Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	915 740 243
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	FOMA NORGE AS
Forretningsadresse:	Regnbueveien 6 1405 LANGHUS

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Stein Arne Askautrud
Dato for fastsettelse av årsregnskapet:	11.07.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 13.08.2023

Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	130 525 927	110 560 728
Annen driftsinntekt		81 316	343 922
Sum inntekter		**130 607 243**	**110 904 650**
Kostnader			
Varekostnad	11	74 773 855	57 613 415
Lønnskostnad	3,10	23 495 360	21 946 197
Avskrivning på varige driftsmidler og immaterielle eiendeler	4,5	474 658	463 649
Annen driftskostnad		28 417 481	29 098 741
Sum kostnader		**127 161 354**	**109 122 002**
Driftsresultat		**3 445 889**	**1 782 648**
Finansinntekter og finanskostnader			
Annen renteinntekt		17 051	20 751
Annen finansinntekt		634 322	303 297
Sum finansinntekter		**651 373**	**324 048**
Rentekostnad til foretak i samme konsern	11	172 965	252 646
Annen rentekostnad		2 297	19 282
Annen finanskostnad		86	1 011 200
Sum finanskostnader		**175 348**	**1 283 128**
Netto finans		**476 025**	**-959 080**
Ordinært resultat før skattekostnad		**3 921 914**	**823 568**
Skattekostnad på ordinært resultat	12	865 712	183 392
Ordinært resultat etter skattekostnad		**3 056 202**	**640 176**
Årsresultat		**3 056 202**	**640 176**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		3 056 202	640 176
Sum overføringer og disponeringer		**3 056 202**	**640 176**

Resultatregnskap

Beløp i: NOK	Note	2021	2020

Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	4	0	48 416
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	4	56 350	130 150
Utsatt skattefordel	12	2 361 451	2 230 492
Sum immaterielle eiendeler		**2 417 801**	**2 409 058**
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	5	549 694	650 693
Sum varige driftsmidler		**549 694**	**650 693**
Finansielle anleggsmidler			
Investering i datterselskap		0	0
Sum finansielle anleggsmidler		**0**	**0**
Sum anleggsmidler		**2 967 495**	**3 059 751**
Omløpsmidler			
Varer			
Varer	7	33 367 657	30 555 503
Sum varer		**33 367 657**	**30 555 503**
Fordringer			
Kundefordringer	11	18 731 202	14 071 664
Andre fordringer	11	357 563	335 678
Sum fordringer		**19 088 765**	**14 407 342**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	14	6 362 298	3 405 124
Sum bankinnskudd, kontanter og lignende		**6 362 298**	**3 405 124**
Sum omløpsmidler		**58 818 720**	**48 367 969**
SUM EIENDELER		**61 786 215**	**51 427 720**

Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	8,9	26 920 000	26 920 000
Annen innskutt egenkapital	9	100 015	100 015
Sum innskutt egenkapital		**27 020 015**	**27 020 015**
Opptjent egenkapital			
Annen egenkapital	9	1 993 520	-1 062 682
Sum opptjent egenkapital		**1 993 520**	**-1 062 682**
Sum egenkapital		**29 013 535**	**25 957 333**
Gjeld			
Langsiktig gjeld			
Garantiforpliktelser	13	1 155 000	994 000
Sum avsetninger for forpliktelser		**1 155 000**	**994 000**
Annen langsiktig gjeld			
Langsiktig konserngjeld	11,15	0	10 698 609
Sum annen langsiktig gjeld		**0**	**10 698 609**
Sum langsiktig gjeld		**1 155 000**	**11 692 609**
Kortsiktig gjeld			
Leverandørgjeld	11	19 434 195	5 708 627
Betalbar skatt	12	996 671	132 359
Skyldige offentlige avgifter		5 940 033	4 563 240
Annen kortsiktig gjeld	11	5 246 781	3 373 552
Sum kortsiktig gjeld		**31 617 680**	**13 777 778**
Sum gjeld		**32 772 680**	**25 470 387**
SUM EGENKAPITAL OG GJELD		**61 786 215**	**51 427 720**

Tennant Holding B.V.
Uden

Annual Report
2020

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

TENNANT

Contents

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Management Report

Management of Tennant Holding B.V. (the Company) hereby presents its financial statements for the financial year ended on 31 December 2020.

General information

Tennant Company is a world leader in the design, manufacture and marketing of solutions that help create a cleaner, safer and healthier world. The Company offers products and solutions consisting of mechanized cleaning equipment, detergent-free and other sustainable cleaning technologies, aftermarket parts and consumables, equipment maintenance and repair service, and business solutions such as financing, rental and leasing programs, and machine-to-machine asset management solutions.

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

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

Effective 1 January 2020, as part of a European reorganization completed by Tennant Company, Tennant Holding A (Italy) B.V., including its wholly owned subsidiary, IP Cleaning S.r.l. and its subsidiaries (collectively "IPC Group"), merged with Tennant Holding B.V. As a result, Tennant Holding B.V. has become the main holding company for Tennant Company's European operations.

Tennant Holding B.V. acquired 100% of the total issued and outstanding capital (EUR 165,606) of the IPC Group via exchange of equity only (share premium). This merger qualifies as a transaction under common control and the Company applies the pooling of interest method to account for this transaction. By applying the pooling of interest method, the assets and liabilities and profit and loss items are summed together and then netted for intercompany transactions for the year of the merger (FY 2020) and comparatives (FY 2019).

Accordingly, the effect on assets and liabilities of Tennant Holding B.V., contributed by the IPC Group, amount to respectively EUR 399,556 (assets) and EUR 242,142 (liabilities) as of 31 December 2019. The income statement effect for the year 2019 relating to net turnover of the IPC Group was EUR 207,600. The result of the combined legal entity for 2019 amounts to EUR -3,764 (loss) which consist of EUR 5,717 (profit) contributed by Tennant Holding B.V. and EUR -9,481 (loss) contributed by the IPC Group.

COVID-19 impact uncertainty

The coronavirus ("COVID-19") outbreak that originated in China and was declared a global pandemic by the World Health Organization at the beginning of 2020 continues to cause volatility and economic disruption across the globe. The impact of COVID-19, or any variant thereof, on our business and financial performance depends on evolving factors that we cannot accurately predict, including the duration of the pandemic, restrictions on travel and transportation, the effect on our customers and on the global supply chain, the demand for our products, government actions that have or could result in further closures of or

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

restrictions on our manufacturing plants, and the pace of economic recovery when the COVID-19 pandemic subsides.

During 2020, certain of our manufacturing plants suspended operations temporarily either due to government restrictions or employee health concerns. There may be a risk of future health concerns and we cannot predict future disruptions of our plants or the duration of such future disruptions.

Our customers have been negatively impacted which has had, and may continue to have, a material adverse impact on our sales. In addition, our suppliers may have not the ability to provide us with parts needed to manufacture our products. This may result in delays in shipments to us and also to our customers, which would affect our results of operations.

We are actively managing our business to respond to the COVID-19 impact. We have prioritized the health and safety of our employees and customers. The Company has established a dedicated enterprise-wide response team and implemented work-from-home processes for much of its workforce. We have established cross-functional and daily communications with suppliers to review, track and prioritize high-risk components. We have also identified and activated alternative suppliers, materials and components as needed. To date, we have been able to avoid major supply disruptions. Regarding transportation, we have set up tracking, reporting and communication channels with carriers to understand their risks and to evaluate available options where necessary.

We have also taken a number of actions globally to minimize the financial impact such as suspending a significant amount of business-related travel, reducing non-essential discretionary and project spending, and implementing merit freezes, hiring freezes, and other headcount-related actions, including a combination of salary cuts, reduced work schedules and/or furlough programs for all employees globally, while operating within the local laws and regulations, and developing multiple financial scenarios to ensure liquidity and to identify additional actions, if needed.

We have received government support in the form of reimbursement of wage costs under the temporary emergency measure bridging to retain employment (NOW scheme) since we suffered a loss of turnover as a result of the corona virus. The Company applied and was granted support for the first round of government support NOW 1.0. The Group did not apply for the second round of support 2.0.

If the pandemic continues for a longer duration going into 2021 and beyond, we will need to assess our liquidity needs. A sustained disruption in the global economy could materially affect our ability to generate sufficient cash from operations and could require us to seek additional sources of liquidity or take further actions. Cash is managed centrally by Tennant Company and credit line facilities are available in case needed. The revolving credit facility continues to be maintained globally at Tennant Company and Tennant Company has access to draw down cash if we would need it in the future. The management of Tennant Company, Minneapolis, U.S.A. has stated in a Letter of support that it is committed to provide the necessary level of financial support to the Group, to enable them to pay its debts as they become due for a period of at least 12 months after the signing date of the Annual Accounts for the year ended December 31, 2020. As of December 31, 2021, Tennant Company has approximately USD 279.1 million of unused borrowing capacity on the revolving credit facility.

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

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Financial information

In 2020, the Company showed a decrease in net turnover of 12.7% to EUR 331.4 million. The decrease in revenues were primarily driven by volume declines across all regions, largely driven by the impact of the COVID-19 pandemic.

Gross margin on turnover decreased 15.4% to EUR 111 million. The Gross margin percentage is 33% (2019: 35%). The decrease was driven by volume deleverage, higher material costs, and strategic investments in the business, partially offset by benefits from government programs related to COVID-19 and cost-reduction actions. The benefits represent wage-related subsidies from European authorities that are not required to be repaid.

Total operating expenses decreased 10% or EUR 13.0 million to EUR 116.0 million driven by cost-containment initiatives, including employee furloughs, reduction in travel spending, and temporary pay reductions as well as benefits from government programs related to COVID-19 and adjustments to management incentives. The government benefits represent wage-related subsidies from European authorities that are not required to be repaid. The decrease in operating expenses was offset slightly by increases in restructuring costs and professional fees.

The decreased net turnover and gross margin resulted in a lower contribution for the operating expenses which resulted in a loss before tax and interest of EUR 5.9 million (2019: EUR 1.2 million profit). The net result after tax increased to a loss of EUR 15 million (2019: EUR 3.7 million loss).

As per December 31, 2020 the solvency defined as group equity divided by total assets was 37.5% (2019: 34.0%). As per December 31, 2020 the current ratio was 1.9 (2019: 1.8). There is no additional financing requirement for 2021 foreseen. Cash management is centralized at Tennant Company, and intercompany financing is used to provide working capital to subsidiaries as needed. The Company continues to have a strong balance sheet.

