



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 953 054 086
Organisasjonsform: Aksjeselskap
Foretaksnavn: HERNIS SCAN SYSTEMS AS
Forretningsadresse: Tangen alle 41
4817 HIS

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Morten Aas
Dato for fastsettelse av årsregnskapet: 18.06.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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

Brønnøysundregistrene, 12.07.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	178 780 427	219 228 784
Sum inntekter		178 780 427	219 228 784
Kostnader			
Varekostnad		66 825 680	84 318 892
Lønnskostnad	4	68 800 048	71 608 836
Avskrivning	6	3 745 774	2 458 847
Annen driftskostnad	4, 14	39 299 849	28 022 136
Sum kostnader		178 671 351	186 408 711
Driftsresultat		109 076	32 820 073
Finansinntekter og finanskostnader			
Annen renteinntekt		7 362 591	5 060 721
Finansinntekt		5 667 741	2 765 983
Annen finansinntekt		13 030 332	7 826 704
Sum finansinntekter		26 060 664	15 653 408
Annen rentekostnad		79 915	37 533
Finanskostnad		6 080 011	4 192 851
Annen finanskostnad		6 159 926	4 230 384
Sum finanskostnader		12 319 852	8 460 768
Netto finans	3	6 870 406	3 596 320
Ordinært resultat før skattekostnad		6 979 482	36 416 393
Skattekostnad på ordinært resultat	9	1 508 958	7 934 996
Ordinært resultat etter skattekostnad		5 470 524	28 481 397
Årsresultat		5 470 524	28 481 397
Overføringer og disponeringer			
Annen egenkapital	13	5 470 524	28 481 400
Sum overføringer og disponeringer		5 470 524	28 481 400



Resultatregnskap

Beløp i: NOK	Note	2020	2019
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Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Lisenser og FOU	6	116 327	250 067
Sum immaterielle eiendeler		116 327	250 067
Varige driftsmidler			
Tomter og bygninger	6	9 108 600	11 425 069
Inventar og utstyr	6	3 189 982	3 729 309
Sum varige driftsmidler		12 298 581	15 154 378
Sum anleggsmidler		12 414 908	15 404 445
Omløpsmidler			
Varer			
Sum varer	5, 15	21 995 489	26 878 081
Fordringer			
Kundefordringer	10, 11	24 817 378	35 646 354
Andre fordringer	10, 11	373 049 934	357 850 635
Sum fordringer		397 867 312	393 496 989
Bankinnskudd, kontanter og lignende			
Sum bankinnskudd, kontanter og lignende	7, 11	634 419	350 910
Sum omløpsmidler		420 497 220	420 725 980
SUM EIENDELER		432 912 128	436 130 425
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	12, 13	6 000 000	6 000 000
Sum innskutt egenkapital		6 000 000	6 000 000



Balanse

Beløp i: NOK	Note	2020	2019
Opptjent egenkapital			
Annen egenkapital	13	356 910 517	351 439 994
Sum opptjent egenkapital		356 910 517	351 439 994
Sum egenkapital		362 910 517	357 439 994
Gjeld			
Langsiktig gjeld			
Utsatt skatt	9	836 486	2 163 045
Sum avsetninger for forpliktelser		836 486	2 163 045
Annen langsiktig gjeld			
Sum langsiktig gjeld		836 486	2 163 045
Kortsiktig gjeld			
Leverandørgjeld	11	13 377 725	15 833 917
Betalbar skatt	9	2 474 042	6 803 045
Skyldige offentlige avgifter		3 614 196	3 997 840
Annen kortsiktig gjeld	8, 11	49 699 163	49 892 584
Sum kortsiktig gjeld		69 165 126	76 527 386
Sum gjeld		70 001 611	78 690 431
SUM EGENKAPITAL OG GJELD		432 912 128	436 130 425



Skatteetaten

Vår dato 28.01.2019	Din/Deres dato 18.12.2018	Saksbehandler Torstein Kinden Helleland
800 80 000 Skatteetaten.no	Din/Deres referanse Tom Isaksen	Telefon 22078139
Org.nr 974761076	Vår referanse 2019/5205447	Postadresse Postboks 9200 Grønland 0134 OSLO

ERNST & YOUNG AS
Postboks 1156 Sentrum
0107 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Hernis Scan Systems AS, org.nr. 953 054 086

Det vises til deres brev av 18. desember 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Hernis Scan Systems AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Hernis Scan Systems AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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

Bakgrunn

Fra søknaden gjengis:

Hernis Scan Systems AS er et produksjonsselskap med hovedkontor i Arendal. Selskapet er eid av Cooper Crouse-Hinds AS, som igjen er eid av Cooper Menvier France Sarl. Hernis Scan System AS er del av et stor internasjonalt konsern, hvor konsernets ultimate morselskap, Eaton Corporation Plc, er et utenlandsk selskap basert i Ohio, USA.

