		6 301 930	4 738 248
<b>Sum kortsiktig gjeld</b>		<b>21 664 954</b>	<b>34 437 019</b>
<b>Sum gjeld</b>		<b>22 653 954</b>	<b>35 559 019</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>58 044 749</b>	<b>67 657 096</b>



## ÅRSBERETNING FOR FOMA NORGE AS REGNSKAPSÅRET 2023

### **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 Ski, 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 2023 grunnet urolighetene i Europa samt økt rentenivå og inflasjon i Norge. 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 2023.

### **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 opprettholde et stabilt salg selv med utfordringene rundt urolighetene i Europa og de økende rentene. 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 da økende rente og inflasjon påvirker kundes kjøpekraft.

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 2023 NOK 135.466.455,- sammenlignet med NOK 135.759.273,- i 2022. Årets resultat ble et overskudd på NOK 3.292.718,- mot et overskudd i 2022 på NOK 3.084.542,-. Årsaken til økningen i resultatet er i hovedsak lavere varekostnad.

Totalkapitalen var ved utgangen av 2023 på NOK 58.044.749,- mot NOK 67.657.096,- sammenlignet med året før. Egenkapitalen pr. 31.12.2023 var NOK 35.390.795,- og utgjorde 61% mot 47% for 2022.



Selskapet hadde i 2023 en netto kontantstrøm fra operasjonelle aktiviteter på NOK 1.345.527,- som blant annet knytter seg til endring i varelager og leverandørgjeld. Netto kontantstrøm fra investeringsaktiviteter viser NOK 25.243,-.

Styret mener at årsregnskapet gir et rettvisende bilde av selskapets eiendeler, gjeld, finansielle stilling og resultat pr. 31.12.2023.

### **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 begynte 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.

### **Kreditrisiko**

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 25 ansatte og andelen kvinner er 12%.

### **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 534 dager og 9,2% av total arbeidstid i 2023 mot 482 dager og 8,3% av total arbeidstid i 2022. Økningen skyldes i hovedsak at selskapet har hatt flere langtidssykemeldte i år. Det har ikke forekommet noen store skader eller ulykker blant de ansatte i 2023.

### **Åpenhetsloven**

Selskapets redegjørelse etter åpenhetsloven vil bli tilgjengeliggjort på selskapets nettsider.



Langhus, 28.06.2024

Sylvain Rottier  
Styreleder

Stein Askautrud  
Styremedlem

Kathryn Garrison  
Styremedlem

Kevin O'riordan  
Styremedlem





# 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 2023, resultatregnskap, kontantstrømpoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening

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

## Grunnlag for konklusjonen

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

## Øvrig informasjon

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

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

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

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

## Ledelsens ansvar for årsregnskapet

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

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Organisasjonsnummer: 980 211 282



## Deloitte.

Uavhengig revisors beretning  
Foma Norge AS

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

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

Oslo, 28. juni 2024  
Deloitte AS

**Joachim Eriksen**  
statsautorisert revisor  
(elektronisk signert)



## Uavhengig revisors beretning

Name	Date
Eriksen, Joachim	2024-07-04

Identification

 bankID Eriksen, Joachim



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# Årsregnskap Foma Norge AS 2023



<b>Resultatregnskap</b>			
Foma Norge AS			
<b>Driftsinntekter og driftskostnader</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Salgsinntekt	2	135 441 212	135 759 273
Annen driftsinntekt		25 243	0
Sum driftsinntekter		<u>135 466 455</u>	<u>135 759 273</u>
Varekostnad	3	70 600 148	76 136 594
Lønnskostnad	4, 5	25 025 044	24 176 813
Avskrivning av driftsmidler og immaterielle eiendeler	6, 7	115 872	317 097
Annen driftskostnad		35 108 351	31 256 298
Sum driftskostnader		<u>130 849 415</u>	<u>131 886 803</u>
Driftsresultat		<u>4 617 040</u>	<u>3 872 470</u>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		84 448	66 548
Annen finansinntekt		8 908	45 645
Annen rentekostnad		1 140	5 348
Annen finanskostnad		481 156	16 146
Resultat av finansposter		<u>-388 939</u>	<u>90 698</u>
Resultat før skattekostnad		4 228 101	3 963 168
Skattekostnad på resultat	8	935 383	878 626
Resultat		<u>3 292 718</u>	<u>3 084 542</u>
Årsresultat		<u>3 292 718</u>	<u>3 084 542</u>
<b>Overføringer</b>			
Avsatt til annen egenkapital		3 292 718	3 084 542
Sum overføringer		<u>3 292 718</u>	<u>3 084 542</u>



<b>Balanse</b>			
Foma Norge AS			
<b>Eiendeler</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	8	1 886 942	2 438 822
Sum immaterielle eiendeler		<u>1 886 942</u>	<u>2 438 822</u>
<b>Varige driftsmidler</b>			
Driftsløsøre, inventar o.a. utstyr	7	270 874	386 746
Sum varige driftsmidler	7	<u>270 874</u>	<u>386 746</u>
<b>Finansielle anleggsmidler</b>			
Sum anleggsmidler		<u>2 157 816</u>	<u>2 825 568</u>
<b>Omløpsmidler</b>			
Lager av varer og annen beholdning	10	34 271 159	41 908 664
<b>Fordringer</b>			
Kundefordringer	3	16 423 500	18 878 515
Andre kortsiktige fordringer	3	355 821	578 666
Sum fordringer		<u>16 779 321</u>	<u>19 457 181</u>
Bankinnskudd, kontanter o.l.	11	4 836 453	3 465 683
Sum omløpsmidler		<u>55 886 933</u>	<u>64 831 528</u>
Sum eiendeler		<u>58 044 749</u>	<u>67 657 096</u>



<b>Balanse</b>			
Foma Norge AS			
<b>Egenkapital og gjeld</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>Innskutt egenkapital</b>			
Aksjekapital	12, 13	26 920 000	26 920 000
Annen innskutt egenkapital	13	100 015	100 015
Sum innskutt egenkapital		<u>27 020 015</u>	<u>27 020 015</u>
<b>Opptjent egenkapital</b>			
Annen egenkapital	13	8 370 780	5 078 062
Sum opptjent egenkapital		<u>8 370 780</u>	<u>5 078 062</u>
Sum egenkapital		<u>35 390 795</u>	<u>32 098 077</u>
<b>Gjeld</b>			
<b>Avsetning for forpliktelser</b>			
Garantiforpliktelser	14	989 000	1 122 000
Sum avsetning for forpliktelser		<u>989 000</u>	<u>1 122 000</u>
<b>Annen langsiktig gjeld</b>			
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	3	9 887 478	23 108 793
Betalbar skatt	8	383 503	955 997
Skyldig offentlige avgifter		5 092 043	5 633 981
Annen kortsiktig gjeld	3	6 301 930	4 738 248
Sum kortsiktig gjeld		<u>21 664 953</u>	<u>34 437 018</u>
Sum gjeld		<u>22 653 953</u>	<u>35 559 018</u>
Sum egenkapital og gjeld		<u>58 044 749</u>	<u>67 657 096</u>