Significant risks and uncertainties

Strategy

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

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

Simplification of our customer product pricing is a key initiative to reduce the complexity in which we operate. The current competitive landscape, coupled with macroeconomic factors, could impact our ability to achieve our pricing targets. These pressures, along with internal constraints, may limit our ability to sell our products at our expected prices and may result in a change to the mix of product offerings or where

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

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.

Financial currency risk

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

The net currency position (EUR) as at 31 December 2020 is presented below:

	Assets	Liabilities	Position
USD	5,382K	242K	5,140K
GBP	1,222K	47K	1,175K
NOK	624K	-	624K
NZD	29K	-	29K
SEK	9K	13K	-4K
Total	7,266K	302K	6,964K

Operational

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

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

A disruption in supply from sole-source vendors for certain components may disrupt the Company's operations. However, the Company believes that it can find alternate sources in the event there is a disruption in supply from such vendors.

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

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

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

Financial reporting

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

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

Laws and regulations

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

Financial and non-financial performance indicators

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

For 2020, 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 77.8 in 2020 (2019: 78.35) and decreased primarily due to the pandemic and challenges that came with it.

Environmental and personnel-related information

Tennant Holding B.V. and its subsidiaries employ 2,051 employees of whom approximately 11% are employed at Tennant N.V. mainly in the manufacturing and logistics part of the business.

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

Information regarding financial instruments *

Price risks

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

Credit risks

Credit risk is the risk of financial loss to the entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. Loans, receivables and cash contain credit risks. Approximately 10% (2019: 8%) 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 Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, the euro. The currencies in which these transactions primarily are denominated are EURO, US-dollar (USD), Norwegian Krone (NOK) and New Zealand dollar (NZD). To minimize the currency risks the cash positions are monitored on a global level. Our objective in managing the exposure to foreign currency fluctuations is to minimize the earnings effects associated with foreign exchange rate changes on certain of our foreign currency-denominated assets and liabilities. Our policy prohibits the group from entering into transactions for speculative purposes.

* The notes on page 22 and 23 provide further information regarding the use of financial instruments and related risks.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Liquidity risks

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

Interest rate risk and cash flow risk

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

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

Research and development information

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

Information regarding social aspects of operating the business

General

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

In 2020 we continued to make notable progress in each of our Focus Areas: People and Communities, Products and GHG emissions/Energy.

Social

The Company's growth and expansion around the globe give us greater opportunities to focus on People & Communities, Human Rights & Ethics and Safety. Tennant continues to support a company-sponsored volunteering program. In 2020 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.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Ethics and business conduct

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

Other information

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

Information on male/female split of board members

In 2020 two new board members were appointed, one male (J. Moonen) and one female (K. Stokes). Two board members have retired as directors (D. Andrews and M. Hoff) in 2019. The board has a one-tier structure. In addition, we support Tennant's policy to appoint a well-balanced mix of women and men to its Board and according to Dutch legislation having at least 30% of the seats held by women and at least 30% of the seats held by men. Currently we qualify as balanced within the legislation. Tennant feels that gender is part of diversity. Future members will continue to be selected on the basis of wide-ranging experience, backgrounds, skills, knowledge and insights.

Outlook

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

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

Through these acquisitions, identified integration activities and related operating synergies to be realized and our restructuring actions, the Company is positioned to accelerate revenue growth and improve profitability in 2021 and beyond.

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

The COVID-19 pandemic and ongoing economic downturn has affected the Company and it is expected that it will continue to do so in the near future. We continue to monitor the evolving situation and guidance from authorities. The timing and extent of the impact of the pandemic is influenced by factors such as variants, vaccination rates and broader economic impacts. Accordingly, we cannot reasonably estimate the long-term impact of the pandemic on our financial results, although we expect factors including an increased cost of freight, materials and labor to impact our gross profit and overall operating results for 2021 and potentially beyond.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

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

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

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

Uden, 18 January 2022

Director
Thomas Stueve
Effective date of position per 13 April 2016

Director
Jorge Moonen
Effective date of position per 2 April 2020

Director
Kristin Stokes
Effective date of position per 2 April 2020

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

TENNANT

Financial Statements

Consolidated Balance Sheet as at December 31, 2020
(Before appropriation of net profit)

In thousand of Euros	2020	2019
Fixed assets		
Intangible fixed assets (2)	234,730	262,046
Tangible fixed assets (3)	67,505	68,485
Financial fixed assets (4)	18,568	18,454
Total fixed assets	**320,803**	**348,985**
Current assets		
Inventories (5)	69,698	81,592
Trade and other receivables (6)	78,184	92,064
Cash and cash equivalents (7)	55,105	33,627
Total current assets	**202,987**	**207,283**
Current liabilities (8)		
Affiliated companies	2,103	7,268
Debts to shareholders/ participants	33,348	29,252
Accounts payable to suppliers and trade creditors	38,762	41,934
Taxes and social securities	9,429	9,495
Accrued and other liabilities	24,299	25,798
Total current liabilities	**107,941**	**113,747**
Current assets less current liabilities	**95,046**	**93,536**
Total assets less current liabilities	**415,849**	**442,521**
Non-current liabilities (9)		
Affiliated companies	150,000	150,000
Contingent liability	-	1,889
Other non-current liabilities	1,956	3,157
Total non-current liabilities	**151,956**	**155,046**
Provisions (10)		
Pensions	4,482	4,760
Other Employee Provisions	1,357	649
Warranty	2,142	2,199
Deferred tax liability	28,110	35,057
Uncertain tax positions	7,739	8,340
Restructuring	639	-
Total provisions	**44,469**	**51,005**

The notes on pages 16 to 57 are an integral part of these consolidated financial statements.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

In thousand of Euros	2020	2019
Shareholder's equity (11)		
Issued capital	7,676	7,676
Share premium	231,890	241,338
Legal reserve	456	456
Foreign currency translation reserve	-4,516	-2,761
Other reserves	-7,549	-7,549
Accumulated other comprehensive income / (loss)	-368	-212
Unappropriated profit / (loss)	-9,329	-3,731
Total Shareholder's equity	**218,260**	**235,217**
Third-party share in group equity (11)	**1,164**	**1,253**
Total Group equity	**219,424**	**236,470**

The notes on pages 16 to 57 are an integral part of these consolidated financial statements.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

TENNANT

Consolidated Profit and Loss Account for the year ended December 31, 2020

In thousand of Euros	2020	2019
Net turnover (12)	331,479	379,515
Cost of sales	-220,467	-248,320
Gross margin on turnover	**111,012**	**131,195**
Selling and distribution expenses	-45,921	-53,773
General and administrative expenses	-71,037	-76,148
Total operating expenses (13, 14)	**-116,958**	**-129,921**
Net result on turnover	**-5,946**	**1,274**
Interest income and similar income (15)	937	681
Interest expenses and similar charges (16)	-13,139	-8,710
Result before tax	**-18,148**	**-6,755**
Tax on result (17)	3,102	3,024
Result after tax	**-15,046**	**-3,731**
Third-party share	**-**	**-33**
Result of the legal entity	**-15,046**	**-3,764**

The notes on pages 16 to 57 are an integral part of these consolidated financial statements.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Consolidated Statement of Comprehensive Income for the year ended December 31, 2020

In thousand of Euros	2020	2019
Result of the legal entity	**-15,046**	**-3,764**
Foreign currency translation	-1,755	376
Actuarial benefits income / (loss)	-156	-18
Total of items recognized directly in shareholders' equity	**-1,911**	**358**
Total result of the legal entity	**-16,957**	**-3,406**

The notes on pages 16 to 57 are an integral part of these consolidated financial statements.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Notes to the 2020 Consolidated Financial Statements

General

Relationship with parent company and principal activities

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

Effective 1 January 2020, Tennant Holding A (Italy) B.V., including its wholly owned subsidiary, IP Cleaning S.r.l. and its subsidiaries (collectively the "IPC Group"), will be included in the consolidated financial statements of Tennant Holding B.V. This results from a reorganization completed by Tennant Company in Europe such that Tennant Holding B.V. will be the main holding company for Tennant Company's European operations. As part of the reorganization, Tennant Holding B.V. acquired 100% of the total issued and outstanding capital (EUR 166 million) of the IPC Group from TCO C.V. This transaction qualifies as "uniting of interest" and is recorded by using the pooling of interest method, whereby the assets and liabilities and profit and loss items are summed together and netted for intercompany transactions.

Financial reporting period

These financial statements cover the year 2020, that ended at the balance sheet date of 31 December 2020.

Basis of preparation

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

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

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

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

Going concern

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Accounting Principles

General

The figures of 2019 have been restated for comparison purpose as a result of the acquisition of IPC group. The acquisition is disclosed in more detail in disclosure “1. Mergers and acquisitions” to the consolidated financial statements.

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

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

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

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

If assets are recognized of which the Company does not have the legal ownership, this fact is being disclosed.

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

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

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

COVID-19 impact uncertainty

The coronavirus (“COVID-19”) outbreak that originated in China and was declared a global pandemic by the World Health Organization at the beginning of 2020 continues to cause volatility and economic disruption across the globe. The impact of COVID-19, or any variant thereof, on our business and financial performance depends on evolving factors that we cannot accurately predict, including the duration of the pandemic, restrictions on travel and transportation, the effect on our customers and on the global supply chain, the demand for our products, government actions that have or could result in further closures of or

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

restrictions on our manufacturing plants, and the pace of economic recovery when the COVID-19 pandemic subsides.

During 2020, certain of our manufacturing plants suspended operations temporarily either due to government restrictions or employee health concerns. There may be a risk of future health concerns and we cannot predict future disruptions of our plants or the duration of such future disruptions.

Our customers have been negatively impacted which has had, and may continue to have, a material adverse impact on our sales. In addition, our suppliers may have not the ability to provide us with parts needed to manufacture our products. This may result in delays in shipments to us and also to our customers, which would affect our results of operations.

We are actively managing our business to respond to the COVID-19 impact. We have prioritized the health and safety of our employees and customers. The Company has established a dedicated enterprise-wide response team and implemented work-from-home processes for much of its workforce. We have established cross-functional and daily communications with suppliers to review, track and prioritize high-risk components. We have also identified and activated alternative suppliers, materials and components as needed. To date, we have been able to avoid major supply disruptions. Regarding transportation, we have set up tracking, reporting and communication channels with carriers to understand their risks and to evaluate available options where necessary.