All kommunikasjon med selskapets primære kunder og kreditorer foregår på engelsk.

Selskapet er totalleverandør av CGTV-systemer til den internasjonale olje- og gass næringen. Virksomheten retter seg mot et internasjonalt kundemarked, som også taler for at dispensasjon bør gis. Selskapets arbeidsspråk er engelsk. Selskapet opererer i sektorer, der engelsk er det klart dominerende språket.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."



I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

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

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapets er indirekte eiet av et utenlandsk selskap. Arbeidsspråket er engelsk. Virksomheten er utpreget internasjonal og arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Henning Stokke
seniorrådgiver
Juridisk avdeling
Skattedirektoratet

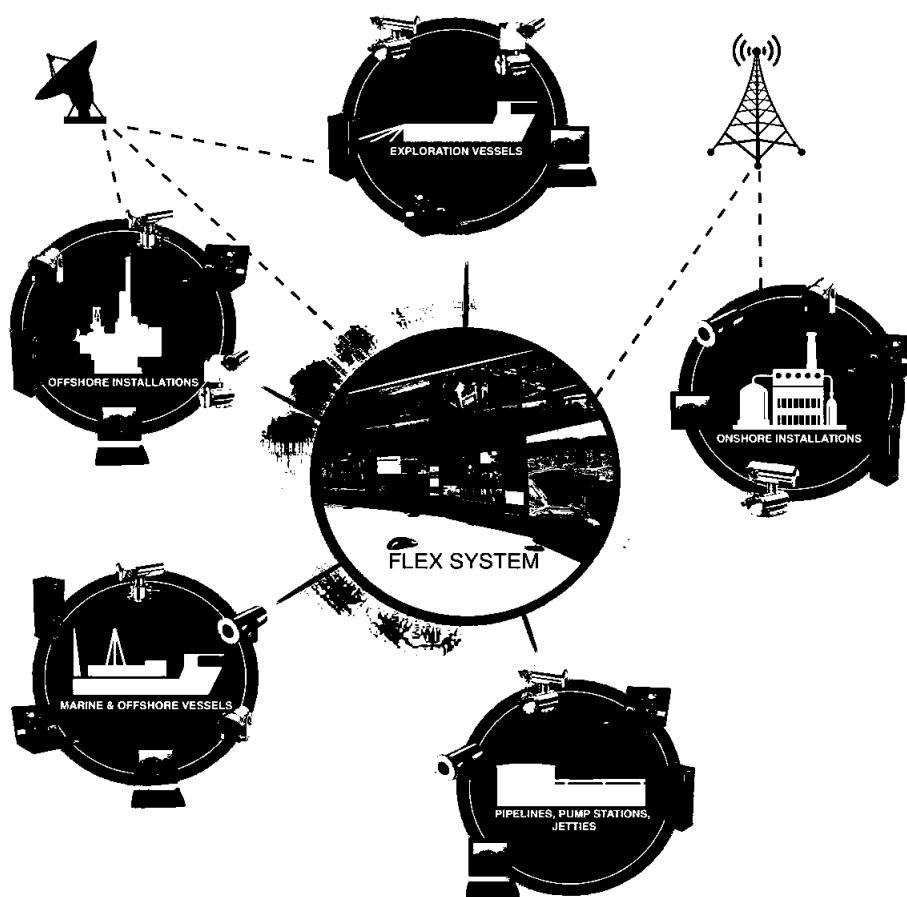
Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



HERNIS Scan Systems AS

ÅRSRAPPORT ANNUAL REPORT



2020



STYRETS BERETNING

REPORT OF THE DIRECTORS

VIRKSOMHETENS ART OG HVOR DEN DRIVES

HERNIS Scan Systems AS utvikler, produserer og selger intern-TV overvåkningssystemer (CCTV), hovedsakelig til oljerelatert industri og shipping.

Bedriftens hovedvirksomhet finner sted i egne lokaler på Hisøy i Arendal kommune.

BACKGROUND INFORMATION

HERNIS Scan Systems AS develops, produces and sells Closed Circuit TV systems (CCTV), mainly for energy related industries and shipping.

The company's headquarters are located on Hisøy in Arendal.

FORTSATT DRIFT

Årsregnskapet for 2020 er satt opp under forutsetning om fortsatt drift. Til grunn for antagelsen ligger resultatprognoser for 2021, samt selskapets utsikter for årene fremover.

PRINCIPLE OF GOING CONCERN

This annual report has been produced on principle of going concern. This assumption is made based on the forecasted result for year 2021. The company enjoys a healthy economic and financial position.