## Balanse

Foma Norge AS

Langhus, 28.06.2024  
Styret i Foma Norge AS

Stein Arne Askautrud  
styremedlem

Sylvain Rottier  
styreleder

Kevin Michael O'Riordan  
styremedlem

Kathryn Kay Garrison  
styremedlem



<b>Indirekte kontantstrøm</b>			
Foma Norge AS			
	Note	2023	2022
<b>Kontantstrømmer fra operasjonelle aktiviteter</b>			
Resultat før skattekostnad		4 228 101	3 963 168
Periodens betalte skatt		955 997	996 671
Tap/gevinst ved salg av anleggsmidler		-25 243	0
Ordinære avskrivninger		115 872	317 097
Endring i varelager		7 637 505	-8 541 007
Endring i kundefordringer		2 455 015	-147 313
Endring i leverandørgjeld		-13 221 314	3 674 598
Endring i andre tidsavgrensningsposter		1 111 589	-1 068 688
Netto kontantstrøm fra operasjonelle aktiviteter		<u>1 345 527</u>	<u>-2 798 816</u>
<b>Kontantstrømmer fra investeringsaktiviteter</b>			
Innbetalinger ved salg av varige driftsmidler		435 000	0
Utbetalinger ved kjøp av varige driftsmidler		409 757	97 799
Netto kontantstrøm fra investeringsaktiviteter		<u>25 243</u>	<u>-97 799</u>
<b>Kontantstrømmer fra finansieringsaktiviteter</b>			
Netto endring i kontanter og kontantekvivalenter		1 370 770	-2 896 615
Beh. av kont. og kontantekvivalenter ved per. begy		3 465 683	6 362 299
Beh. av kont. og kontantekvivalenter ved per. slutt		<u>4 836 453</u>	<u>3 465 683</u>



## 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 skjønsmessige 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:	<b>2023</b>	<b>2022</b>
Profesjonell	129 727 651	130 407 884
Service	5 713 561	5 351 389
Sum	<b>135 441 212</b>	<b>135 759 273</b>
Per geografisk område:	<b>2023</b>	<b>2022</b>
Norge	129 734 065	131 830 001
Sverige	3 573 575	2 751 811
Danmark	2 133 572	1 177 461
Sum	<b>135 441 212</b>	<b>135 759 273</b>

## 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	2023	2022
Varekjøp	Varekostnad	IP Cleaning SRL	TS	42 966 902	55 467 042
Varekjøp	Varekostnad	IPC Tools	TS	17 242	17 242
Varekjøp	Varekostnad	IPC Soteco Benelux	TS	42 727	42 727
Rentekostnad	Rentekostnad	IP Cleaning SRL	TS	0	0
Rentekostnader	Rentekostnader	IP Cleaning Sverige AB	Datterselskap	0	0
<b>Sum</b>				<b>43 026 871</b>	<b>55 527 011</b>

### Mellomværende med nærstående parter:

Motpart	Forhold til motparten	Kundefordringer		Andre fordringer	
		2023	2022	2023	2022
IP Cleaning SRL	TS	0	0	0	0
IP Cleaning Sverige AB	Datterselskap	0	0	0	0
<b>Sum</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Motpart	Forhold til motparten	Leverandørgjeld		Annen gjeld	
		2023	2022	2023	2022
IP Cleaning SRL	TS	7 821 655	17 246 386	0	0
IP Cleaning Sverige AB	Datterselskap	0	0	0	0
<b>Sum</b>		<b>7 821 655</b>	<b>17 246 386</b>	<b>0</b>	<b>0</b>



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

	2023	2022
Lønnskostnad		
Lønn	20 210 481	19 553 649
Folketrygdavgift	3 339 061	3 129 463
Pensjonskostnader	424 920	406 447
Andre ytelser	1 050 582	1 087 254
<b>Sum</b>	<b>25 025 044</b>	<b>24 176 813</b>

Antall årsverk sysselsatt i regnskapsåret 27 28

Selskapet har ikke daglig leder.

Det er ikke utbetalt honorar eller andre godtgjørelser til styret i 2023.

Det er ikke gitt lån eller sikkerhetsstillelser til ledende personer, aksjonærer m.v. i 2023.

### Revisor

Godtgjørelse til revisor fordeler seg slik:

	2023	2022
Lovpålagt revisjon	245 000	230 000
Teknisk bistand regnskap og skatt	70 000	55 000
<b>Sum</b>	<b>315 000</b>	<b>285 000</b>

## Note 5 Innskuddspensjon

Foretaket er pliktig til å ha tjenstepensjonsordning etter lov om obligatorisk tjenstepensjon, og har pensjonsordning som tilfredsstiller kravene i denne loven.

Årets pensjonspremie utgjør kr 424 920, og er innregnet i resultatregnskapet.

## Note 6 Immatrielle eiendeler

	Utvikling av ny netthandel	Sum
Anskaffelseskost 1.1.2023	475 000	475 000
Tilgang i året	0	0
Avgang i året	0	0
<b>Anskaffelseskost 31.12.2023</b>	<b>475 000</b>	<b>475 000</b>
<b>Akk. avskrivninger 31.12.2023</b>	<b>475 000</b>	<b>475 000</b>
<b>Bokført verdi 31.12.2023</b>	<b>0</b>	<b>0</b>
Årets avskrivninger	0	0
Økonomisk levetid	3 år	
Avskrivningsplan	Lineær	



## Note 7 Anleggsnote

	Maskiner/ Inventar	Transportmidler	Sum varige driftsmidler
Anskaffelseskost 01.01.2023	3 331 793	35 109	3 366 902
Tilgang kjøpte driftsmidler	0	409 757	409 757
Avgang solgte driftsmidler	0	-409 757	-409 757
<b>Anskaffelseskost 31.12.2023</b>	<b>3 331 793</b>	<b>35 109</b>	<b>3 366 902</b>
Akkumulerte avskrivninger 31.12.2023	3 060 917	35 109	3 096 026
<b>Bokført verdi per 31.12.2023</b>	<b>270 876</b>	<b>0</b>	<b>270 876</b>
Årets avskrivninger	115 872	0	115 872

## Note 8 Skatt

Årets skattekostnad	2023	2022
Resultatført skatt på ordinært resultat:		
Betalbar skatt	383 503	955 997
Endring i utsatt skatt	551 880	-77 371
Skattekostnad ordinært resultat	935 383	878 626
Skattepliktig inntekt:		
Resultat før skatt	4 228 101	3 963 168
Permanente forskjeller	23 638	30 588
Endring i midlertidige forskjeller	-2 508 544	351 687
Skattepliktig inntekt	1 743 195	4 345 443
Betalbar skatt i balansen:		
Betalbar skatt på årets resultat	383 503	955 997
Sum betalbar skatt i balansen	383 503	955 997

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

	2023	2022	Endring
Varige driftsmidler	-392 598	-429 831	-37 233
Varebeholdning	-7 036 885	-9 417 539	-2 380 654
Fordringer	1 424 072	-137 936	-1 562 008
Gevinst – og tapskonto	17 402	21 752	4 350
Avsetninger mv	-2 589 000	-1 122 000	1 467 000
Sum	-8 577 010	-11 085 554	-2 508 544
Grunnlag for utsatt skattefordel	-8 577 010	-11 085 554	-2 508 544
Utsatt skattefordel (22 %)	-1 886 942	-2 438 822	-551 880



## Note 9 Datterselskap

Firma	Anskaffelses- tidspunkt	Forretningskontor	Stemmeandel	Eierandel
IP Cleaning Sverige AB	2008	Göteborg, Sverige	100 %	100 %
			<b>Egenkapital iflg siste årsregnskap</b>	<b>Årsresultat iflg siste årsregnskap</b>
Firma			219 037	0
IP Cleaning Sverige AB				

## Note 10 Varer

	2023	2022
Ferdigvarer	34 271 159	41 908 664

## Note 11 Bankinnskudd

Bankinnskudd omfatter bundne skattetrekkmidler med kr 903 637.