We have also taken a number of actions globally to minimize the financial impact such as suspending a significant amount of business-related travel, reducing non-essential discretionary and project spending, and implementing merit freezes, hiring freezes, and other headcount-related actions, including a combination of salary cuts, reduced work schedules and/or furlough programs for all employees globally, while operating within the local laws and regulations, and developing multiple financial scenarios to ensure liquidity and to identify additional actions, if needed.

We have received government support in the form of reimbursement of wage costs under the temporary emergency measure bridging to retain employment (NOW scheme) since we suffered a loss of turnover as a result of the corona virus. The Company applied and was granted support for the first round of government support NOW 1.0. The Group did not apply for the second round of support 2.0.

If the pandemic continues for a longer duration going into 2021 and beyond, we will need to assess our liquidity needs. A sustained disruption in the global economy could materially affect our ability to generate sufficient cash from operations and could require us to seek additional sources of liquidity or take further actions. Cash is managed centrally by Tennant Company and credit line facilities are available in case needed. The revolving credit facility continues to be maintained globally at Tennant Company and Tennant Company has access to draw down cash if we would need it in the future. The management of Tennant Company, Minneapolis, U.S.A. has stated in a Letter of support that it (is committed to provide the necessary level of financial support to the Group, to enable them to pay its debts as they become due for a period of at least 12 months after the signing date of the Annual Accounts for the year ended December 31, 2020. As of December 31, 2021, Tennant Company has approximately USD 279.1 million of unused borrowing capacity on the revolving credit facility.

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

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

TENNANT

Use of estimates

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

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

Consolidation principles

<u>Consolidation scope</u>

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

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

<u>Consolidation method</u>

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

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

For an overview of the consolidated group companies, please refer to note 19 'Financial fixed assets' of the separate financial statements.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Principles for the translation of foreign currency

Transactions in foreign currencies

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

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

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

Foreign operations

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

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

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

Principles for the financial instruments

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

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

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

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

Financial instruments are initially stated at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognized in the profit and loss account.

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

TENNANT

Loans granted and other receivables

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

Non-current and current liabilities and other financial commitments

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

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

Impairment of financial assets

A financial asset that is not stated at (1) fair value with value changes reflected in the profit and loss account, or at (2) amortized cost or lower market value, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

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

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

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

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

TENNANT

Financial instruments risk management

General

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

Credit risk

Credit risk is the risk of financial loss to the entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Loans, receivables and cash contain credit risks. Approximately 10% (2019: 8%) of the trade receivables is concentrated at five major clients in the industry. The maximum amount of credit risk is equal to the amounts of the trade receivables shown in the balance sheet.

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

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

Currency risk

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

The net currency position (EUR) as at 31 December 2020 is presented below:

	Assets	Liabilities	Position
USD	5,382K	242K	5,140K
GBP	1,222K	47K	1,175K
NOK	624K	-	624K
NZD	29K	-	29K
SEK	9K	13K	-4K
Total	7,266K	302K	6,964K

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Impact on the pre-tax result as at 31 December 2020 in case the exchange rate of the EUR against other currencies would decrease by 10 percent, leaving all other variables constant:

- EUR against USD: EUR 514K (2019: EUR 406K) lower;
- EUR against GBP: EUR 117K (2019: EUR 338K) lower;
- EUR against NOK: EUR 62K (2019: EUR 20K) lower;
- EUR against NZD: EUR 3K (2019: 3K) lower;
- EUR against SEK: EUR 0K (2019: 1K) lower.

Liquidity risk

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

Interest rate risk and cash-flow risk

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

Fair value

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

TENNANT

Principles of valuation of assets and liabilities

Intangible fixed assets

Intangible fixed assets consist of goodwill and definite lived customer lists, trade names and technology. Intangible fixed assets are only recognized in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of that asset can be measured reliably. Intangible fixed assets are measured at acquisition or construction cost, less accumulated amortization and impairment losses.

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

Goodwill

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

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

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

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

Customer lists

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

Trade names

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

Technology

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

Tangible fixed assets

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

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

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

furthermore includes a reasonable portion of the indirect costs during the period of construction of the assets.

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

The following rates of depreciation are applied:

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

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

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

Financial fixed assets

Participating interests with significant influence

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

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

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

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

Participating interests with no significant influence

Participating interests where no significant influence is exercised are stated at the lower of cost or realizable value. In case of a firm intention to sell, then the participating interest is stated at the lower expected sales value. If the Company transfers an asset or a liability to a participating interest that is

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

TENNANT

measured at cost or current value, the gain or loss resulting from this transfer is recognized directly and in full in the profit and loss account, unless the gain is in substance not realized.

Joint arrangements

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

Other financial fixed assets

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

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

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

Impairments of fixed assets

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

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

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

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

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

Disposal of fixed assets

Fixed assets available for sale are measured at the lower of their carrying amount and net realizable value.

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.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

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 valuation of trade and other receivables are described under the heading 'Financial instruments'.

Cash and cash equivalents

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

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

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

Shareholders' equity

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

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

Share premium

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

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.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Provisions

General

A provision is recognised if the following applies:

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

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

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

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

Provision for restructuring

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

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

Other employee provisions

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

Provision for warranties

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Pension provision

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

Uncertain tax positions

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

Non-current liabilities

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

Current liabilities

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Principles of determination of income

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.

Employee benefits/pensions

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

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

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

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 of implicit) commitments to staff. The liability is stated at the best estimate of the present value of the anticipated costs of settling the commitments as at balance sheet date. The Company is not obliged to fund any shortages of the plan.

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

German pension plan

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

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

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

Defined contribution plans

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

Defined benefit plans

Most of the Company's defined benefit pension plans are funded with plan assets that are segregated in a trust or foundation. For plans which are not separately funded, the Company recognizes a provision.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Valuations of both funded and unfunded plans are carried out by independent actuaries based on the projected unit credit method. Pension costs primarily represent the increase in the actuarial present value of the obligation for projected pension benefits based on employee service during the year and the interest on this obligation in respect of employee service in previous years, net of the expected return on plan assets.

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

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

Italian Pension Plan

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

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

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

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

Severance payments

Severance payments are employee benefits provided in exchange for the termination of the employment. A severance payment is recognized as a liability and an expense when the Company is demonstrably and unconditionally committed to terminate the employment of one or more employees before the normal retirement date. If the termination is part of a restructuring, the costs of the severance payments are part of the restructuring provision. See the policy under the heading 'Provisions'. Termination benefits are measured in accordance with their nature. When the termination benefit is an enhancement to post-employment benefits, measurement is done according to the same policies as applied to post-employment

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

TENNANT

plans. Other termination benefits are measured at the best estimate of the expenditures required to settle the liability. The severance payments that shall be payable over more than 12 months after the balance sheet date, are measured at present value. The discount rate is the market interest rate (effective yield) on high quality corporate bonds at the balance sheet date.

Leasing

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

Operating leases

If the Company acts as lessee in an operating lease, the leased property is not capitalized. Benefits received as an incentive to enter into an agreement are recognized as a reduction of rental expense over the lease term. Lease payments and benefits regarding operating leases are recognized to the profit and loss account on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the benefits from the use of the leased asset.

Interest receivable and similar income and interest payable and similar charges

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

Corporate income tax

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

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

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

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

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

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

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

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

The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the manner in which the Company expects, at the balance sheet date, to realize or settle its assets, provisions, debts and accrued liabilities. Deferred tax assets and liabilities are stated at nominal value. Deferred tax assets and deferred tax liabilities are netted for entities under same fiscal authority if criteria under Dutch Accounting Guidelines (RJ272.607) are met.

Share in result of participating interests

The share in the result of participating interests consists of the share of the group in the result of these participating interests, determined on the basis of the accounting principles of the group. Results on transactions, where the transfer of assets and liabilities between the group and the non-consolidated participating interests and mutually between non-consolidated participating interests themselves, are not recognized as they can be deemed as not realized. The results of participating interests acquired or sold during the financial year are stated in the group result from the date of acquisition or until the date of sale respectively.

Cash flow statement

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

Determination of fair value

The fair value of a financial instrument is the amount for which an asset can be sold or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other.

- The fair value of listed financial instruments is determined on the basis of the exit price;
- The fair value of non-listed financial instruments is determined by discounting the expected cash flows to their present value, applying a discount rate that is equal to the current risk-free market interest rate for the remaining term, plus credit and liquidity surcharges.

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.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

TENNANT

Balance Sheet

In thousand of Euros

1. Mergers and acquisitions

IPC Group acquisition

Effective 1 January 2020, as part of a European reorganization completed by Tennant Company, Tennant Holding A (Italy) B.V., including its wholly owned subsidiary, IP Cleaning S.r.l. and its subsidiaries (collectively "IPC Group"), merged with Tennant Holding B.V. Tennant Holding B.V. acquired 100% of the total issued and outstanding capital (EUR 165,606) of the IPC Group via exchange of equity only (share premium). This merger qualifies as a transaction under common control and the Company applies the pooling of interest method to account for this transaction. By applying the pooling of interest method, the assets and liabilities and profit and loss items are summed together and then netted for intercompany transactions for the year of the merger (FY 2020) and comparatives (FY 2019).

Accordingly, the effect on assets and liabilities of Tennant Holding B.V., contributed by the IPC Group, amount to respectively EUR 399,556 (assets) and EUR 242,142 (liabilities) as of 31 December 2019. The income statement effect for the year 2019 relating to net turnover of the IPC Group was EUR 207,600. The result of the combined legal entity for 2019 amounts to EUR -3.731 (loss) which consist of EUR 5.717 (profit) contributed by Tennant Holding B.V. and EUR -9.448 (loss) contributed by the IPC Group. The result of IPC Group 2019 was attributed to the share premium in accordance with the legal substance of the transaction.

The effect of the pooling of interest method on Shareholder's Equity is further disclosed in note 20 to the Tennant Holding B.V. separate financial statements.

