

# ANNUAL REPORT 2020

# FOSS

Approved at General Meeting  
March 25, 2021

*Henrik Wiboltt*

Henrik Wiboltt (Mar 25, 2021 13:05 GMT+1)

Chairman of the General Meeting  
Henrik Wiboltt

## FOSS Nordic A/S



ANALYTICS BEYOND MEASURE

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## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of FOSS Nordic A/S for the financial year 1 January to 31 December 2020.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2020 and financial performance for the financial year 1 January to 31 December 2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Hillerød, 25 March, 2021

### Executive Board



Peter Juel Christensen (Mar 25, 2021 15:44 GMT+1)

Peter Juel Christensen  
General Manager

### Board of Directors



Henrik Wiboltt (Mar 25, 2021 13:05 GMT+1)

Henrik Wiboltt  
Chairman



Lars Oddershede Sunesen



Kenneth Aaby Sachse

## **Independent Auditor's Report**

To the Shareholder of FOSS Nordic A/S

### **Opinion**

We have audited the financial statements of FOSS Nordic A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the financial statements* section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's responsibilities for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 25 March, 2021

Deloitte  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 96 35 56

*Nikolaj Thomsen*

Nikolaj Thomsen (Mar 25, 2021 12:59 GMT+1)

Nikolaj Thomsen  
State Authorized Public Accountant  
MNE33276

## **Management Commentary**

### **Main Activity**

FOSS Group creates end-to-end solutions that secure and improve food quality. From raw material to finished product. Our analysis instruments refine measurements into information management that enables business to run intelligent data-driven productions with less waste and bigger yields.

FOSS Nordic A/S is 100% owned by FOSS A/S and is a part of the N. Foss & Co. A/S consolidated group accounts (Ultimate Parent Company). FOSS Nordic A/S distributes its' products in Denmark and Sweden. The company consists of FOSS Nordic A/S, Denmark and a Swedish branch "FOSS Nordic A/S – filial Sverige", Sweden.

### **Development in activities and financial conditions**

FOSS Nordic A/S has achieved a gross profit of DKK 10.6 million through 2020 which is at same level as 2019.

Profit before tax amounts to DKK 1.3 million in 2020 (2019 amounted to DKK 1.1 million).

### **Uncertainty relating to recognition and measurement**

There are no significant uncertainties related to the annual report.

### **Unusual circumstances**

The annual report is not impacted by any unusual circumstances.

### **Subsequent events**

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Income Statement

	Note	2020	2019
		TDKK	TDKK
<b>Gross Profit</b>		<b>10,563</b>	<b>10,644</b>
Staff expenses	1	-9,163	-9,323
<b>Earnings before Depreciation and Interest</b>		<b>1,400</b>	<b>1,321</b>
Depreciation and impairment losses on fixed assets		-146	-178
<b>Operating Profit</b>		<b>1,254</b>	<b>1,143</b>
Other financial income	2	92	-
Other financial expenses	3	-1	-9
<b>Profit from ordinary activities before tax</b>		<b>1,345</b>	<b>1,134</b>
Tax on profit for the year	4	-271	-234
<b>Profit for the year</b>		<b>1,074</b>	<b>900</b>
<b>Proposed distribution of profit</b>			
Proposed dividend for the financial year		1,074	900
<b>Profit for the year</b>		<b>1,074</b>	<b>900</b>

# Balance Sheet

## Assets

	Note	2020	2019
		TDKK	TDKK
Technical plant and machinery		83	218
Other fixtures, fittings, tools and equipment		8	17
<b>Tangible assets</b>		<b>91</b>	<b>235</b>
<b>Fixed Assets</b>		<b>91</b>	<b>235</b>
Manufactured goods and goods for resale		899	720
<b>Inventories</b>		<b>899</b>	<b>720</b>
Trade receivables		7,928	5,564
Receivables from group enterprises		5,426	9,058
Income tax receivable		-	214
Other short-term receivables		138	2
Deferred tax asset		41	25
Prepayments		-	20
<b>Receivables</b>		<b>13,533</b>	<b>14,883</b>
<b>Current assets</b>		<b>14,432</b>	<b>15,603</b>
<b>Assets</b>		<b>14,523</b>	<b>15,838</b>