YTRE MILJØ

Bedriften driver ikke virksomhet som forurenser det ytre miljø, og har følgelig ikke iverksatt spesielle tiltak på dette området.

EXTERNAL ENVIRONMENT

The company does not pollute the external environment, and therefore feels no need for special initiatives in this area.

LIKESTILLING OG DISKRIMINERING

Ved årsskiftet hadde bedriften 85 ansatte på HERNIS. Selskapets styre består av 6 menn. Ved fremtidige valg eller ansettelser vil det legges vekt på å øke andelen av kvinner inn i styret.

EQUALITY AND DISCRIMINATION

At the end of 2020 there were 85 employees at HERNIS. The Board of Directors comprises of 6 men. The company intends to work actively to increase the female quota in the future.

Av de bedriftens totalt 85 ansatte ved årslutt, er andelen ansatte kvinner 21 - (24,7%).

At year end, the number of female workers in the business counted at 21 out of total 85 employees (24,7%).

Det iverksettes kontinuerlige tiltak og opplæring for at diskriminering ikke skal skje i selskapet. Mye av arbeidet til bedriften skjer internasjonalt med større kulturforskjeller og andre varianter av forskjeller. Håndtering av likestilling og diskriminering er nedfelt i selskapets verdier og blir jevnlig fulgt opp gjennom interne trenings seanser på konsern nivå ut til alle underliggende selskaper.

There are continues measures implemented and training so that discrimination should not occur in the company. A lot of the daily work routines is happening internationally with broader cultural differences. Handling of equality and discrimination is embodied in the company's values and is maintained through Eaton's own internal training program.

ARBEIDSMILJØ

Bedriftens sykefravær i 2020 (inkludert fravær pga. barns sykdom) var 3,9%. Tilsvarende tall for 2019 var 3,4%.

WORK ENVIRONMENT

The company's sick leave in 2020 (including absence due to children's illness) was at 3,9%. The corresponding figure for 2019 was 3,4%.

Det er vår oppfatning at arbeidsmiljøet og den generelle trivsel på arbeidsplassen er god, men vi har som målsetning å holde fraværet til å ikke overstige 5%. Det var ingen personskader på jobb eller materielle skader rapportert i løpet av året.

It is our opinion that the general working environment is satisfactory, but our goal is to reduce absence to not exceed 5%. There was no work-related injury reported in 2020 and no equipment damage reported.



Bedriften er kvalitets sertifisert av DNV (Det Norske Veritas) i henhold til kravene i ISO 9001:2015. og ISO 14001:2015.

Av signifikante godkjente EX-produkt sertifiseringer har bedriften gjennom DNV GL Presafe: Presafe 15 ATEX 6501Q og QAR NO/PRE/QAR15.0008/03

The company is quality certified by DNV (Det Norske Veritas) according to ISO 9001:2015 and ISO 14001:2015. Of significant EX-product approved certifications through DNV GL Presafe the company have: Presafe 15 ATEX 6501Q and QAR NO/PRE/QAR15.0008/03

FORSKNING OG UTVIKLING

Selskapet driver utviklingsaktiviteter av produkter som passer inn i systemene vi leverer. Selskapet leverer skreddersydde løsninger i forhold til kundens krav.

RESEARCH AND DEVELOPMENT

The company conducts development activities of products that fit into the systems we deliver. The company provides customized solutions according to customer requirements.

FINANSIELL RISIKO

Da mer enn 80% av selskapets inntekter er i utenlandsk valuta, utgjør i all hovedsak svingninger i valutakurser, spesielt US dollar, den vesentligste *finansielle risiko* knyttet til selskapets virksomhet. Selskapet strategier i størst mulig grad å utligne inntekter og kostnader i samme valuta der dette er mulig. Årets netto resultat relatert til valutatransaksjoner, er bokført med MNOK -0,3.

FINANCIAL RISK

As over 80% of our turnover is in foreign currency, the company's financial risk is mainly related to changes in foreign exchange rates especially US dollars. Our strategy is to match income and costs in the same currency where possible. In 2020 the net result from foreign exchange transactions was MNOK -0,3.

Selskapet er eksponert mot *kreditrisiko* gjennom sine løpende kundefordringer. På store prosjekter og på ordre fra deler av verden der kreditt ratingen er lav, er disse sikret enten med Letter of Credit, del-oppgjør eller med krav om forskuddsbetaling. Historisk sett har selskapet hatt lite tap på fordringer.

The company is mainly exposed to credit risk through its trade debtors. Larger projects and projects to parts of the world where credit risk is considerable are secured using Letters of Credit, milestone payments and prepayments. Historically, the company has had minimal bad debt.