Hefei Gaomei

On September 4, 2018, the Company signed a final agreement to acquire 100% of the outstanding capital stock of Hefei Gaomei Cleaning Machines Co., Ltd. and 99% of the outstanding capital stock of Anhui Rongen Environmental Protection Technology Co., Ltd. (collectively "Gaomei"), privately held designer and manufacturers of commercial cleaning salutation based in China. The acquisition closed on January 4, 2019. The acquisition of Gaomei has been recorded in FY2019 applying the 'purchase accounting' method. In 2020 the contingent purchase consideration changed regarding the estimated fair value of the remaining earn-out value from EUR 1,900 (2019) to EUR 1,500 as per December 31, 2020 (further reference is made to note 8 Current liabilities). As part of the acquisition certain tax liabilities were acquired which are uncertain in nature. In 2020 these are reassessed and changed regarding the estimated fair value of the provision for uncertain tax positions from EUR 5,128 to EUR 6,588 as per December 31, 2020 (further reference is made to note 10 Provisions). The effect of both changes in estimates are reflected and adjusted in the Goodwill due to the purchase of Gaomei and amount to EUR 1,060 (further reference is made to note 2 Intangible fixed assets under "Correction Purchase Accounting Gaomei").

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

TENNANT

2. Intangible fixed assets

Movements in intangible fixed assets were as follows:

	Goodwill	Customer lists	Trade names	Technology	Total
Balance at January 1, 2020					
Purchase price	171,496	131,883	26,588	9,558	339,525
Accumulated amortization	-25,697	-40,596	-6,955	-4,231	-77,479
Carrying amount at January 1, 2020	145,799	91,287	19,633	5,327	262,046
Changes in carrying amount:					
Correction Purchase Accounting Gaomei	1,060	-	-	-	1,060
Correction PY*	-1,636	-	-	-187	-1,823
Amortization	-8,623	-13,380	-2,646	-1,171	-25,821
Translation differences	-230	-473	-30	-	-732
Balance	-9,429	-13,853	-2,676	-1,358	-27,316
Balance at December 31, 2020					
Purchase price	170,798	131,293	26,555	9,371	338,017
Accumulated amortization	-34,428	-53,859	-9,598	-5,402	-103,287
Carrying amount at December 31, 2020	136,370	77,434	16,957	3,969	234,730

*In the current year an immaterial reclassification error is identified and corrected in relation to prior years. The error was included the opening balance sheet of IPC Group (as from the acquisition date in April 2017) relating to an incorrect recognition of a deferred tax liability that has been corrected in Goodwill for an amount of EUR 1,636.

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

Goodwill

- In November 2010 the group recorded EUR 12,675 goodwill due to purchase of the assets of Tennant Australia Pty Limited from Tennant Company. This amount is amortized on a straight-line basis over 20 years since we expect to earn the benefits over at least 20 years;
- In January 2019 the group recorded EUR 10,825 goodwill due to purchase of the assets of Hefei Gaomei Cleaning Machines Co., Ltd. and Anhui Rongen Environmental Protection Technology Co., Ltd. (collectively "Gaomei"). Due to changes in the estimated fair value in relation to the earn-out value and uncertain tax position the acquired purchase price of the Goodwill changed in 2020 to EUR 11,855K (further reference is made to note 1 Mergers and acquisitions). This amount is amortized on a straight-line basis over 20 years since we expect to earn the benefits over at least 20 years.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

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

Customer lists

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

Trade names

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

Technology

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

TENNANT

3. Tangible fixed assets

Movements in tangible fixed assets were as follows:

	Land, buildings	Machinery and equipment	Other fixed operating assets	Assets under construc-tion	Total
Balance at January 1, 2020					
Purchase price	49,597	63,476	4,744	1,207	119,025
Accumulated depreciation and impairments	-12,554	-34,429	-3,557	-	-50,540
Carrying amount at January 1, 2020	37,044	29,047	1,187	1,207	68,485
Changes in carrying amount:					
Depreciation	-2,397	-11,818	-319	-	-14,534
Investments	296	13,379	34	1,631	15,340
Carrying amount of disposals	-	-1,455	-	-	-1,455
Translation differences	-23	-308	-	-	-331
Transfer to fixed assets ready	1,097	119	-	-1,216	-
Balance	-1,027	-83	-285	415	-980
Balance at December 31, 2020					
Purchase price	50,779	71,700	4,778	1,622	128,879
Accumulated depreciation and impairments	-14,762	-42,736	-3,876	-	-61,374
Carrying amount at December 31, 2020	36,017	28,964	902	1,622	67,505

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

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

TENNANT

4. Financial fixed assets

Movements in financial fixed assets were as follows:

	Accounts receivable from affiliated companies	Accounts receivable from third parties	Other receiv-ables	Deferred tax assets	Invest-ment in joint venture	Other Invest ments	Total
Balance at January 1, 2020							
Cost price	6,080	771	3,379	8,045	-	179	18,454
Accumulated depreciation and impairment	-	-	-	-	-	-	-
Carrying amount at January 1, 2020	6,080	771	3,379	8,045	-	179	18,454
Changes in carrying amount:							
Share in result of joint venture	-	-	-	-	-36	-	-36
Reclassification to / from Current Assets	-225	-118	-284	-	-	-	-627
Additions	-	-	2,295	1,073	-	-	3,368
Repayments	-	-88	-2,521	-	-	-23	-2,632
Write-off	-36	-	-	-	36	-	-
Translation difference	-63	104	-	-	-	-	41
Balance	-324	-102	-510	1,073	-	-23	114
Balance at December 31, 2020							
Cost price	5,756	669	2,869	9,118	-	156	18,568
Accumulated depreciation and impairment	-	-	-	-	-	-	-
Carrying amount at December 31, 2020	5,756	669	2,869	9,118	-	156	18,568

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Accounts receivable from affiliated companies

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

- Loan Sociedade Alfa Ltda: EUR 775, Interest 3.5%, paid periodically. The loan is fully repayable at maturity date 31 January 2024;
- Loan Sociedade Alfa Ltda: EUR 900, Interest 3.5%, paid periodically. The loan is fully repayable at maturity date 31 January 2024;
- Loan to Sociedade Alfa Ltda: EUR 3,605, Interest 9%, paid periodically. The loan is fully repayable at maturity date 31 August 2021. As at 31 August 2021 the original loan agreement has been renewed and rollforwards the old loan of EUR 3,605, Interest 3.5%, paid periodically. The loan is fully repayable at maturity date 31 January 2024;
- Loan to the Joint Venture I-Team North America B.V with the principal amount of $1,500K (EUR 1,416K), Interest 5%, paid at the end of each quarter. The loan is fully repayable at maturity date February 28, 2022.

	Sociada de Alfa Ltda	Joint Venture I-Team North America B.V.	Total
Book value at January 1, 2020	5,280	800	6,080
Reclassification to Current Assets	-	-225	-225
Interest	-	-	-
Repayment	-	-	-
Write-off	-	-36	-36
Translation difference	-	-63	-63
Book value at December 31, 2020	5,280	476	5,756

Accounts receivable from third parties

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

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

Other receivables

There are no specific conditions or interest calculated for the deposits.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Deferred tax assets

Deferred tax assets are recognized for the expected future tax consequences of temporary differences between the book and tax bases of existing assets. Included are deferred tax assets which primarily relate to net operating loss carryforwards. As at 31 December 2020, Tennant GmbH & Co. KG had net operating loss carryforwards of EUR 15,739 (31 December 2019: EUR 16,596) which have no expiration date. EUR 15,739 of these carryforwards has been valued (2019: EUR 16,596) for an amount of EUR 2,422 (2019: EUR 2,340).

As of 31 December 2020, the tax loss carry-forward related to the Dutch fiscal unity was EUR 18,018 (2019: EUR 14,971). The amount of those losses which has not been included in the valuation amounts to EUR 11,524 (no change from 2019). The reserve is based on insufficient certainty of the realization of these losses in the coming years.

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

	2020	2019
Balance as at January 1, 2020	3,793	8,345
Additional fiscal losses	-	-
Used fiscal losses	-	-31
Changes in tax rates	380	-864
Recognition of prior unrecognized tax assets	-	-2,860
Revised estimates	-128	-797
Balance as at December 31, 2020	4,045	3,793

Investment in joint venture

The investment in joint venture relates to:

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

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

The book value of this investment was EUR -36 per December 31, 2020. The deficit was deducted from the Loan to I-Team North America. B.V.

5. Inventories

	2020	2019
Finished goods and consumables	42,855	54,015
Raw materials	26,850	28,756
Goods in transit	5,236	3,111
Semi finished goods	4,512	5,539
Payments in advance	676	1,274
Provision for obsolete inventories	-10,431	-11,103
	69,698	81,592

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

TENNANT

The cost of inventories that was recognized as an expense in the profit and loss account during the financial year, amounts to EUR 140,642 (2019: EUR 163,889).

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

	2020	2019
Balance at 1 January	-11,103	-10,503
Addition, charged to the profit and loss account	-2,001	-1,969
Write-offs charged against the provision	2,484	1,413
Translation differences	189	-44
Balance at 31 December	-10,431	-11,103

The carrying amount of inventories that are valued at lower net realizable value amounts to EUR 18,656 (2019: EUR 17,237).

6. Trade and other receivables

	2020	2019
Trade receivables	70,658	81,469
Affiliated companies	1,838	2,637
Taxes and social securities	2,107	3,252
Prepaid expenses	1,387	1,719
Current portion of third party loans	118	118
Other receivables	2,076	2,869
	78,184	92,064

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

	2020	2019
Amortized cost of outstanding receivables	75,746	86,408
Less: Provision for bad debts	-5,088	-4,939
	70,658	81,469

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

7. Cash and cash equivalents

	2020	2019
Cash funds	54,831	33,353
Restricted cash	274	274
	55,105	33,627

8. Current liabilities

Affiliated companies

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

Debts to shareholders/ participants

The amount of debts to shareholders of EUR 33,348 (2019: EUR 29,252) is related to the trade payable position with the parent company Tennant Company, Minneapolis, U.S.A. The interest rate is 1.00%. There is no repayment scheme agreed upon.

Accounts payable to suppliers and trade creditors

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

Taxes and social securities

	2020	2019
Wage tax	3,979	3,996
Value-added tax	2,887	3,681
Social security contributions	1,287	1,172
Other taxes	1,276	646
	9,429	9,495

All taxes and social securities are due within one year.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Accrued and other liabilities

	2020	2019
Accrued holiday allowance	5,912	6,261
Accrued bonuses and commissions staff	3,300	3,556
Accrued rebates	3,841	3,716
Deferred revenue	2,775	2,514
Accrued residual value loss	224	211
Customer advance	219	1,611
Accrued freight	95	66
Other liabilities and accruals	7,933	7,863
	24,299	25,798

The other liabilities and accruals of EUR 7,933 mainly relate to accrued operating expenses, such as freight, sales- and marketing expenses, consultancy fees and a contingent liability. The contingent liability represents the estimated fair value of the contingent consideration regarding the remaining earn-out value of the Gaomei acquisition. In 2020 the contingent purchase consideration changed regarding the estimated fair value of the remaining earn-out value to EUR 1,500 as per December 31, 2020 (2019: EUR 1,889 as presented under Non-current liabilities).