## Note 12 Aksjekapital og aksjonærinformasjon

Aksjekapitalen i selskapet per 31.12.2023 består av:

Aksjer	Antall	Pålydende	Bokført
Aksjer	26 920	1 000	26 920 000
<b>Eierstruktur</b>			
Aksjonærene i selskapet per 31.12.2023 var:	<b>Aksjer</b>	<b>Eierandel</b>	<b>Stemmeandel</b>
Tennant N.V	26 920	100 %	100 %
<b>Totalt antall aksjer</b>	<b>26 920</b>	<b>100 %</b>	<b>100%</b>
<b>Aksjer eid av medlemmer i styret og daglig leder:</b>		<b>Verv</b>	<b>Antall aksjer</b>
Stein Askautrud		Styremedlem	0

## Note 13 Egenkapital

	Aksjekapital	Annen innskutt egenkapital	Annen egenkapital	Sum egenkapital
Egenkapital 1.1.2023	26 920 000	100 015	5 078 062	32 098 077
Årets resultat	0	0	3 292 718	3 292 718
<b>Egenkapital 31.12.2023</b>	<b>26 920 000</b>	<b>100 015</b>	<b>8 370 780</b>	<b>35 390 795</b>



**Note 14 Pantstillelser og garantier m.v.**

<b>Garantiansvar</b>	<b>2023</b>	<b>2022</b>
Garantiansvar (avsetning for service- og garantiforpliktelser)	989 000	1 122 000
Husleiegaranti	2 500 000	2 500 000

**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. 31.12.2023.



**Tennant N.V.  
Uden**

**Annual Report  
2022**



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## Management Report

Management of Tennant N.V. (the Company) hereby presents its financial statements for the financial year ended on 31 December 2022.

### General information

Tennant N.V. (further also referred to as "The Company") is a 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>.

Tennant Company 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. Tennant 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. Tennant's product portfolio consists predominantly of high value, low volume cleaning equipment and machines. Specifically, Tennant makes a variety of cleaning machines such as floor scrubbers, sweepers, sweeper-scrubbers, carpet extractors, vacuums, specialty cleaning equipment and burnishers and floor machines. 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. Tennant 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. The Company operates in these countries via three geographically aligned business units: the Americas (i.e., North America and Latin America), EMEA, and Asia-Pacific ("APAC"). Products are manufactured directly by its manufacturing facilities located in the US, Brazil, the Netherlands, Italy and China. Each Tennant Manufacturing Affiliate primarily manufactures for distribution in its local market through Tennant and/or third-party distributors.

The main activity of Tennant N.V. is manufacturing, distributing and sales of floor cleaning equipment. The activities of the Company are carried out both inland and abroad, with the countries of the European Union being the primary sales market. Furthermore the Company acts as an intermediate Holding company and issues loans to its subsidiaries. Cash management is centralized in the US and intercompany financing is used to provide working capital as needed.

### Financial information

In 2022, the Company showed an increase in net turnover of 12.7% to EUR 104.0 million. The increase in revenues was primarily driven by volume growth across all business units and product categories. Incremental pricing increase also favorably impacted sales in 2022.

Gross margin on turnover decreased with 9.2% to EUR 9.6 million in 2022. The decrease was primarily driven by higher purchase prices in 2022 for which the Company was not be able to push those direct cost increases onto its customers in a timely manner.

Total operating expenses increased 4.4% or EUR 0.4 million to EUR 10.2 million. The primary driver behind this increase in 2022 was the impact of inflation on material and labors used in our production,



The higher operating expenses also led decrease in gross margin to 9.2% (2021:15.8%) This dynamic was driven by timing misalignment between our cost increase and the adjustments in pricing to our customers. As a result, our net sales were not able to fully offset the accelerated rise in production costs, leading to a decrease in gross margin. Our costs to produce escalated at a pace that outpaced our ability to implement proportional price increase timely.

As per December 31, 2022 the solvency defined as equity divided by total assets was 79.9% (2021: 82.6 %). As per December 31, 2022 the current ratio was 0.98 (2021: 1.02). There is no additional financing requirement for 2023 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 solid balance sheet.

## **Significant risks and uncertainties**

### *Strategy Tennant Company*

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 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.

### *Tennant N.V.*

In the performance of its manufacturing business activities and intermediate holding activities, Tennant N.V. 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.

### *Financial currency risk*

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currency, the euro. The currencies in which these transactions primarily are denominated are euro (EUR), US-dollar (USD) and British pound sterling (GBP). 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 Company from entering into transactions for speculative purposes.

The net currency position (EUR) as of 31 December 2022 is presented below:

	Assets	Liabilities	Position
AUD	5,290K	-	5,290K
GBP	618K	258K	360K
JPY	856K	1,314K	-458K
RMB	-	11K	-11K
USD	2,039K	586K	1,453K
Total	<u>8,803K</u>	<u>2,169k</u>	<u>6,634K</u>

Impact on the pre-tax result as at 31 December 2022 in case the exchange rate of the EUR against other currencies would decrease by 10 percent, leaving all other variables constant:

- EUR against AUD: EUR 529K (2021: EUR 412K) higher;
- EUR against GBP: EUR 36K (2021: EUR 422K) higher;
- EUR against JPY: EUR 46K (2021: EUR 19K) lower;
- EUR against USD: EUR 145k (2021: EUR 46K) higher.

### *Operational risk*

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 or may disrupt the Company's operations. Our use of sole-source vendors creates a concentration risk and 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 technological 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 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 the 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.

#### *Fraud risk management*

The management of Tennant N.V. is aware of the inherent risk of fraud that it faces, both internally and externally, in carrying out its activities.

The management of Tennant N.V. follows an anti-fraud program is to bring awareness to all employees about the potential for fraud, what constitutes fraud, how to prevent / detect fraud, how to report suspected fraud, and how Tennant NV will handle allegations of fraud. Additionally, our anti-fraud program is designed to identify areas of potential fraud risk across the organization and allow our organization to react to various types of fraud and misconduct allegations in a measured and consistent manner.



The first step in an effective anti-fraud program is ensuring that employees are aware of the potential for fraud, and how they can report fraud, if identified. All new hires receive the Tennant Employee Handbook, which is also readily available on our Intranet amongst other policies. The Handbook contains specific sections about Business Ethics and Insider Trading, and references via hyperlink, the Company's whistleblower policy. The whistleblower policy is also readily available on our Intranet amongst other policies. All employees sign the handbook as acknowledgement that they "received a copy of Tennant's Business Ethics Guide and Insider Trading Policy, and [they] understand it is [their] responsibility to read and become familiar with their provisions."