Basert på frie likvider og innvilgede trekkmuligheter hos vår bankforbindelse, anses *likviditetsrisikoen* i konsernet for å være svært begrenset.

Based on free capital and good credit facilities with our bankers we consider the liquidity risk for the company to be minimal.

KONTANTSTRØM

Selskapets netto drift kontantstrøm var i 2020 positiv med MNOK 16,2.

CASH FLOW

The Company's net operations cash flow in 2020 was positive with MNOK 40,8.

RESULTATUTVIKLING

I 2020 oppnådde selskapet en omsetning på MNOK 178,8 en omsetning nedgang på 18,5% sammenlignet med foregående år.

DEVELOPMENT IN PROFIT

In 2020 the company achieved a turnover of MNOK 178,8, a decrease of 18,5% compared with the previous year.

Et positivt driftsresultat på MNOK 0,1, og et positivt resultat før skatt på MNOK 6,9. Tilsvarende tall for 2019 var hhv positivt MNOK 32,8 og positivt MNOK 36,4.

Ved utgangen av 2020 er selskapets egenkapital på 83,8% av totalkapitalen, opp fra 82% foregående år.

An operating profit of MNOK 0,1, and a net profit before tax of MNOK 6,9. The corresponding figures for 2019 were respectively positive MNOK 32,8 and positive MNOK 36,4.

At the end of 2020, the Company's equity was 83,8% of total capital, up from 82% last year.

ÅRSRESULTAT OG DISPONERING

Styret foreslår at selskapets årsresultat på

RESULT FOR 2020

The Board recommends that the net profit for 2020 of



Etter styrets oppfatning gir det fremlagte årsregnskap med tilhørende noter en rettvise oversikt av selskapets og selskapets stilling pr. 31.12.20. Det er ikke inntrådt forhold etter regnskapsåret slutt som er av betydning ved bedømmelse av selskapet.

It is the opinion of the Board of Directors that the financial statement gives a true and fair view of the company's position as of 31.12.20. No events have occurred after the end of the financial year that has altered this opinion.

FREMTIDIG UTVIKLING

I vårt nisjemarked, Marine og Olje & Gass, forventet vi en nedgang i 2020 som følge av lav oljepris og den påvirkningen COVID-19 pandemien har hatt på verdensbasis. Det forventes nå videre at oljeprisen vil stabilisere seg i løpet av 2021 på det nivået som var før påvirkningen av COVID-19. Vi antar at markedet vil normalisere seg mer mot utgang av inneværende år, men at det vil fortsatt være en lavere etterspørsel etter våre systemer ut inneværende år 2021. Mye på grunn av ringvirkningene etter pandemien, som fører til variert tilgang av råvarer og generelle prisøkninger. Konsekvensen av lave oljepriser i tidligere år og et forutsett teknologibytte innen CCTV-industrien har blitt adressert. De strategiske korreksjonene som er gjort i produkttilbudet de siste årene, når det gjelder overgang til IP-basert teknologi og fokusering på fjerntilkobling, har gjort det mulig for oss å imøtekomme den økte markedets etterspørselen etter fjernovervåking og prosesskontroll som et behov for reduserte driftskostnader på marine og offshore installasjoner.

Vi er også inne i et teknologiskifte i våres del av markedet, som vil gi oss oppdragsmuligheter på eksisterende systemer ute hos kunder. Dette ser vi som en stor mulighet for ekstra omsetning utover det normale markedet vårt.

FUTURE DEVELOPMENT

In our niche market, Marine and Oil & Gas industry, there was an expectation for volume reduction in 2020 as a consequence related to the low oil price and the influence of COVID-19 around the world. It is now expected that the oil price will be stable again at the level before the influence of the COVID-19. We assume that the market will be normalized during the year, but we expect still a lower demand of our systems during the current year, much due to the external effect after the pandemic that leads to varied supply of raw materials and general price increases.

The impact of low oil prices in the past and a foreseen technology shift within the CCTV Industry has been addressed. The strategic corrections made to product offering over the past years, in terms of transitioning to IP based technology and focusing on remote connectivity, has enabled us to meet the increased market demand for remote surveillance and process control brought on by need for reduced operational costs of marine and offshore installations.

Furthermore, technological shift will provide opportunities to upgrade existing systems already in our portfolio. We see this shift as a great opportunity for supplementary revenue to our core business

Arendal, 18.06.2021

Simon Matthieson (Jun 19, 2021 15:22 GMT+1)

Simon James Matthieson

Styreformann / Chairman of the Board

Antony Sblandano (Jul 25, 2021 08:53 GMT+2)

Antony Bruno Sblandano

Styremedlem / Member of the Board

Svein Guttorm Haglund

Daglig leder og styremedlem /
CEO and member of the board.