All accrued and other liabilities are due within one year.

9. Non-current liabilities

	2020	2019
Debts to affiliated companies	150,000	150,000
Contingent liability	-	1,889
Other non-current liabilities	1,956	3,157
	151,956	155,046

The contingent liability 2020 is due within one year so it has been recorded in current liabilities.

Debts to affiliated companies

With the acquisition of the IPC Group, the Company became the holder of a loan of 150,000 with Tennant Company. The interest rate is 4.8%. This is a fixed rate and is not dependent on market risk factors. The loan and interest are fully repayable at maturity date 5 April 2022. Tennant Company has confirmed the commitment not to issue any demand for the immediate payment of the outstanding loan per maturity date by signing a Letter of support to the Company.

No collateral has been provided. The fair value and book value of the long-term loan do not differ significantly.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

TENNANT

Movements were as follows:

Principal amount 1 January 2020	150,000
Interest due until 1 January 2020	-
Non-current as at 1 January 2020	150,000
Interest in 2020	7,200
Principal amount as at 31 December 2020:	150,000
Interest due as at 31 December 2020	-
Non-current as at 31 December 2020	150,000

Of the debts mentioned above, an amount of EUR 0K has a remaining term of more than five years (2019: EUR 0K).

10. Provisions

	Pensions	Other Employee Provisions	Warranty	Restruc-turing	Deferred tax liability	Uncertain tax positions	Total
Balance January 1, 2020	4,760	649	2,199	-	35,057	8,340	51,005
Provisions made during the year	131	736	2,145	1,765	-	-	4,777
Provisions used during the year	-435	-28	-2,163	-1,124	-5,311	-2,169	-11,230
Correction Purchase Accounting Gaomei	-	-	-	-	-	1,460	1,460
Prior year correction*	-	-	-	-	-1,636	108	-1,528
Accrued interest	26	-	-	-	-	-	26
Translation differences	-	-	-39	-2	-	-	-41
Balance December 31, 2020	4,482	1,357	2,142	639	28,110	7,739	44,469

*In the current year an immaterial reclassification error is identified and corrected in relation to prior years. The error was included the opening balance sheet of IPC Group (as from the acquisition date in April 2017) relating to an incorrect recognition of a deferred tax liability that has been corrected for an amount of EUR 1,636 against Goodwill.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

TENNANT

Pensions

	German Pension Plan	Italian Pension Plan	Total
Balance January 1, 2020	886	3,874	4.760
Provisions made during the year	109	22	131
Provisions used during the year	-33	-402	-435
Accrued interest	11	15	26
Translation differences	-	-	-
Balance December 31, 2020	973	3,509	4,482

German pension plan

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

The provision for pensions is essentially long term by nature. An amount of EUR 35 is due within one year.

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

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

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

Defined benefit obligation

	2020	**2019**
Benefit obligation at beginning of year	886	831
Interest cost	11	15
Actuarial loss	109	70
Benefits paid	-33	-30
Benefit obligation at end of year	973	886

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Plan assets

	2020	2019
Fair value of plan assets at beginning of year	-	-
Actual return on assets	-	-
Employer contributions	33	30
Plan participants' contributions	-	-
Other changes	-	-
Benefits paid	-33	-30
Fair value of plan assets at end of year	-	-
Funded status	**973**	**886**
Amounts recognized in the Consolidated Balance Sheet consist of:		
Provisions	973	886
Amounts recognized in accumulated other comprehensive income consist of:		
Net actuarial loss	395	295
Tax	-111	-83
Accumulated other comprehensive income	284	212

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

	2020	2019
Service cost	-	-
Interest cost	11	15
Expected return on assets	-	-
Amortization of unrecognized losses	10	45
Net periodic pension cost	21	60

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

	2020	2019
Discount rate	1.00%	1.30%
Mortality tables	Richttafeln 2018 G	Richttafeln 2018 G
Expected long-term rate of return	N/A	N/A
Salary increases	N/A	N/A

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

TENNANT

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

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

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

	Germany
2021	35
2022	36
2023	39
2024	40
2025	41
2026-2030	212

Italian pension plan

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

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

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

- annual probability of removal for death: ISTAT tables M2019 and F2019 were used;
- other causes of removal were obtained through appropriate equalizations of the historical data of the assessed companies;
- Annual probability of request for advances on employee severance indemnity: assumed to be equal to 4.9% (The average observed over the last 5 years of the Company);
- Annual inflation rate 0,9%;
- Discount rate 0,06%;
- Labor turnover rate 7% (The average observed over the last 5 years of the Company)

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Dutch pension plan

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

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

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

The main arrangements in the agreement are:

- Indexation does not result in a change in contributions;
- The funding ratio for PME requires a minimum of 118.5%. For the years that the funding ratio is below this percentage, PME has a recovery plan in place until 2029. The actual funding ratio in 2020 is 92.3%;
- 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 2020 is 22.7% of pensionable salary. The employer contribution is 11.81%.

Other employee provisions

	Provision for agents' leaving indemnities	Provision for indemnities "Fin de Carriere"	Total
Balance January 1, 2020	385	263	648
Provisions made during the year	27	709	736
Provisions used during the year	-27	-	-27
Translation differences	-	-	-
Balance December 31, 2020	385	972	1,357

Provision for agents' leaving indemnities

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Provision for indemnities "Fin de Carriere"

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

Warranty

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

Deferred tax liability

The deferred tax liability mainly relates to differences in valuation for tax purpose in relation to intangible and tangible amortization as part of the acquisitions of the IPC Group and Gaomei.

Uncertain tax positions

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

Restructuring

During the year a restructuring provision was formed and partially used to cover the costs for redundancy and outplacement. Only for the entities Tennant N.V. (EUR 487) and Tennant Company Japan Ltd (EUR 152) a restructuring provision was recorded per year-end.

The restructuring provision is due within one year.

11. Group equity

Share of the legal entity in the group equity

For the notes regarding the Shareholders Equity in the group equity we refer to note 21. The guaranteed equity comprises group equity. There are no subordinated loans.

Third-party share in group equity
The movements during the financial year are as follows:

	2020	2019
Balance at 1 January	1,253	1,758
Addition, charged to the profit and loss account	-	-33
Other movements	-89	-472
Balance at 31 December	1,164	1,253

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Off- balance sheet assets and liabilities

Claims

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

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

Long-term financial commitments

The Group has long-term rental commitments. The operating leasing costs are recognized on a straight-line basis in the profit and loss account over the lease period. At the end of 2020 the remaining term can be specified as follows:

	< 1 Year	1 – 5 Year	> 5 Years
As at 31 December 2020	7,861	13,825	811

The short-term commitments relate to car lease EUR 3,594, building lease EUR 3,793 and other lease EUR 474.

The lease expenses in 2020 amounted to EUR 7,754.

Guarantees

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

A commitment of GBP 1,366 (EUR 1,595) not recorded in the balance sheet relating to a guarantee issued in favor of the British subsidiary Vaclensa PLC. The guarantee relates to the lease agreement where the Company has its registered office.

A current account overdraft facility of EUR 5,000 is applicable for Tennant NV. The credit facility is an uncommitted daily recoverable facility with an unspecified term. Any unauthorized excess of the contractual amounts leads to an interest of 2% per year over the excess amounts. As per December 31, 2020 the credit facility is not in use.

Pledges of shares and interests

Tennant Company has entered into a deed of pledge on registered shares in the capital of the Company in connection with its Credit Agreement dated April 4, 2017 with JPMorgan Chase, N.A. Pursuant to the Pledge Agreement, Tennant Company has agreed to grant a first priority right of pledge over certain shares of the Company. JPMorgan Chase, NA currently holds the shares, which consist of 49,890 shares

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

with a nominal value of EUR 100 each, representing 65% of the total issued and outstanding shares of the Company.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Income Statement

12. Net turnover

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

	2020	2019
France	47,988	53,726
Germany	39,542	43,374
North America	31,707	36,483
Italy	27,745	26,114
Spain	24,611	27,893
Australia	19,544	20,414
United Kingdom	19,174	24,273
Rest of Asia	15,202	18,179
China	14,853	20,703
The Netherlands	13,450	15,253
Japan	12,274	15,189
Rest of Europe	10,478	11,735
Norway	10,417	11,247
Austria	9,504	12,637
Belgium	7,374	9,683
Brazil	6,965	7,707
Portugal	4,245	5,383
Russia	3,805	4,952
Sweden	3,447	4,276
Switzerland	2,766	2,487
Africa	2,435	2,614
New Zealand	1,620	2,041
Denmark	1,475	951
South America	858	1,201
	331,479	379,515

Net turnover product segmentation:

	2020	2019
Machines	228,250	273,853
Service	44,028	44,572
Parts	44,064	46,741
Rental	15,137	14,349
	331,479	379,515

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

13. Salaries, wages and social charges

	2020	2019
Wages and salaries	75,884	81,376
Social charges	17,658	19,723
Pension costs	3,545	3,426
	97,087	104,525

Further, the operating expenses include an amount of EUR 4,310 (2019: EUR 1,114) related to the restructuring expenses.

The NOW scheme which is made available by the Dutch Government means that a company can obtain compensation for a maximum of 90% of the wage costs when the turnover has fallen with at least 20% within a group of companies. This criterion is met for the Dutch entities within Tennant Holding B.V. The Company participated in phase NOW 1.0 of this scheme for period March, April and May 2020. The salaries, wages and social charges contain an amount of EUR 959 which represents the final subsidy amount.

Personnel

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

	2020	2019
Production	817	740
Selling	916	878
General	345	364
	2,078	1,982

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

	2020	2019
The Netherlands	237	237
Rest of Europe	1,259	1,266
Outside Europe	582	479
	2,078	1,982

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

TENNANT

14. Amortization and depreciation

The amortization on intangible fixed assets amounted to EUR 25,821 and the depreciation for tangible fixed assets amounted to EUR 14,534. For more details we refer to the notes of the intangible and tangible fixed assets.