Tennant executes an annual enterprise risk management program designed to identify, assess, and prioritize risks; develop action plans to respond to risks; and monitor and report on risk management. As part of risk identification, the Company updates its Risk Universe for new and emerging risks inclusive of those relevant to the Elevate enterprise strategy. The Risk Universe contains specific risks regarding Policies & Procedures, Ethics, Fraud, Bribery & Corruption (FCPA), and Securities Laws, amongst others. The enterprise risk management program is presented by Internal Audit to the Board of Directors twice a year to communicate updates on the Risk Universe, results of the ERA survey, Top 10 risks, Risk Profiles, and mid-year monitoring update.

Tennant also identifies potential fraud areas and risks through our SOX risk assessment and internal control procedures. As part of our annual SOX scoping exercise, we evaluate each Tennant entity to better understand its risk profile including considerations specifically around fraud for each entity. The risk profile is measured on a low, medium, and high scale. The controls are listed as IT Controls, segregation of duties, accounts reconciliations, manual journal entry reviews, balance sheet and P&L flux analysis, ethics hotline policy, and disclosure questionnaire.

Tennant has a robust anti-fraud program in place, including employee awareness, risk identification and assessment, and ongoing internal control activities. The internal controls listed above serve to operate such that any fraudulent activities are either prevented or, if detected, investigated. These best practices allow management to feel confident that Tennant has appropriately evaluated our fraud risk exposure while pointing to specific controls within our internal controls framework to mitigate that risk going forward.

#### **Financial and non-financial performance indicators**

For 2022, 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 93. in 2022 (2021: 86.1) and the change is mainly due to utilization of extended payment terms by (third party) customers.

#### **Environmental and personnel-related information**

Tennant N.V. employs 229 FTE. 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 the number of employees can be fully achieved through natural attrition.

Environmental compliance in Netherlands 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 exposure 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 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. We experienced some price risk in 2022, mainly due to timing, as our costs of raw materials increased driven by inflation and there were timing delays in passing along those price increases to customers, which impacted our gross margin by approximately 6.6% year over year. In the medium term, we do not believe there is risk in passing along these increases to customers, but there are timing lags.

#### *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 Company's receivables from customers. Loans, receivables and cash contain credit risks. Approximately 63% (2021: 65%) 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*

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currency of the Company, the euro. The currencies in which these transactions primarily are denominated are euro (EUR), US-dollar (USD) and British pound sterling (GBP). 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 Company 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 reasonably 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 has limited interest rate risk on interest bearing assets and liabilities or on the refinancing of existing loans. In principle, it is the Company's policy to attract only fixed interest rate loans and no variable interest rate loans to finance its operations. Most of 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 18 - 19 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 performed 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 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 2022 we continued to make notable progress in each of our Focus Areas: People and Communities, Products and GHG emissions/Energy.

### *Social*

The Company focused on People & Communities, Human Rights & Ethics and Safety. Tennant continues to support a company-sponsored volunteering program. In 2022 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](http://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, 2022, women represented approximately 60% of our (worldwide) executive management team at the Tennant Corporation level and 33% of our Board of Directors at the Tennant N.V. level. 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 NV's main activities consists of manufacturing, distribution, and sales of innovative floor cleaning equipment. Our commitment to excellence, coupled with a strong market presence, positions us as a key player in the industry. As we reflect on the past year and look ahead, Tennant NV is poised for continued success and growth in 2023 and beyond.

In line with our commitment to meet the increasing demand for Tennant Company machines, we expanded our Uden storage location by moving our workshop, storage and training facility to a new building in the same location. This strategic move is designed to accommodate future production growth, ensuring that we can continue to meet the needs of our customers with the high-quality and reliable equipment they have come to expect from Tennant.

Tennant NV is committed to supporting its continued operations and growth through strategic investments. We are excited to share that detailed plans are in place for significant investments that will further strengthen our manufacturing capabilities and enhance overall operational efficiency.

Tennant Company is planning substantial investments in upgrading the IT environment across the global company and its various locations and subsidiaries. These advancements aim to streamline processes, improve connectivity, and ensure our operations remain agile in the face of evolving market dynamics. Tennant NV will be part of the investment in IT projects.

We expect continuing macroenvironment challenges into 2024 including Russia and Ukraine conflict 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. We are not materially impacted by any ongoing global conflicts in Russia, Ukraine, Israel or Palestine

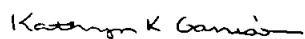
## Subsequent events

On 29 February 2024, Tennant N.V. acquired 100% of M&F Management and Financing GmbH ("M&F"), the parent company of TCS EMEA GmbH ("TCS"), as Tennant seeks to accelerate growth in the EMEA region for EUR 28.7 million. Based in Austria, TCS was Tennant Company's largest Central and Eastern Europe distributor. The acquisition gives Tennant a knowledgeable and experienced sales force and an established direct channel into countries including Romania, Hungary, Czech Republic, and Slovakia, along with an expanded network in Austria, Switzerland, Poland, and other nations in the region, as well as the Middle East and Africa.

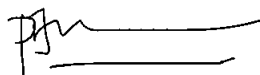
A Loan Agreement has been executed between IP CLEANING S.R.L. and TENNANT N.V. for €50,000,000, with an interest rate based on 3-month EURIBOR plus 100 basis points on the outstanding amount for each interest period. The agreement specifies that the maximum available amount cannot exceed the excess cash held by IP CLEANING S.R.L. as a lender.



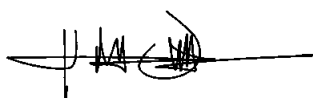
Uden, 28 June 2024



Director  
Kathryn Garrison  
Effective date of position per 28 September 2023



Director  
Jorge Moonen  
Effective date of position per 2 April 2020



Director  
Kevin O'Riordan  
Effective date of position per 28 September 2023



## Financial Statements

### Tennant N.V. Balance Sheet as at December 31, 2022

(Before appropriation of net profit)

In thousands of Euros	2022	2021
<b>Fixed assets</b>		
Intangible fixed assets (1)	204	373
Tangible fixed assets (2)	7,283	6,733
Financial fixed assets (3)	300,735	288,382
<b>Total fixed assets</b>	<b>308,222</b>	<b>295,488</b>
<b>Current assets</b>		
Inventories (4)	25,489	21,836
Trade and other receivables (5)	42,421	29,183
Cash and cash equivalents (6)	7,478	12,904
<b>Total current assets</b>	<b>75,388</b>	<b>63,923</b>
<b>Current liabilities</b>		
Payables to Tennant Company (7)	56,756	12,859
Payables to group companies (7)	4,298	34,457
Payables Associated companies (7)	2,538	1,884
Accounts payable to suppliers and trade creditors (8)	8,844	7,690
Taxes and social securities (9)	972	556
Accrued and other liabilities (10)	3,604	5,044
<b>Total current liabilities</b>	<b>77,012</b>	<b>62,490</b>
<b>Current assets less current liabilities</b>	<b>-1,624</b>	<b>1,433</b>
<b>Total assets less current liabilities</b>	<b>306,598</b>	<b>296,921</b>
<b>Provisions (11)</b>		
Warranty	65	75
<b>Total provisions</b>	<b>65</b>	<b>75</b>

The notes on pages 14 to 49 are an integral part of these financial statements.