Roy Thorkeldsen (Jun 21, 2021 10:24 GMT+2)

Roy Thorkeldsen

Styremedlem / Member of the Board

Are Andersen (Jun 30, 2021 08:55 GMT+2)

Are Andersen

Styremedlem / Member of the Board

Erlend Eidem

Styremedlem / Member of the Board



HERNIS Scan Systems AS

Annual report 2020

- Annual accounts**
- **Income statement**
 - **Balance sheet**
 - **Cash flow statement**
 - **Notes**



HERNIS Scan Systems AS

Income statement

	Note	2020	2019
OPERATING REVENUES AND EXPENSES			
Sales revenues	2	<u>178 780 427</u>	<u>219 228 784</u>
Cost of stocks		66 825 680	84 318 892
Payroll expenses	4	68 800 048	71 608 836
Depreciation and impairment of fixed assets	6	3 745 774	2 458 847
Other operating expenses	4, 14	<u>39 299 849</u>	<u>28 022 136</u>
Total operating expenses		<u>178 671 351</u>	<u>186 408 711</u>
OPERATING PROFIT		<u>109 076</u>	<u>32 820 073</u>
Financial income and expenses			
Other interest income		7 362 591	5 060 721
Other financial income		5 667 741	2 765 983
Other interest expense		79 915	37 533
Other financial expenses		<u>6 080 011</u>	<u>4 192 851</u>
Net financial items	3	<u>6 870 406</u>	<u>3 596 320</u>
Ordinary result before tax		<u>6 979 482</u>	<u>36 416 393</u>
Tax on ordinary result	9	<u>1 508 958</u>	<u>7 934 996</u>
Net profit or loss for the year		<u>5 470 524</u>	<u>28 481 397</u>
Allocated as follows			
Transferred to other equity	13	<u>5 470 524</u>	<u>28 481 400</u>



HERNIS Scan Systems AS

Balance sheet

	Note	2020	2019
Assets			
<i>Intangible assets</i>			
Concessions, patents, licences, trade marks and similar rights	6	116 327	250 067
Total intangible assets		116 327	250 067
<i>Tangible fixed assets</i>			
Land, buildings and other real property	6	9 108 600	11 425 069
Fixtures and fittings, tools, office machinery etc.	6	3 189 982	3 729 309
Total tangible fixed assets		12 298 581	15 154 378
Total fixed assets		12 414 908	15 404 445
Current assets			
Inventories	5, 15	21 995 489	26 878 081
<i>Receivables</i>			
Trade receivables	10, 11	24 817 378	35 646 354
Other receivables	10, 11	373 049 934	357 850 635
Total receivables		397 867 312	393 496 989
Cash and cash equivalents	7, 11	634 419	350 910
Total current assets		420 497 220	420 725 980
Total assets		432 912 128	436 130 425



HERNIS Scan Systems AS

Balance sheet

	Note	2020	2019
EQUITY AND LIABILITIES			
EQUITY			
<i>Paid-in capital</i>			
Share capital	12, 13	6 000 000	6 000 000
<i>Retained earnings</i>			
Other equity	13	<u>356 910 517</u>	<u>351 439 994</u>
TOTAL EQUITY		<u>362 910 517</u>	<u>357 439 994</u>
<i>Provisions</i>			
Deferred tax liability	9	<u>836 486</u>	<u>2 163 045</u>
Total provisions		<u>836 486</u>	<u>2 163 045</u>
<i>Current liabilities</i>			
Trade creditors	11	13 377 725	15 833 917
Tax payable	9	2 474 042	6 803 045
Public duties payable		3 614 196	3 997 840
Other short-term liabilities	8, 11	<u>49 699 163</u>	<u>49 892 584</u>
Total current liabilities		<u>69 165 126</u>	<u>76 527 386</u>
TOTAL EQUITY AND LIABILITIES		<u>432 912 128</u>	<u>436 130 425</u>

Arendal, 18 June 2021

Svein Guttorm Haglund
CEO/Member of the Board

Antony Bruno Sblandano (Jun 21, 2021 12:43 GMT+2)

Antony Bruno Sblandano
Member of the Board

Roy Thorkeldsen (Jun 25, 2021 13:31 GMT+2)

Roy Thorkeldsen
Member of the Board

Are Andersen (Jun 25, 2021 13:52 GMT+2)

Are Andersen
Member of the Board

Erlend Eidem
Member of the Board

Simon Matthieson (Jun 19, 2021 15:22 GMT+1)