15. Interest income and similar income

	2020	2019
Interest income from third parties	532	257
Interest income from affiliated companies	405	424
	937	681

16. Interest expenses and similar charges

	2020	2019
Interest expenses to third parties	-533	-583
Interest expense to affiliated companies	-7,637	-7,662
Currency exchange rate differences	-4,969	-465
	-13,139	-8,710

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

17. Tax on result

The Company forms a fiscal unity for corporate income tax purposes together with the Dutch group companies. Each of the companies recognizes the portion of corporate income tax that the relevant company would owe as an independent tax payer, taking into account the tax facilities applicable to the company. The total value of this carry forward loss was EUR 18,018 (2019: EUR 14,971). Based on insufficient certainty of the realization of these losses in the coming years, the Company has not valued these completely. For the disclosure on deferred tax assets refer to Note 4 Financial Fixed Assets. The major components of the tax charge are as follows:

	2020	2019
Tax liability for current financial year	-3,411	-5,700
Movement in temporary differences	6,384	8,976
Adjustment of prior periods	129	-252
Income tax expense	3,102	3,024

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

The tax income recognized in the profit and loss account for 2020 amounts to EUR 3,102 or 17.1% of the result before tax (2019: tax income EUR 3,024 or 44.8%). The numerical reconciliation between the applicable and the effective income tax rate is as follows (in EUR):

	2020	2019
Result before tax	-18,148	-6,755
Income tax using the applicable tax rate in the Netherlands	4,537	1,689
Tax effect of:		
Nondeductible Goodwill amortization	-2,174	-2,112
Effect of foreign operations	-136	1,080
Effect of deferred rate change	755	2
Recognition of prior unrecognized tax assets	-9	2,860
Adjustment of prior periods	129	-252
Other	0	-243
Tax income (expense)	3,102	3,024

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

	2020	2019
Tax at statutory rate (applicable tax rate in the Netherlands)	25.0%	25.0%
Increases (decreases) in the tax rate from:		
Nondeductible Goodwill amortization	-12.0%	-31.3%
Effect of foreign operations	-0.7%	16.1%
Effect of deferred rate change	4.2%	0.0%
Recognition of prior unrecognized tax assets	-0.1%	42.3%
Adjustment of prior periods	0.7%	-3.7%
Other	0.0%	-3.6%
Effective income tax rate	17.1%	44.8%

18. Related party transactions

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

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.

The transactions with related parties were at arm's length except for:

- As at 30 September 2013, the Company has provided a loan of EUR 3,605 to Sociedade Alfa Ltda. The interest rate is 9% for the period ending 31 December 2020. The interest rate has not been agreed on an arm's length basis, as a result of which the interest rate does not reflect the market interest rate. If this loan had been agreed with a third party, interest would have amounted to 2.97%. As at 31 August 2021 the original loan agreement has been renewed and rollforwards the old loan of EUR 3,605. The interest rate is 3.5%. The loan is fully repayable at maturity date 31 January 2024.

In 2020 the purchases of goods from related parties amounted to EUR 14,196 (2019: EUR 19,805) and the sales of goods to related parties amounted to EUR 12,868 (2019: EUR 16,376).

As at 31 December 2020, the long-term assets from related parties amounted to EUR 5,756 whereas the long-term amounts owed to related parties amounted to EUR 150,000. As at 31 December 2020, the accounts receivable from related parties amounted to EUR 1,838 whereas the amounts owed to related parties amounted to EUR 35,451.

The Board of Directors consists of 3 members (2019: 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 26 of the separate financial statements.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Subsequent events

There are no subsequent events.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

TENNANT

Separate financial statements

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Tennant Holding B.V. Separate Balance Sheet as at December 31, 2020
(Before appropriation of net profit)

In thousand of Euros	2020	2019
Fixed assets		
Financial fixed assets (20)	218,260	235,217
Total assets less current liabilities	**218,260**	**235,217**
Issued capital	7,676	7,676
Share premium	231,890	241,338
Legal reserve	456	456
Foreign currency translation reserve	-4,516	-2,761
Other reserves	-7,549	-7,549
Accumulated other comprehensive income / (loss)	-368	-212
Unappropriated profit/ (loss)	-9,329	-3,731
Shareholder's equity (21)	**218,260**	**235,217**

The notes on pages 62 to 69 are an integral part of these consolidated financial statements.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Tennant Holding B.V. Separate profit and loss account for the year ended December 31, 2020

In thousand of Euros	2020	2019
Share of result of participating interests after taxes (25)	-15,046	-3,731
Other income and expenses after tax	-	-
Net result	**-15,046**	**-3,731**

The notes on pages 62 to 69 are an integral part of these consolidated financial statements.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Notes to the Tennant Holding B.V. 2020 Separate Financial Statements

General

The separate financial statements are part of the 2020 financial statements of the group. For the separate profit and loss account, use has been made of the exemption pursuant to Section 2:402 of the Netherlands Civil Code. The financial information of the Company is included in the Company's consolidated financial statements. In so far as no further explanation is provided of items in the separate balance sheet and the separate profit and loss account, please refer to the notes to the consolidated balance sheet and profit and loss account.

Accounting policies

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

Financial instruments

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

Participating interests in group companies

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

Share of result of participating interests

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

19. Financial fixed assets

The movements in financial fixed assets are as follows:

	2020	2019
Balance at January 1	235,217	72,243
Acquisition IPC Group (Pooling-of-interest method)	-	165,606
Balance at January 1, after pooling-of-interest method	235,217	237,849
Adjustment related to SFAS No, 158	-156	-18
Share of results from participations	-15,046	-3,731
Goodwill adjustment	-	741
Translation differences	-1,755	376
Balance at December 31	218,260	235,217

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

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

The Company is severally liable for liabilities resulting from legal acts of her Dutch subsidiaries (Tennant Netherland Holding B.V., Tennant NL B.V., Tennant International Holding B.V., Tennant N.V., Tennant Europe B.V., Hofmans Machinefabriek en Constructiebedrijf B.V.) as stipulated in article 403, paragraph 1, subparagraph f of Title 9 of The Netherlands Civil Code, Book 2.

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

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Joint venture (not consolidated):

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

20. Shareholder's equity

The movements in Shareholder's equity are as follows:

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

	Issued capital	Share premium	Legal reserve	Foreign currency translation reserve	Other reserves	Accumulated other comprehensive income / (loss)	Unappropriated result	Total
As at January 1, 2019	7,676	76,188	-	-3,137	-12,316	-194	4,026	72,243
Effect of Pooling-of-interest method	-	165,150	456	-	-	-	-	165,606
As at January 1, 2019 after pooling-of-interest method	7,676	241,338	456	-3,137	-12,316	-194	4,026	237,849
Result appropriation 2018	-	-			4,026	-	-4,026	-
Result 2019**	-	-		-	-	-	-3,731	-3,731
Adjustment related to SFAS No, 158 adoption	-	-		-	-	-18	-	-18
Goodwill adjustment*	-	-		-	741	-	-	741
Translation differences	-	-		376	-	-	-	376
As at December 31, 2019	7,676	241,338	456	-2,761	-7,549	-212	-3,731	235,217

*This relates to the valuation adjustment of Goodwill Gaomei
** The unappropriated result 2019 includes the result of IPC Group 2019 of EUR 9.448 (loss) which is attributed to the share premium in 2020 in accordance with the legal substance of the transaction and following the formal approval of the General meeting of shareholders. The unappropriated result of Tennant Holding B.V. 2019 of EUR 5.717 (gain) will be attributed to the other reserve in 2021 following the formal approval of the General meeting of shareholders.

Issued capital

The Company's authorized capital, amounting to EUR 15 million (2019: EUR 15 million), consists of 150.000 ordinary shares of EUR 100 each, of which 76.755 shares have been issued and fully paid.

Share premium

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Legal reserve

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

Foreign currency translation reserve

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

Other reserves

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

Accumulated other comprehensive income / (loss)

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

Unappropriated profit

Appropriation of profit of 2019

The financial statements for the reporting year 2019 have been adopted by the General Meeting on March 12, 2021 and the General Meeting has adopted the appropriation of profit as proposed by the Board of Management.

Proposal for profit appropriation 2020

At the General Meeting of Shareholders, it will be proposed to approve the following appropriation of the 2020 result after tax: add the result of EUR -15,046 to the other reserves.

21. Financial instruments

There are no specific financial instruments for the Company.

22. Commitments and Contingent Liabilities

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

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

Tennant Holding B.V. and its Dutch subsidiaries form a fiscal unity. Therefore, each individual entity is jointly and severally liable for the corporate tax liabilities of the fiscal unity. Recharges between the Company and its subsidiaries are settled through current account positions.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

The following method is applied with regard to recharges/allocation of corporate income taxes within the fiscal unity:

Because the Company does not recharge any corporate income taxes, all income tax positions, including deferred tax positions, are recognized by the Company.

The tax loss carry-forward which has not been included in the valuation amounts to EUR 11,524 (2019: EUR 11,524).

23. Employee benefits and number of employees

The Company has no employees in 2020 (2019: 0).

24. Share of result of participating interests after taxes

This concerns the share of the Company in the results of its participating interests, of which an amount of EUR -15,046 (2019: EUR -3,731) concerns group companies.

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

25. Auditor's fee

The following fees were charged by KPMG Accountants N.V. for the audit 2019 and Deloitte Accountants B.V. for the audit 2020 to Tennant Holding B.V. including its subsidiaries and other consolidated companies, as referred to in Section 2:382a (1) and (2) of the Netherlands Civil Code.

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

	Deloitte Accountants B.V. 2020	Other Deloitte network 2020	KPMG Accountants N.V. 2020	Other KPMG network 2020	**Total 2020**
Audit of the financial statements	15	117	301	170	**603**
Tax-related advisory services	-	47	-	304	**351**
	15	164	301	474	**955**

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

	KPMG Accountants N.V. 2019	Other KPMG network 2019	**Total KPMG 2019**
Audit of the financial statements	143	150	**293**
Tax-related advisory services	-	98	**98**
	143	248	**391**

26. Remuneration of Board of Directors

The Board of Directors consists of 3 members (2019: 3). For 2 of the 3 members, the remuneration is paid by Tennant Company. No costs are charged to Tennant Holding B.V. for these remunerations. This is not considered at arm's length as disclosed under note 18 Related party transactions of the consolidated financial statements.