In thousands of Euros	2022	2021
<b>Shareholder's equity (12)</b>		
Issued capital	291	291
Share premium	290,724	280,924
Other reserves	15,631	6,845
Unappropriated profit / (loss)	(113)	8,786
<b>Total Shareholder's equity</b>	<b>306,533</b>	<b>296,846</b>

The notes on pages 14 to 49 are an integral part of these financial statements.



## Tennant N.V. profit and loss account for the year ended December 31, 2022

In thousands of Euros	2022	2021
Net turnover (14)	103,957	92,263
Cost of sales	-94,379	-77,666
<b>Gross margin on turnover</b>	<b>9,578</b>	<b>14,597</b>
Selling and distribution expenses	-1,839	-1,425
General and administrative expenses	-8,373	-8,354
<b>Total operating expenses (15, 16)</b>	<b>-10,212</b>	<b>-9,779</b>
<b>Net result on turnover</b>	<b>-634</b>	<b>4,818</b>
Interest income and similar income (17)	450	5,710
Interest expenses and similar charges (18)	-551	-312
<b>Result before tax</b>	<b>-735</b>	<b>10,216</b>
Tax on result (19)	622	-1,430
<b>Result after tax</b>	<b>-113</b>	<b>8,786</b>

The notes on pages 14 to 49 are an integral part of these financial statements.



## Notes to the Tennant N.V. 2022 Financial Statements

### General

#### Relationship with parent company and principal activities

Tennant N.V. (further referred to as "The Company") is a private limited company registered in the Netherlands at Industrielaan 6, Uden under number 16029272 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 N.V is manufacturing and sales of floor cleaning equipment. The activities of the Company are carried out both inland and abroad, with the countries of the European Union being the primary sales market.

#### Disclosure of group structure

Tennant N.V. is part of a group headed by Tennant Holding B.V., incorporated and domiciled in The Netherlands. The Company's ultimate parent company is Tennant Company (TNC), a corporation registered in the United States of America and listed on the NYSE.

#### Exemption from consolidation

Consolidated financial statements have not been prepared, as is permitted by Article 408, Title 9 Book 2 of the Netherlands Civil Code. Pursuant to the conditions of this Article, the Company will file with the Trade Register of the Chamber of Commerce in Amsterdam the consolidated financial statements of Tennant Company.

#### Financial reporting period

These financial statements cover the year 2022, that ended at the balance sheet date of 31 December 2022.

#### Basis of preparation

The statutory financial statements of the Company have been prepared in accordance with Title 9 Book 2 of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

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 further principles.

Income and expenses are accounted for on an accrual basis. Profit is only included when realized 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.

#### Going concern

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

The financial statements are prepared on the basis of the going concern assumption, which assumes that Tennant N.V. will continue to operate as a going concern for the foreseeable future.

In view of the (negative) working capital balance the continuity of the Company's operation and intermediate holding financing activities might be dependent on the financial support of Tennant Company.



In total 74% (2021: 21%) of the Current Liabilities relates to the debt to Tennant Company and amounts to EUR 56,756 (2021: EUR 12,859). In connection with this Tennant Company has confirmed through a Letter of Support that they will not issue any demand (other than under the normal and agreed payment terms) for the immediate and/or accelerated payment of the outstanding amount (in full or part thereof) of the Company's debt to Tennant Company and that they will provide the necessary financial support to enable the Company to operate under the going concern and meet their financial obligations for a period of at least 12 months after signing date of the financial statements and have the financial resources to fulfil that commitment.

Cash management is centralized at Tennant Company, and intercompany financing is used to provide working capital to subsidiaries as needed. On this basis, the Board of Directors is of the opinion that the going concern of Tennant N.V. is assured.

## Accounting Principles

### General

Unless stated otherwise in 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 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 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.



## Changes in accounting policies

The Company has applied the revised DAS 270 The Income Statement using the transitional provisions that the changes in DAS 270 are applied only to contracts entered into or modified on or after 1 January 2022. Therefore, the comparative information has not been restated and continues to be reported under unrevised DAS 270.

## 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.

- Valuation of financial fixed assets;
- Valuation of tangible and intangible fixed assets;
- Allowance for doubtful accounts;
- Provision for obsolete inventory;
- Provision for Warranty;
- Deferred tax assets.



## Principles for the translation of foreign currency

### Transactions in foreign currencies

Transactions denominated in foreign currency are translated into the functional currency of the Company 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 the functional currency at the exchange rate applied 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.

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

### Principles for the financial instruments

These financial statements contain the following financial instruments: receivables and other financial liabilities.

A financial asset or a financial liability is recognized on 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 the risks related to the position.

Financial instruments (and individual components of financial instruments) are presented in the 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.

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.

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.

### Current liabilities and other financial commitments

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

The effective interest is directly recorded in the profit and loss account.



## 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 Company's receivables from customers. Loans, receivables and cash contain credit risks. Approximately 63% (2021: 65%) 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 on the balance sheet. All intercompany receivables are guaranteed to the Company by Tennant Company, which has sufficient assets and cash flow to support the Company.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company'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 Company's standard payment and delivery terms and conditions are offered. The Company'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 Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company, the euro. The currencies in which these transactions primarily are denominated are euro (EUR), US-dollar (USD) and British pound sterling (GBP). 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 Company from entering transactions for speculative purposes.

The net currency position (EUR) as at 31 December 2022 is presented below:

	Assets	Liabilities	Position
AUD	5,290K	-	5,290K
GBP	618K	258K	360K
JPY	856K	1,314K	-458K
RMB	-	11K	-11K
USD	2,039K	586K	1,453K
Total	8,803K	2,169K	6,634K



Impact on the pre-tax result as at 31 December 2022 in case the exchange rate of the EUR against other currencies would decrease by 10 percent, leaving all other variables constant:

- EUR against AUD: EUR 529K (2021: EUR 412K) higher;
- EUR against GBP: EUR 36K (2021: EUR 422K) higher;
- EUR against JPY: EUR 46K (2021: EUR 19K) lower;
- EUR against USD: EUR 145K (2021: EUR 46K) higher,

### 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 reasonably 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. It is the Company'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, and current liabilities, do not significantly differ from the carrying amount of the financial instruments.



## Accounting principles for the measurement of assets and liabilities

### Intangible fixed assets

Intangible fixed assets consist of customer lists with a limited lifespan. 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 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.

#### *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.

#### *Technology (Software)*

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 in decommissioning or divestment. 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 carrying 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 in group companies*



As allowed under article 289-9 Book 2 Title 9 of the Dutch Civil Code, the participations are valued at historical cost. The result represents the dividend declared in the financial year, whereby dividend not distributed in cash is valued at fair value. 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.

In the event of an impairment loss, measurement takes place at the realizable value (please refer to section "Impairment of fixed assets"); an impairment is recognized and charged to the income statement.

A uniting of interests is a business combination in which the parties involved combine control over the whole, or effectively the whole, of their net assets and operations, such that neither party can be identified as the acquirer.