Simon James Matthieson
Chairman of the Board



HERNIS Scan Systems AS

Cash flow statement

	2020	2019
Cash flow from operations		
Profit/(loss) before taxes	6 979 483	36 416 396
Taxes paid	-6 803 045	-2 838 277
Ordinary depreciations	2 287 937	2 458 847
Impairment of assets	1 457 837	0
Change in materials, accounts receivable and accounts payable	12 944 391	4 855 517
Change in other current assets and current liabilities	-639 528	-49 405
Net cash flow from operations	<u>16 227 075</u>	<u>40 843 078</u>
Cash used on investments		
Investments in fixed assets	-744 267	-1 572 411
Net cash flow from investments	<u>-744 267</u>	<u>-1 572 411</u>
Cash flow from financing activities		
Intercompany loan/Group Cash Pool	-15 199 299	-38 924 861
Net cash flow from financing activities	<u>-15 199 299</u>	<u>-38 924 861</u>
Net change in cash flow	283 509	345 806
Cash at January 1.	<u>350 910</u>	<u>5 104</u>
Cash at December 31.	<u>634 419</u>	<u>350 910</u>



HERNIS Scan Systems AS

Notes

The financial statements of HERNIS Scan Systems AS are prepared in accordance with the Norwegian Accounting Act of 1998 and Norwegian Generally Accepted Accounting Policies (NGAAP).

Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

Foreign currency

The functional currency and presentation currency of the Company is Norwegian kroner (NOK). Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

Intangible Assets, Research and Development

Research and development costs are recognised as an intangible asset only when there is an identifiable asset that will generate expected future economic benefits and when the cost of such an asset can be measured reliably. Otherwise research and development costs are recognised as an expense when incurred.

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results can differ from these estimates.

Contingent losses that are probable and quantifiable is expensed as they occur.

Shares in subsidiaries

Subsidiaries are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, provided a write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present.

Dividends and other distributions are recognized in the same year as appropriated in the subsidiary accounts. If dividends exceed withheld profits after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.

Shares in associated companies

Associated companies are accounted for using the equity method. Under the equity method the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date.



HERNIS Scan Systems AS

Notes

Inventories

Inventories are stated at the lower of cost and net realisable value at the balance sheet date. Work in progress is valued at cost price including share of estimated profit. A provision is made for foreseeable obsolescent inventory.

Projects

The financial statements are prepared for according to percentate of completion method. Revenue and cost related to construction projects are recognized in accordance with the reported degree of completion when the outcome can be reasonably estimated. The degree of completion is calculated on best estimate based on the accrued cost as percentage of total cost, or subject to specific assessment of status as pr 31.12.

Sales revenue

Revenues from sale of goods are recorded at time of delivery. Revenue from projects in progress is based on a running settlement, including share of estimated profit. The degree of completion is calculated based on the use of material. Expected loss on projects is taken to account in the period it is discovered.

Accounts Receivable

Accounts receivables and other receivables are recorded in the balance sheet at nominal value less a provision for doubtful accounts. Provision for doubtful accounts is determined on the basis of an assessment of individual receivables.

Pensions

The Company has established a contribution based pension for all Norwegian based employees. This pension scheme satisfies the requirements in the law "Lov om obligatorisk tjenstepensjon". The annual contribution is based on 4% of the employee's base salary from 0 to 7,1G, and 8% from 7,1G to 12G, (G=National Insurance base amount).

Taxes

The income tax expense is comprised of both tax payable for the period, and changes in deferred tax. Deferred tax is determined on the basis of existing temporary differences between accounting net income and tax net income, including year-end loss carry-forwards, calculated at 22%. Temporary differences, both positive and negative, which will or are likely to reverse in the same period, are recorded as a net amount.

Cash flow statement

The cash flow statement is prepared using the indirect method.



HERNIS Scan Systems AS

Notes

Note 2 - Sales revenues

	2020	2019
<i>Geographical allocation</i>		
Norway	37 494 311	52 824 613
Rest of Europe	55 988 353	54 074 194
Middle East	10 864 184	16 163 893
Asia	49 131 914	66 991 043
Africa	10 145 932	7 402 109
South America	2 498 449	1 857 086
USA	9 758 205	12 187 722
Canada	1 279 509	7 728 124
Australia	1 619 570	0
	<u>178 780 427</u>	<u>219 228 784</u>

The company has no classification of sales revenues into areas of operations.