For 1 member, the emoluments, including pension costs as referred to in Section 2:383(1) of the Netherlands Civil Code, is charged in the financial year to the Company and group companies amounted to EUR 149 (2019: EUR 636).

27. Related party transactions

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

Subsequent events

For subsequent events please refer to the consolidated financial statements.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Uden, 18 January 2022

Director
Thomas Stueve
Effective date of position per 13 April 2016

Director
Jorge Moonen
Effective date of position per 2 April 2020

Director
Kristin Stokes
Effective date of position per 2 April 2020

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

Other Information

Statutory provisions concerning Appropriation of Profit

Profit is appropriated in accordance with article 7.5 of the Company's statutes, which are as follows:
- Distribution of the result shall take place following the adoption of the Annual Accounts from which it appears that such distribution is allowed.
- The results are at the disposal of the general meeting of shareholders.
- The Company may only make distribution to shareholders and other persons entitled, to the extent its equity exceeds the total amount of its issued share capital and the reserves to be maintained pursuant to the law.
- A loss may only be applied against reserves maintained pursuant to the law to the extent permitted by the law.
- The managing board, with approval of the general meeting of shareholders, may distribute an interim-dividend out of the results made in the current year.

Independent Auditor's Report

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

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
dated January 18, 2022.

ÅRSBERETNING FOR FOMA NORGE AS REGNSKAPSÅRET 2021

Marked og lokasjon

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

Den største eieren av selskapet er IP Cleaning SRL. IPC er en av de største aktører i det europeiske rengjøringsmarkedet. Den 6. april 2017 ble IPC 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 2021 grunnen Covid-19. 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 2021.

Fortsatt drift

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

Foma Norge AS har klart å øke salget betraktelig i 2021 selv med utfordringene rundt Covid-19. Styret ser derfor positivt på videre utvikling av selskapet, da det anses å være etablert et godt grunnlag for videre drift av selskapet.

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

Fremtidige utfordringer

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

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

Redegjørelse for årsregnskapet

Selskapets inntekter ble i 2021 NOK 130.607.243,- sammenlignet med NOK 110.904.650,- i 2020. Årets resultat ble et overskudd på NOK 3.056.202,- mot et overskudd i 2020 på NOK 640.176,-. Årsaken til økningen i resultatet er i hovedsak økning i salg.

Totalkapitalen var ved utgangen av 2021 på NOK 61.786.215,- mot NOK 51.427.720,- sammenlignet med året før. Egenkapitalen pr. 31.12.2021 var NOK 29.013.535,- og utgjorde 47% mot 50% for 2020.

Selskapet hadde i 2021 en netto kontantstrøm fra operasjonelle aktiviteter på NOK 3.077.703,- som blant annet knytter seg til høyere resultat og endring i leverandørgjeld. Netto kontantstrøm fra investeringsaktiviteter viser NOK -120.528,-.

Styret mener at årsregnskapet gir et rettvisende bilde av selskapets eiendeler, gjeld, finansielle stilling og resultat pr. 31.12.2021.

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

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

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

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

Like muligheter
Selskapets mål er å være en arbeidsplass der alle har like muligheter. Selskapets mål er å unngå diskriminering av noe art. Selskapet har tradisjonelt sett rekruttert likt blant menn og kvinner. Foma Norge AS har totalt 29 ansatte og andelen kvinner er 10%.

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 577 dager og 9,2% av total arbeidstid i 2021 mot 425 dager og 6,6% av total arbeidstid i 2020. Økningen skyldes i hovedsak at selskapet har hatt flere langtidssykemeldte i år. Det har ikke forekomment noen skader eller ulykker blant de ansatte i 2021.

Langhus, 23.06.2022

Sylvain Rottier *Styreleder*	Stein Askautrud *Styremedlem*
Thomas Stueve *Styremedlem*	Kristin Stokes *Styremedlem*

Årsregnskap
Foma Norge AS
2021

Resultatregnskap

Foma Norge AS

Driftsinntekter og driftskostnader	Note	2021	2020
Salgsinntekt	2	130 525 927	110 560 728
Annen driftsinntekt		81 316	343 922
Sum driftsinntekter		**130 607 243**	**110 904 650**
Varekostnad	11	74 773 855	57 613 415
Lønnskostnad	3, 10	23 495 361	21 946 197
Avskrivning av driftsmidler og immaterielle eiendeler	4, 5	474 658	463 649
Annen driftskostnad		28 417 481	29 098 741
Sum driftskostnader		**127 161 354**	**109 122 002**
Driftsresultat		**3 445 889**	**1 782 648**
Finansinntekter og finanskostnader			
Annen renteinntekt		17 051	20 751
Annen finansinntekt		634 321	303 297
Rentekostnad til foretak i samme konsern	11	172 965	252 646
Annen rentekostnad		2 297	19 282
Annen finanskostnad		86	1 011 200
Resultat av finansposter		**476 025**	**-959 080**
Ordinært resultat før skattekostnad		3 921 914	823 568
Skattekostnad på ordinært resultat	12	865 712	183 392
Ordinært resultat		**3 056 202**	**640 176**
Årsresultat		**3 056 202**	**640 176**
Overføringer			
Avsatt til annen egenkapital		3 056 202	640 176
Sum overføringer		**3 056 202**	**640 176**

Balanse

Foma Norge AS

Eiendeler	Note	2021	2020
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	4	0	48 416
Konsesjoner, patenter o.l.	4	56 350	130 150
Utsatt skattefordel	12	2 361 451	2 230 492
Sum immaterielle eiendeler		**2 417 801**	**2 409 058**
Varige driftsmidler			
Driftsløsøre, inventar o.a. utstyr	5	549 694	650 693
Sum varige driftsmidler	5	**549 694**	**650 693**
Finansielle anleggsmidler			
Sum anleggsmidler		**2 967 495**	**3 059 751**
Omløpsmidler			
Lager av varer og annen beholdning	7	33 367 657	30 555 503
Fordringer			
Kundefordringer	11	18 731 202	14 071 664
Andre kortsiktige fordringer	11	357 563	335 678
Sum fordringer		**19 088 765**	**14 407 342**
Bankinnskudd, kontanter o.l.	14	6 362 299	3 405 124
Sum omløpsmidler		**58 818 720**	**48 367 969**
Sum eiendeler		**61 786 215**	**51 427 720**

Balanse

Foma Norge AS

Egenkapital og gjeld	Note	2021	2020
Innskutt egenkapital			
Aksjekapital	8, 9	26 920 000	26 920 000
Annen innskutt egenkapital	9	100 015	100 015
Sum innskutt egenkapital		**27 020 015**	**27 020 015**
Opptjent egenkapital			
Annen egenkapital	9	1 993 520	-1 062 682
Sum opptjent egenkapital		**1 993 520**	**-1 062 682**
Sum egenkapital		**29 013 535**	**25 957 333**
Gjeld			
Avsetning for forpliktelser			
Garantiforpliktelser	13	1 155 000	994 000
Sum avsetning for forpliktelser		**1 155 000**	**994 000**
Annen langsiktig gjeld			
Gjeld til foretak i samme konsern	11, 15	0	10 698 609
Sum annen langsiktig gjeld		**0**	**10 698 609**
Kortsiktig gjeld			
Leverandørgjeld	11	19 434 195	5 708 627
Betalbar skatt	12	996 671	132 359
Skyldig offentlige avgifter		5 940 033	4 563 240
Annen kortsiktig gjeld	11	5 246 781	3 373 552
Sum kortsiktig gjeld		**31 617 680**	**13 777 778**
Sum gjeld		**32 772 680**	**25 470 387**
Sum egenkapital og gjeld		**61 786 215**	**51 427 720**

Balanse

Foma Norge AS

23.06.2022
Styret i Foma Norge AS

Stein Arne Askautrud styremedlem	Thomas Allan Stueve styremedlem	Kristin Anne Stokes styremedlem
	Sylvain Rottier styreleder	

Indirekte kontantstrøm

Foma Norge AS

	Note	2021	2020
Kontantstrømmer fra operasjonelle aktiviteter			
Resultat før skattekostnad		3 921 914	823 568
Periodens betalte skatt		132 359	1 002 124
Tap/gevinst ved salg av anleggsmidler		-130 917	0
Ordinære avskrivninger		474 658	463 649
Endring i varelager		-2 812 154	3 044 274
Endring i kundefordringer		-4 659 538	-493 342
Endring i leverandørgjeld		13 725 568	-2 891 755
Endring i andre tidsavgrensningsposter		-7 309 469	45 710
Netto kontantstrøm fra operasjonelle aktiviteter		**3 077 703**	**-10 020**
Kontantstrømmer fra investeringsaktiviteter			
Innbetalinger ved salg av varige driftsmidler		465 000	0
Utbetalinger ved kjøp av varige driftsmidler		585 528	279 547
Netto kontantstrøm fra investeringsaktiviteter		**-120 528**	**-279 547**
Kontantstrømmer fra finansieringsaktiviteter			
Netto endring i kontanter og kontantekvivalenter		2 957 175	-289 567
Beh. av kont. og kontantekvivalenter ved per. begy		3 405 124	3 694 691
Beh. av kont. og kontantekvivalenter ved per. slutt		**6 362 299**	**3 405 124**

Note 1 - Regnskapsprinsipper

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

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

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

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

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

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

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

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

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

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

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

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

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

Konsernregnskap
Foma Norge AS er et datterselskap av IP Cleaning SRL i Italia. Foma Norge AS inngår således i konsolidert konsernregnskap til konsernspissen IPC Group og har fritak for konsolidering av sitt datterselskap.

Note 2 - Salgsinntekt

Per virksomhetsområde:	**2021**	**2020**
Profesjonell	126 670 738	107 376 924
Service	3 936 505	3 527 726
Sum	**130 607 243**	**110 904 650**

Per geografisk område:	**2021**	**2020**
Norge	126 047 946	107 496 946
Sverige	2 500 030	1 634 001
Danmark	2 059 267	1 773 703
Sum	**130 607 243**	**110 904 650**

Note 3 - Lønnskostnad, antall ansatte, godtgjørelser, lån til ansatte m.m.

Lønnskostnad	**2021**	**2020**
Lønn	19 466 396	17 972 771
Folketrygdavgift	2 833 190	2 739 293
Pensjonskostnader	362 201	340 992
Andre ytelser	833 574	893 141
Sum	**23 495 361**	**21 946 197**
Antall årsverk sysselsatt i regnskapsåret	28	28

Selskapet har ikke daglig leder.