Uniting of interests is accounted for by use of the 'pooling of interests' method. In this respect, the assets and liabilities of the combining entities, as well as their income and expenses, for the period in which the combination has occurred and for the comparative period disclosed are included in the financial statements of the combined entity as if they had been combined from the beginning of the comparative period. The carrying amounts of the assets and liabilities are combined, no revaluation to fair value takes place. Any differences between the accounting policies of the combined entities are unified through a change in accounting policies.

In the situation that the date of merger is not the date of the start of the reporting period, the results of the acquired entity are recognized in the profit and loss account of the acquiring entity.

Any difference between the nominal amount of the share capital issued as a result of the combination (plus any additional consideration in the form of cash or other assets) and the carrying amount of the assets and liabilities underlying the share capital acquired, is recognized in share premium.

#### **Impairments of fixed assets**

The company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the asset's recoverable amount. If it is not possible to determine the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

An impairment occurs when the carrying amount of an asset is higher than the recoverable amount; the recoverable amount is the higher of the net realizable value and the value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is directly recognized in the income statement while the carrying amount of the asset concerned is concurrently reduced.

The company assesses at each reporting date, whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such an indication exists, the company estimates the asset's or cash-generating unit recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset.

#### **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.

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 measurement 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 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.

### **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 from existing shareholders without the issue of shares or issue of rights to acquire or acquire shares of the Company.

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 recognized 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 recognized. 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 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 recognized 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.

#### **Current liabilities**

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

### **Accounting principles for the determination of the result**

The result is the difference between the realizable value of the goods/services provided and the costs and other charges during the year. The results of transactions are recognized in the year in which they are realized.

The Company has applied the revised DAS 270 The Income Statement using the transitional provisions that the changes in DAS 270 are applied only to contracts entered into or modified on or after 1 January 2022. Therefore, the comparative information has not been restated and continues to be reported under the unrevised DAS 270.

#### Policy applicable from 1 January 2022

#### **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.

The direct goods sold are distinct performance obligations, for which prices invoiced to the customer are representative of their stand-alone selling prices. These obligations are fulfilled at a point in time when they have been delivered.



Services are tasks performed periodically in order to maintain, improve and secure the level of services. This performance obligation is considered to be distinct performance obligation from the sale of machines and parts. The price is separately included in the contract or separately agreed upon and is considered to be the stand-alone selling price. The transaction price is allocated over the single performance obligation. Revenue is recognized over time over the contract period.

The Company considers whether there are other promises in a contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for delivery of the goods or the services, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

The Company also offers maintenance contracts to customers, and these are separate performance obligations for which revenue is recognized based on those performance obligations. The Company offers warranties for the direct goods sold, these warranties cover the legal aspect of it and are not considered to be separate performance obligations.

#### Sale of goods (Machines and Parts)

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 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.

#### Policy applicable before 1 January 2022

##### **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 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.

#### **Expenses**

Expenses are determined with due observance of the aforementioned accounting policies and allocated to the financial year to which they relate. Foreseeable and other obligations as well as potential losses arising before the financial year-end are recognized if they are known before the financial statements are prepared and provided all other conditions for forming provisions are met.

#### **Employee benefits**

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 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 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 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.

The employees in the Netherlands have a pension scheme which is administered by PME, Pensioenfondsen 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 2022 is 111,7%;



- 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 2022 is 27.98% of pensionable salary. The employer contribution is 17,09%.

### *Defined contribution plans*

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

### **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 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**

The Company is part of a fiscal unity for corporate income tax purposes together with the Dutch group companies with Tennant Holding B.V. as the fiscal unity parent. Each of the companies recognizes the portion of corporate income tax that the relevant company would owe as an independent taxpayer, taking into account the tax facilities applicable to the company.

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.



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 Standards (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.

The deferred tax positions are deferred receivables respectively deferred payables to the head of the fiscal unity.

#### **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 N.V. is included in the consolidated financial statements of Tennant Company (US). The Company therefore makes use of the exemption as noted in DAS 360.104. The consolidated financial statements can be obtained at <http://investors.tennantco.com>.

#### **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.



## Balance Sheet

In thousands of euros

### 1. Intangible fixed assets

Movements in intangible fixed assets were as follows:

	Customer List	Software	Total
Balance at January 1, 2022			
Acquisition or construction cost	1,020	1,967	2,987
Accumulated amortization and impairments	-916	-1,698	-2,614
Carrying amount at January 1, 2022	104	269	373
Changes in carrying amount:			
Carrying amount of disposals	-		-
Amortization	-51	-117	-168
Balance	53	151	204
Balance at December 31, 2022			
Acquisition or construction cost	1,020	1,967	2,987
Accumulated amortization and impairments	-967	-1,816	-2,783
Carrying amount at December 31, 2022	53	151	204

In 2021, we divested the customer list for Walter Brady because it was fully amortized and no longer in use by the Company.



## 2. Tangible fixed assets

Movements in tangible fixed assets were as follows:

	Land and buildings	Machinery and equipment	Other fixed operating assets	Assets under construction	Total
Balance at January 1, 2022					
Purchase price	7,616	10,271	775	1,103	19,765
Accumulated depreciation and impairments	-6,009	-6,466	-557	-	-13,032
Carrying amount at January 1, 2022	1,607	3,805	218	1,103	6,733
Changes in carrying amount:					
Depreciation	-147	-887	-106	-	-1,140
Investments	243	662	110	675	1,690
Balance	96	-225	4	675	550
Balance at December 31, 2022					
Purchase price	7,859	10,933	885	1,778	21,455
Accumulated depreciation and impairments	-6,156	-7,353	-663	-	-14,172
Carrying amount at December 31, 2022	1,703	3,580	222	1,778	7,283

Land and buildings mainly relate to the production plant located in the Netherlands. Machinery and equipment mainly relate to the fixed assets used in the production cycle. Based on the amounts used to determine the property tax bill, the fair value of land and buildings is approximately EUR 7.6 million.



### 3. Financial fixed assets

Movements in financial fixed assets were as follows:

	Participation in group companies	Loans to other associated companies	Accounts receivable from third parties	Deferred tax assets	Total
Carrying amount at January 1, 2022	276,357	10,444	543	1.038	288,382
Changes in carrying amount: Recognition of prior unrecognised tax asset				464	464
Additions	12,250			34	12,284
Utilisation of tax asset				-201	-202
Repayment			-119		-119
FX		-75			-75
<b>Movements</b>	<b>12,250</b>	<b>-75</b>	<b>-119</b>	<b>297</b>	<b>12,352</b>
Carrying amount at December 31, 2022	288,607	10,369	424	1,335	300,735

Note that the cost price and accumulated depreciation line items include accumulated translation differences. For the initial EUR purchase values, refer to notes below. There are impairments as of December 31st, 2022 in relation to the participation of group companies to an amount of EUR 21,171 (2021: EUR 21,171).