Note 3 - Financial income and expenses

<i>Other financial income</i>	2020	2019
Currency gains	5 667 741	2 765 983
Interest income	7 362 591	5 060 721
Total financial income	<u>13 030 332</u>	<u>7 826 704</u>
 <i>Other financial expenses</i>	 2020	 2019
Currency losses	5 996 454	3 690 967
Other financial expenses	163 471	539 417
Total financial expenses	<u>6 159 925</u>	<u>4 230 384</u>



HERNIS Scan Systems AS

Notes

Note 4 - Salary costs, Remuneration to Managing Director, Auditors etc

	2020	2019
Salary	53 456 022	57 196 713
Payroll tax	8 002 138	8 509 229
Pension scheme	3 689 599	3 508 449
Other remuneration	3 652 289	2 394 445
Total	<u>68 800 048</u>	<u>71 608 836</u>
Average number of employees (FTEs)	85	87

The decrease in average number of employees (FTEs) is due to downsizing and temporary leave of absence with pay.

The company is obliged to follow the Act on Mandatory Occupational Pensions and has a scheme that meets the requirements of the law. 85 persons are covered by the arrangement.

Remuneration to Managerial Personnel

	Salary	Pension	Other remuneration
CEO	1 072 476	71 352	30 789

The CEO has a bonus agreement related to the yearly economic result for the company. This agreement is revised annually. No mortgage/financial guarantees have been made for the Managing Director, Members of the Board of Directors or other closely related parties.

<i>Fees to the auditor ex VAT</i>	2020	2019
Statutory Audit	435 875	385 875
Other assistance	61 080	60 000

Note 5 - Stock & WIP

	2020	2019
Raw materials	8 510 297	9 829 467
Provision for obsolescence	-1 609 320	-1 410 000
Semifinished goods/products	7 117 502	4 261 002
Finished goods	4 915 719	8 109 312
Work in progress (WIP)	3 061 292	6 088 300
Total stock and WIP	<u>21 995 490</u>	<u>26 878 081</u>

For more details on WIP, see note 15.



HERNIS Scan Systems AS

Notes

Note 6 - Fixed assets

	Licenses & R&D	Machinery & operating equipment	Land & Buildings	Total
Cost Price 01.01.20	720 275	38 416 128	26 320 584	65 456 987
Additions in 2020	0	744 809	11 428	756 237
Acquisition cost 31.12.20	720 275	39 160 937	26 332 012	66 213 224
Acc.depreciation 31.12.20	-446 400	-35 970 956	-15 765 575	-52 182 931
Acc.impairment 31.12.20	-157 548	0	-1 457 837	-1 615 385
Book Value 31.12.20	116 327	3 189 981	9 108 600	12 414 908
Ordinary Depreciation	133 740	1 284 137	870 060	2 287 937
Impairment for the year	0	0	1 457 837	1 457 837
Useful economic life	5 years	3-10 years	30 years	

The impairment for the year is related to the company's building located at Tangel Allé 41, Arendal, Norway. The impairment was carried out based on a third-party valuation and is considered to be permanent.

Note 7 - Credit facilities, guarantees and pledged securities

The company has no restricted bank funds as of 31.12.2020.

As of 31.12.2020 the company's bank connections are integrated with the Eaton Group, which also includes bank guarantees. HERNIS Scan Systems AS has not directly pledged assets as security.

The company is part of the group's overdraft facility with Danske Bank A/S with a limit of EUR 1 400 000.

Note 8 - Other current liabilities

	2020	2019
Holiday pay and other salary related liabilities	7 260 947	9 244 073
Current liabilities against group entities	33 028 521	33 028 521
Other current liabilities	9 409 695	7 619 990
Total	49 699 163	49 892 584

The company has no long term liabilities due in more than 5 years.



HERNIS Scan Systems AS

Notes

Note 9 - Taxes

<i>Components of the income tax expense:</i>	2020	2019
Tax payable	2 835 517	7 336 615
Change in deferred tax 22% (22%)	-1 326 559	598 381
Tax expense	<u>1 508 958</u>	<u>7 934 996</u>
<i>Tax payable</i>	2020	2019
Profit before taxes	6 979 482	36 416 396
Permanent differences*	-120 580	-348 230
Change in temporary differences	<u>6 029 812</u>	<u>-2 719 914</u>
Taxable income	<u>12 888 714</u>	<u>33 348 252</u>
Tax payable	2 835 517	7 336 615
Tax effect of Skattefunn	-361 476	-533 570
Payable tax in the balance sheet	<u>2 474 041</u>	<u>6 803 045</u>
<i>Temporary differences</i>	2020	2019
Property, plant and equipment	-5 864 751	-3 910 334
Work in progress	6 796 136	9 451 675
Stock	-1 609 320	-1 410 000
Receivables	-500 000	-500 000
Gains and losses	7 000 543	8 750 679
Warranty provision	-2 020 400	-2 550 000
Net temporary differences	<u>3 802 208</u>	<u>9 832 020</u>
Deferred tax liability (22% / 22%)	836 486	2 163 044
<i>The difference consist of:</i>	2020	
Expected income taxes, statutory tax rate 22%	1 535 486	
22% (22%) of permanent differences	-26 528	
Income tax expense	<u>1 508 958</u>	
Effective tax rate	21,6 %	