Det er ikke utbetalt honorar eller andre godtgjørelser til styret i 2021.
Det er ikke gitt lån eller sikkerhetsstillelser til ledende personer, aksjonærer m.v. i 2021.

Revisor
Godtgjørelse til revisor fordeler seg slik:

	2021	**2020**
Lovpålagt revisjon	230 000	133 000
Teknisk bistand regnskap og skatt	50 000	55 000
Annen bistand	0	40 000
Sum	**280 000**	**228 000**

Note 4 Immatrielle eiendeler

	Utvikling av ny netthandel	Sum
Anskaffelseskost 1.1.2021	349 206	349 206
Tilgang i året	0	0
Avgang i året	-48 416	-48 416
Anskaffelseskost 31.12.2021	**300 790**	**300 790**
Akk. avskrivninger 31.12.2021	-244 440	-244 440
Bokført verdi 31.12.2021	**56 350**	**56 350**
Årets avskrivninger	73 800	73 800
Økonomisk levetid	3 år	
Avskrivningsplan	Lineær	

Note 5 Anleggsnote

	Maskiner/ Inventar	Transportmidler	Sum varige driftsmidler
Anskaffelseskost 01.01.2021	2 959 774	71 939	3 031 713
Tilgang kjøpte driftsmidler	322 636	311 308	633 944
Avgang solgte driftsmidler	0	-334 083	-334 083
Anskaffelseskost 31.12.2021	**3 282 410**	**49 164**	**3 331 574**
Akkumulerte avskrivinger 31.12.2021	2 732 717	49 164	2 781 881
Bokført verdi per 31.12.2021	**549 693**	**0**	**549 694**
Årets avskrivinger	396 011	4 847	400 858

Note 6 Datterselskap

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

Firma	Egenkapital iflg siste årsregnskap	Årsresultat iflg siste årsregnskap
IP Cleaning Sverige AB	213 452	0

Note 7 - Varer

	2021	2020
Ferdigvarer	33 367 657	30 555 503

Note 8 - Aksjekapital og aksjonærinformasjon

Aksjekapitalen i selskapet per 31.12.2021 består av:

	Antall	Pålydende	Bokført
Aksjer	26 920	1 000	26 920 000

Eierstruktur

Aksjonærene i selskapet per 31.12.2021 var:	Aksjer	Eierandel	Stemmeandel
IP Cleaning SRL	26 895	99,91 %	99,91 %
Investimenti AS	20	0,07 %	0,07 %
Stein Askautrud	5	0,02 %	0,02 %
Totalt antall aksjer	**26 920**	**100 %**	**100%**

Aksjer eid av medlemmer i styret og daglig leder:

	Verv	Antall aksjer
Stein Askautrud	Styremedlem	5

Note 9 - Egenkapital

	Aksjekapital	Annen innskutt egenkapital	Annen egenkapital	Sum egenkapital
Egenkapital 1.1.2021	26 920 000	100 015	-1 062 682	25 957 333
Årets resultat	0	0	3 056 202	3 056 202
Egenkapital 31.12.2021	**26 920 000**	**100 015**	**1 993 520**	**29 013 535**

Note 10 Innskuddspensjon

Foretaket er pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon, og har pensjonsordning som tilfredsstiller kravene i denne loven.
Årets pensjonspremie utgjør kr 362 201, og er innregnet i resultatregnskapet.

Note 11 Transaksjoner og mellomværende med selskap i samme konsern m.v.

Resultatmessige transaksjoner med nærstående parter:

Transaksjons-gruppe	Tilhører resultatlinje	Motpart	Forhold til motpart	2021	2020
Varekjøp	Varekostnad	IP Cleaning SRL	Morselskap	53 497 437	35 147 935
Varekjøp	Varekostnad	IPC Tools	TS	67 550	344 954
Varekjøp	Varekostnad	IPC Soteco Benelux	TS	54 651	25 868
Rentekostnad	Rentekostnad	IP Cleaning SRL	Morselskap	172 965	237 057
Rentekostnader	Rentekostnader	IP Cleaning Sverige AB	Datterselskap	0	15 589
Sum				**53 792 603**	**35 771 403**

Mellomværende med nærstående parter:

Motpart	Forhold til motparten	Kundefordringer 2021	Kundefordringer 2020	Andre fordringer 2021	Andre fordringer 2020
IP Cleaning SRL	Morselskap	0	0	0	0
IP Cleaning Sverige AB	Datterselskap	0	0	0	0
Sum		**0**	**0**	**0**	**0**

Motpart	Forhold til motparten	Leverandørgjeld 2021	Leverandørgjeld 2020	Annen gjeld 2021	Annen gjeld 2020
IP Cleaning SRL	Morselskap	18 168 573	738 088	0	10 479 700
IP Cleaning Sverige AB	Datterselskap	0	0	0	218 909
Sum		**18 168 573**	**738 088**	**0**	**10 698 609**

Note 12 Skatt

Årets skattekostnad	**2021**	**2020**
Resultatført skatt på ordinært resultat:		
Betalbar skatt	996 671	132 359
Endring i utsatt skattefordel	-130 959	51 033
Skattekostnad ordinært resultat	865 712	183 392
Skattepliktig inntekt:		
Ordinært resultat før skatt	3 921 914	823 568
Permanente forskjeller	13 139	10 031
Endring i midlertidige forskjeller	595 267	-231 968
Skattepliktig inntekt	4 530 321	601 631
Betalbar skatt i balansen:		
Betalbar skatt på årets resultat	996 671	132 359
Sum betalbar skatt i balansen	996 671	132 359

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

	2021	**2020**	**Endring**
Varige driftsmidler	-289 070	-155 907	133 163
Varebeholdning	-9 221 353	-8 917 472	303 881
Fordringer	-95 634	-105 209	-9 575
Gevinst – og tapskonto	27 190	33 988	6 798
Avsetninger mv	-1 155 000	-994 000	161 000
Sum	-10 733 867	-10 138 600	595 267
Grunnlag for utsatt skattefordel	-10 733 867	-10 138 600	595 267
Utsatt skattefordel (22 %)	-2 361 451	-2 230 492	130 959

Note 13 - Pantstillelser og garantier m.v.

Bokført gjeld som er sikret ved pant og lignende	**2021**	**2020**
Kassekreditt	0	-2 501 352

Bokført verdi av eiendeler stilt som sikkerhet for bokført gjeld	**2021**	**2020**
Varelager	0	30 555 503

Garantiansvar	**2021**	**2020**
Garantiansvar (avsetning for service- og garantiforpliktelser)	1 155 000	994 000

Selskapet har i 2021 sagt opp avtalen med banken om kassakreditt.

Note 14 - Bankinnskudd

Bankinnskudd omfatter bundne skattetrekksmidler med kr 870 668.

Note 15 - Gjeld

Selskapet har ikke gjeld som forfaller mer enn 5 år etter regnskapsårets slutt. Selskapet hadde et langsiktig lån til IP CLEANING SRL som ble fornyet løpende hvert år. Lånet er oppgjort i 2021.

Note 17 - 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. 31.12.2021.

Indirekte kontantstrøm

Foma Norge AS

	Note	2021	2020
Kontantstrømmer fra operasjonelle aktiviteter			
Resultat før skattekostnad		3 921 914	823 568
Periodens betalte skatt		132 359	1 002 124
Tap/gevinst ved salg av anleggsmidler		-130 917	0
Ordinære avskrivninger		474 658	463 649
Endring i varelager		-2 812 154	3 044 274
Endring i kundefordringer		-4 659 538	-493 342
Endring i leverandørgjeld		13 725 568	-2 891 755
Endring i andre tidsavgrensningsposter		-7 309 469	45 710
Netto kontantstrøm fra operasjonelle aktiviteter		**3 077 703**	**-10 020**
Kontantstrømmer fra investeringsaktiviteter			
Innbetalinger ved salg av varige driftsmidler		465 000	0
Utbetalinger ved kjøp av varige driftsmidler		585 528	279 547
Netto kontantstrøm fra investeringsaktiviteter		**-120 528**	**-279 547**
Kontantstrømmer fra finansieringsaktiviteter			
Netto endring i kontanter og kontantekvivalenter		2 957 175	-289 567
Beh. av kont. og kontantekvivalenter ved per. begy		3 405 124	3 694 691
Beh. av kont. og kontantekvivalenter ved per. slutt		**6 362 299**	**3 405 124**

Deloitte.

Deloitte AS
Dronning Eufemias gate 14
Postboks 221 Sentrum
NO-0103 Oslo
Norway

Tel: +47 23 27 90 00
www.deloitte.no

Til generalforsamlingen i Foma Norge AS

UAVHENGIG REVISORS BERETNING

Konklusjon
Vi har revidert Foma Norge AS' årsregnskap som består av balanse per 31. desember 2021, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening

- oppfyller årsregnskapet gjeldende lovkrav, og
- gir årsregnskapet et rettvisende bilde av selskapets finansielle stilling per 31. desember 2021, 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 de internasjonale revisjonsstandardene 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 slik det kreves i lov, forskrift og International Code of Ethics for Professional Accountants utstedt av the International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon
Styret (ledelsen) er ansvarlig for informasjonen i årsberetningen. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker ikke informasjonen i årsberetningen.

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

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

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

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

Deloitte.

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

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

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

- identifiserer og vurderer vi risikoen for vesentlig feilinformasjon i regnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av internkontroll.
- opparbeider vi oss en forståelse av den interne 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 hensiktsmessigheten av ledelsens bruk av fortsatt drift-forutsetningen ved avleggelsen av årsregnskapet, basert på innhentede revisjonsbevis, og hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet inntil datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke fortsetter driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettvisende bilde.

Vi kommuniserer med styret blant annet om det planlagte omfanget av revisjonen og til hvilken tid revisjonsarbeidet skal utføres. Vi utveksler også informasjon om forhold av betydning som vi har avdekket i løpet av revisjonen, herunder om eventuelle svakheter av betydning i den interne kontrollen.

Oslo, 23. juni 2022
Deloitte AS

Joachim Eriksen
statsautorisert revisor

PENNEO

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

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

Joachim Eriksen
Statsautorisert revisor
Serienummer: 9578-5995-4-174171
IP: 77.16.xxx.xxx
2022-06-30 12:34:41 UTC

bank ID

Penneo Dokumentnøkkel: CE1Z3-ETIQA-DDK1V-VCIL1-WFIQD-GADG5