### Participating interests in group companies

The Company has the following capital interests which are not consolidated:

Participating interests:	Statutory residence:	Share of issued capital	
		2022	2021
Tennant Europe B.V.	Uden, The Netherlands	100%	100%
Tennant NL B.V.	Uden, The Netherlands	100%	100%
Tennant GmbH & Co. KG	Kirchheim, Germany	94.9%	94.9%
Tennant Verwaltungsgesellschaft GmbH	Kirchheim, Germany	100%	100%
Hofmans Machinefabriek en Constructiebedrijf B.V.	Uden, The Netherlands	100%	100%
Tennant Sverige AB	Stockholm, Sweden	100%	100%
Tennant Australia Pty Limited	Regents Park, Australia	100%	100%
Tennant Europe N.V.	Antwerp, Belgium	99.9%	99.9%
Hefei Gaomei Cleaning Machines Co., Ltd	Hefei, China	100%	100%



Anhui Rongen Environmental Protection Technology Co., Ltd	Hefei, China	100%	100%
IP Cleaning Srl	Portogruaro (VE), Italy	100%	100%
Foma Norge AS	Langhus, Norway	99.9%	99.9%
Soteco Benelux B.V.B.A.	Wommelgem, Belgium	100%	100%
IP Gansow GmbH	Hamm, Germany	0%	100%

In 2022 a merger took place between Tennant GmbH & Co KG and IP Gansow GmbH, whereby IP Gansow GmbH has ceased to exist. The merger is accounted for by use of the 'pooling of interests' method.

### Loans to other associated companies

The loans to group companies are related to long-term loans provided:

- Loan to Sociedadada Alfa Ltda per 31 January 2019: EUR 775, 3.50%. The loan is fully repayable at maturity date 31 January 2024 ;
- Loan to Sociedadada Alfa Ltda per 31 January 2019: EUR 900, 3.50%. The loan is fully repayable at maturity date 31 January 2024 ;
- Loan to Sociedadada Alfa Ltda per 31 August 2021: EUR 3,605, 3.50%. The loan is fully repayable at maturity date 31 January 2024 ;
- Loan to Tennant Company Japan Ltd. per 27 November 2014: JPY 120,000, 3.00%. The loan is fully repayable at date 27 November 2024;
- Loan to Tennant Australia Pty Ltd. per 26 November 2010: AUD 6,650, 1.83%. The loan is fully repayable at maturity date 1 January 2027.

### 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.

### Deferred tax assets

Deferred tax assets are recognized for the expected future tax consequences of temporary differences between the carrying value and tax bases of existing assets. Included are deferred tax assets which primarily relate to foreign withholding tax credit carryforwards. We have recognized partial tax benefit for these credit carryovers as we expect to utilize the credits in the future. As of 31 December 2022, the foreign withholding tax credit carry-forward was EUR 464 (2021: EUR 0).

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

	2022	2021
Balance as at January 1, 2022	1,164	1,164
Changes in tax rates		
Recognition of prior unrecognized tax assets	-464	
Revised estimates		



Balance as at December 31, 2022	700	1,164
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#### 4. Inventories

	2022	2021
Raw materials	16,862	10,364
Finished goods and consumables	5,351	9,583
Goods in transit	2,440	1,930
Semi-finished goods	951	1,305
Payments in advance	1,017	-
Provision for obsolete inventories	-1,132	-1,346
	<u>25,489</u>	<u>21,836</u>

The cost of inventories that was recognized as an expense in the profit and loss account during the financial year, amounts to EUR -213 due to releases (2021: EUR 121).

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

	2022	2021
Balance at 1 January	-1,346	-1,224
Addition, charged to the profit and loss account	519	839
Write-offs charged against the provision	-305	-961
Balance at 31 December	<u>-1,132</u>	<u>-1,346</u>

The carrying amount of inventories that are valued at lower net realizable value amounts to EUR 770 (2021: EUR 1,039).

The amount of the write-down during 2022 amounts to EUR 305 (2021: EUR 961) and has been recognized in profit and loss account as a loss.

An amount of EUR 519 (2021: EUR 839) of an earlier write-down of inventories was reversed during the financial year because an obsolescent batch of raw materials and consumables was sold for an amount exceeding the net realizable value estimated earlier on.



## 5. Trade and other receivables

	2022	2021
Trade receivables	9,068	6,796
Receivables from group companies	30,239	17,178
Receivables from associated companies	2,206	4,302
Taxes and social securities	329	588
Current portion of third party loans	118	118
Prepaid expenses	433	182
Other receivables	28	19
	<u>42,421</u>	<u>29,183</u>

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

	2022	2021
Amortized cost of outstanding receivables	9,179	6,902
Less: Allowance for doubtful accounts	-111	-106
	9,068	6,796

## 6. Cash and cash equivalents

	2022	2021
Cash funds	7,471	12,897
Restricted cash	7	7
	7,478	12,904

An amount of EUR 7 is restricted and relates to a deposit of a warehouse.

## Current liabilities

### 7. Payables to Tennant Company, group companies and associated companies

All payables to Tennant Company, group companies and associated companies are due within one year. The applicable interest rate of the payables to Tennant Company is determined based on the monthly EURO Short Term Rate plus 100bps. As part of the payables to group companies, loans from group companies are included for the short term loans.

This includes:

- Loan from IP Cleaning SRL to Tennant NV for sale of Gansow per 30 November 2021: EUR 12,242, 0.50%. The loan is fully repaid in 2022.
- Loan from IP Cleaning SRL to Tennant NV for sale of Foma and Soteco Benelux per 30 November 2021: EUR 4,600 0.05%. The loan is fully repaid in 2022.

### 8. Accounts payable to suppliers and trade creditors

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



## 9. Taxes and social securities

	2022	2021
Wage tax	395	351
Value-added tax	180	105
Pension liability	397	-
Social security contributions	-	100
	<u>972</u>	<u>556</u>

All taxes and social securities are due within one year.



## 10. Accrued and other liabilities

	2022	2021
Accrued holiday allowance	1,342	1,212
Accrued bonuses and commissions staff	612	868
Accrued rebates	1,005	1,552
Accrued freight	185	69
Other liabilities and accruals	423	934
Deferred Revenue	37	47
Restructuring	-	362
	<u>3,604</u>	<u>5,044</u>

The other liabilities and accruals of EUR 423 mainly relate to accrued operating expenses, such as sales- and marketing expenses and consultancy fees.

All accrued and other liabilities are due within one year.



## 11. Provisions

	Warranty	Total
Balance January 1, 2022	75	75
Allocations	45	45
Usage	-55	-55
-	-	-
Balance December 31, 2022	65	65

### 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.



## 12. Shareholder's equity

The movements in Shareholder's equity are as follows:

	Issued capital	Share premium	Other reserves	Unappropriated result	Total
As at January 1, 2022	291	280,924	6,845	8,786	296,846
Result appropriation 2021	-	-	8,786	-8,786	-
Result appropriation 2022	-	-	-	-113	-113
Share premium contribution	-	9,800	-	-	9,800
As at December 31, 2022	291	290,724	15,631	(113)	306,533

	Issued capital	Share premium	Other reserves	Unappropriated result	Total
As at January 1, 2021	291	280,924	8,653	-1,808	288,060
Result appropriation 2020	-	-	-1,808	1,808	-
Result appropriation 2021	-	-	-	8,786	8,786
Dividend	-	-	-	-	-
As at December 31, 2021	291	280,924	6,845	8,786	296,846



**Issued capital**

The Company's authorized capital, amounting to EUR 291 (2021: EUR 291), consists of 11,300 ordinary shares of EUR 100 each, of which 2,909 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.