*SkatteFUNN is included in the permanent differences with NOK 361 476 for 2020 and NOK 533 570 for 2019



HERNIS Scan Systems AS

Notes

Note 10 - Receivables

	2020	2019
<i>Trade receivables</i>		
External trade receivables	24 198 911	35 033 940
Trade receivables from group entities	1 118 467	1 112 414
Provision for bad debts	-500 000	-500 000
Book value	<u>24 817 378</u>	<u>35 646 354</u>
<i>Other short term receivables:</i>	2020	2019
VAT receivable	533 037	586 593
Other prepayments	895 573	542 842
Intercompany receivables	<u>371 621 324</u>	<u>356 721 200</u>
Book value	<u>373 049 934</u>	<u>357 850 635</u>

The company has no receivables with due date greater than 1 year.

Note 11 - Balances with related parties

	2020	2019
<i>Receivables</i>		
Short term loan to group entity	362 507 500	210 318 093
Trade receivables from group entities	1 118 467	1 112 414
Other short term receivables to group entities	<u>9 113 824</u>	<u>146 403 107</u>
Total	<u>372 739 791</u>	<u>357 833 614</u>

The company has given a short term loan to Eaton IV LP Glasgow Morges Branch of NOK 360 000 000. The loan matures in October 2021.

The company participates in a group cash pool agreement. At year-end the company contributed NOK 9 113 824 to the cash pool.

	2020	2019
<i>Liabilities</i>		
Trade payables to group entities	3 504 763	3 987 792
Other short term liabilities to group entities	<u>33 028 521</u>	<u>33 028 521</u>
Total	<u>36 533 284</u>	<u>37 016 313</u>



HERNIS Scan Systems AS

Notes

Note 12 - Share capital and shareholder information.

Share capital:

	Number of shares	Face value	Book value
Ordinary shares	1 000	6 000	6 000 000

The shares are fully owned by Cooper Crouse-Hinds AS. HERNIS Scan Systems AS is part of Cooper Crouse-Hinds AS group financial statements. Cooper Crouse-Hinds AS's office address is Ryensvingen 5, 0680 Oslo, Norway.

Note 13 - Equity

	Share capital	Other equity	Total
Equity pr 31.12.19	6 000 000	351 439 994	357 439 994
Profit for the year	0	5 470 524	5 470 524
Equity pr 31.12.20	6 000 000	356 910 518	362 910 518

Note 14 - Other operating expenses

	2020	2019
Premises related and other tangible assets	3 515 440	4 539 111
Accounting, auditing and other consultancy fees	3 972 291	3 348 013
Electronical communication, postage etc.	1 269 421	1 505 041
Travel related expenses	801 639	1 158 145
Group management and royalty fees	27 892 820	15 935 788
Other expenses inc. loss on accounts receivables	1 848 238	1 536 038
Total	39 299 849	28 022 136

Note 15 - Construction contracts

Work in progress is accounted for according to the percentage of completion method. Progress is calculated based on cost incurred compared with total estimated cost.

	2020	2019
Accrued revenue construction contracts	3 061 292	6 088 300



Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of HERNIS Scan Systems AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HERNIS Scan Systems AS, which comprise the balance sheet as at 31 December 2020, the income statement and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that



includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.



Kristiansand, 30 June 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Espen Fyllingen
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: GWNZL-7HYXX-5XFHE-POAVX-QHFSP-4NZLE

Independent auditor's report - HERNIS Scan Systems AS

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HERNIS Scan Systems AS

Cash flow statement

	2020	2019
Cash flow from operations		
Profit/(loss) before taxes	6 979 483	36 416 396
Taxes paid	-6 803 045	-2 838 277
Ordinary depreciations	2 287 937	2 458 847
Impairment of assets	1 457 837	0
Change in materials, accounts receivable and accounts payable	12 944 391	4 855 517
Change in other current assets and current liabilities	-639 528	-49 405
Net cash flow from operations	<u>16 227 075</u>	<u>40 843 078</u>
Cash used on investments		
Investments in fixed assets	<u>-744 267</u>	<u>-1 572 411</u>
Net cash flow from investments	<u>-744 267</u>	<u>-1 572 411</u>
Cash flow from financing activities		
Intercompany loan/Group Cash Pool	<u>-15 199 299</u>	<u>-38 924 861</u>
Net cash flow from financing activities	<u>-15 199 299</u>	<u>-38 924 861</u>
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