## **Other reserves**

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

## **Unappropriated result**

### ***Proposal for result appropriation 2021 and 2022***

The appropriation of results in prior years to the other reserves is not formalized by the General Meeting of Shareholders up to FY2021. As a result, the amount presented under other reserve is subject to approval at the General Meeting of Shareholders which is planned to take place in June 2024 together with the approval for the proposed unappropriated result of FY2022 to the other reserves.



### 13. 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 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 2022 the remaining term can be specified as follows:

	< 1 Year	1 – 5 Year	> 5 Years
As at 31 December 2022	356	529	17

The short-term commitments relate to car lease EUR 356. The lease expenses in 2022 amounted to EUR 330.

#### *Guarantees*

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

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 on the excess amounts. As per December 31, 2022 the credit facility is not in use.

#### *Fiscal unity*

Tennant NV is part of a fiscal unity, headed by Tennant Holding B.V. 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 and is offset against the current account of Tennant Holding B.V.



## Income Statement

### 14. Net turnover

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

	2022	2021
EMEA	96,146	86,524
APAC	7,087	5,267
Americas	724	472
	<u>103,957</u>	<u>92,263</u>

#### Net turnover product segmentation:

	2022	2021
Machines sales	74,688	65,632
Parts sales	25,176	23,263
Service	2,608	2,351
Other	1,485	1,017
	<u>103,957</u>	<u>92,263</u>



## 15. Salaries, wages and social charges

	2022	2021
Wages and salaries	12,857	12,249
Social charges	2,594	2,384
Pension costs	1,462	1,391
	<u>16,913</u>	<u>16,024</u>

## Personnel

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

	2022	2021
Production	166	164
Selling	37	33
General	26	29
	<u>229</u>	<u>226</u>

All employees are based in the Netherlands.



## 16. Amortization and depreciation

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

	2022	2021
Cost of sales - Depreciation	1,140	2,665
General and administrative expenses - Amortization	168	168
	<u>1,308</u>	<u>2,833</u>

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

## 17. Interest income and similar income

	2022	2021
Interest income from third parties	44	46
Interest income from group companies	335	572
Gain on sale subsidiaries	-	4,805
Currency exchange rate differences	71	287
	<u>450</u>	<u>5,710</u>

## 18. Interest expenses and similar charges

	2022	2021
Interest expenses to third parties	15	29
Interest expense to group companies	341	221
Currency exchange rate differences	194	62
	<u>550</u>	<u>312</u>

The interest on the lease liabilities is included in the interest expenses.

## 19. Tax on result

The Company is part of 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 taxpayer, taking into account the tax facilities applicable to the company.



The major components of the tax charge are as follows:

	2022	2021
Tax liability for current financial year	325	-1,522
Movement in temporary differences	297	92
Adjustment of prior periods	-	-
Other	-	-
<b>Income tax (expense)/income</b>	<b>622</b>	<b>-1,430</b>

The tax income recognized in the profit and loss account for 2022 amounts to EUR 622 or 84.7% of the result before tax (2021: tax income EUR -1,430 or 14%). The numerical reconciliation between the applicable and the effective income tax rate is as follows (in EUR):

	2022	2021
Result before tax	-735	10,216
Income tax using the applicable tax rate in the Netherlands	190	-2,554
Tax effect of:		
Recognition of prior unrecognized tax assets	464	-
Effect of deferred rate change	-	-
Participation Exemption on Sale of Subsidiaries	-	1,201
Adjustment of prior periods	-	-
Effect of foreign operations	-23	-82
Other	-9	5
<b>Tax income (expense)</b>	<b>622</b>	<b>-1,430</b>

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

	2022	2021
Tax at statutory rate (applicable tax rate in the Netherlands)	25.8%	25.0%
Increases (decreases) in the tax rate from:		
Recognition of prior unrecognized tax assets	63.2%	-
Effect of deferred rate change	-	-
Participation Exemption on Sale of Subsidiaries	-	-11.8%
Adjustment of prior periods	-	-
Effect of foreign operations	-3.1%	0.8%
Other	-1.2%	0.0%
<b>Effective income tax rate</b>	<b>84.7%</b>	<b>14.0%</b>



## 20. 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 of 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 2022 the purchases of goods and Services from related parties amounted to EUR 62,492 (2021: EUR 53,358) and the sales of goods to related parties amounted to EUR 68,517 (2021: EUR 63,451).

As at 31 December 2022, the long-term assets from related parties amounted to EUR 10,369 whereas the long-term amounts owed to related parties amounted to EUR 0. As at 31 December 2022, the accounts receivable from related parties amounted to EUR 32,445 whereas the amounts owed to related parties amounted to EUR 63,592.

The Board of Directors consists of 3 members (2021: 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.



## 21. Auditor's fee

The following fees were charged by Deloitte Accountants B.V. to Tennant N.V., 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. The audit amount for 2022 is related to the company only audit of Tennant NV, while the comparing figure of 2021 is related to the consolidated audit of Tennant Holding BV which includes the audit of Tennant NV as a component. Since no allocation can be made for the part of Tennant NV, the amount invoiced for the consolidated 2021 audit has been disclosed.

	Deloitte Accountants B.V. 2022	Other Deloitte network 2022	Total 2022
Audit of the financial statements	291		291
Tax related services		15	15
	<u>291</u>	<u>15</u>	<u>306</u>

	Deloitte Accountants B.V. 2021	Other Deloitte network 2021	Total 2021
Audit of the financial statements	213		213
Other non-audit services		24	24
	<u>213</u>	<u>24</u>	<u>237</u>

## 22. Remuneration of Board of Directors

The Board of Directors consists of 3 members (2021: 3). For 2 of the 3 members, the remuneration is paid by Tennant Company. No costs are charged to Tennant N.V. for these remunerations. This is not considered at arm's length as disclosed under note 17 Related party transactions of the 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 229 (2021: EUR 212).

#### Subsequent events

On 29 February 2024, Tennant N.V. acquired 100% of M&F Management and Financing GmbH ("M&F"), the parent company of TCS EMEA GmbH ("TCS"), as Tennant seeks to accelerate growth in the EMEA region for EUR 28.7 million. Based in Austria, TCS was Tennant Company's largest Central and Eastern Europe distributor. The acquisition gives Tennant a knowledgeable and experienced sales force and an established direct channel into countries including Romania, Hungary, Czech Republic, and Slovakia, along with an expanded network in Austria, Switzerland, Poland, and other nations in the region, as well as the Middle East and Africa.

A Current Loan Account Agreement ("Loan Agreement") has been executed between IP CLEANING S.R.L. and TENNANT N.V. for €50,000,000, with an interest rate based on 3-month EURIBOR plus 100 basis points on the outstanding amount for each interest period. The agreement specifies that the maximum available amount cannot exceed the excess cash held by IP CLEANING S.R.L. as a lender. The current balance borrowed under the Loan Agreement was EUR 14 million.

Uden, 28 June 2024

Director  
Kathryn Garrison  
Effective date of position per 28 September 2023

Director  
Jorge Moonen  
Effective date of position per 2 April 2020

Director  
Kevin O'Riordan  
Effective date of position per 28 September 2023



## 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 25.1).

### Independent Auditor's Report

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