# Balance Sheet

## Liabilities

	Note	2020	2019
		TDKK	TDKK
Contributed capital	5	3,000	3,000
Proposed dividend for the year		1,074	900
<b>Equity</b>		<b>4,074</b>	<b>3,900</b>
Other provisions	6	167	173
<b>Provisions</b>		<b>167</b>	<b>173</b>
Trade payable		99	194
Payables to group enterprises		3,286	4,483
Income tax payable		91	-
Other payables		3,875	2,794
Deferred income	7	2,931	4,294
<b>Current liabilities other than provisions</b>		<b>10,282</b>	<b>11,765</b>
<b>Liabilities other than provisions</b>		<b>10,282</b>	<b>11,765</b>
<b>Equity and Liabilities</b>		<b>14,523</b>	<b>15,838</b>
Contingent liabilities	8		
Ownership and group relationship	9		

# Notes to the Annual Report

	<u>2020</u>	<u>2019</u>
	TDKK	TDKK
<b>1 Staff Expenses</b>		
Wages and salaries	8,072	8,096
Pensions	596	645
Other social security expenses	495	582
	<b>9,163</b>	<b>9,323</b>
Average number of employees	13	14
<b>2 Other financial income</b>		
Exchange rate adjustment	92	-
	<b>92</b>	<b>-</b>
<b>3 Other financial expenses</b>		
Interest paid	-1	-
Interest paid to affiliated companies	-	-1
Exchange rate adjustment	-	-8
	<b>-1</b>	<b>-9</b>
<b>4 Tax on profit for the year</b>		
Corporation tax for the year	-290	-265
Tax for previous year	3	15
Deferred tax for the year	16	16
<b>Tax on profit for the year</b>	<b>-271</b>	<b>-234</b>
<b>Deferred tax</b>		
Deferred tax beginning of the year	25	9
Adjustments in Profit & Loss	16	16
<b>Deferred tax end of year</b>	<b>41</b>	<b>25</b>

# Notes to the Annual Report

	<u>2020</u>	<u>2019</u>
	TDKK	TDKK
<b>5 Contributed Capital</b>		
Contributed capital is composed as follows:		
6,000 units of shares of DKK 500	3,000	3,000
	<hr/>	<hr/>
There has not been any capital changes since formation of the company.		
<b>6 Other provisions</b>		
Provisions for warranty	167	173
	<hr/>	<hr/>
	<b>167</b>	<b>173</b>
	<hr/>	<hr/>
<b>7 Deferred income</b>		
Service contracts	2,931	4,294
	<hr/>	<hr/>
	<b>2,931</b>	<b>4,294</b>
	<hr/>	<hr/>
<b>8 Contingent assets and liabilities</b>		
Lease commitments	802	974
	<hr/>	<hr/>
	<b>802</b>	<b>974</b>
	<hr/>	<hr/>

The company is a part of a Danish joint taxation of which N. Foss & Co. A/S is the administrative entity. The parent company is liable for potential obligations for withholding taxes on interest, royalties and dividends and for company taxes within the joint taxation according to the company tax law.

## 9 Ownership and group relationship

All shares are owned by:

FOSS A/S, Hillerød, Denmark, CVR No 59388517

The Company's annual report is included in the consolidated financial statement of FOSS A/S and the ultimate parent company N. Foss & Co. A/S, CVR No 87974618

## **Accounting Principles**

### **Basis of preparation**

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises applying certain selections for class C enterprises.

The accounting policies for these financial statements are consistent with those applied last year.

The annual report is prepared in thousands DKK.

### **Recognition and measurement**

Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the assets can be measured reliably.

Liabilities are recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is affected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange rate differences that arise between the rate at the transaction date and the one in effect at the payment date, or the balance sheet date, are recognized in the income statement as financial income or financial expenses.

## **Income statement**

### **Gross Profit or loss**

With reference to section 32 of Danish financial statements Act, revenue has not been disclosed in the Annual report.

Gross profit or loss comprises of revenue, other operating income, cost of raw materials and consumables and external expenses.

### **Revenue**

Revenue from the sale of manufactured goods and goods for resale is recognized in the income statement when delivery is made, and risk has passed to the buyer. Revenue is recognized net of VAT, duties and sales discounts and measured at fair value of the consideration fixed.

## **Cost of sales**

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

## **Other external expenses**

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

## **Staff costs**

Staff costs comprise salaries and wages as well as social security costs, pension contributions, etc for the Company's staff.

## **Other financial income and expenses**

These items comprise interest income and expenses, realized and unrealized capital gains and losses on securities, payables and transactions in foreign currencies as well as tax surcharge and tax relief under the Danish Tax Prepayment Scheme.

## **Income taxes**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

The current tax payable or receivable is recognized in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

The Company is part of a Danish joint taxation of which N. Foss & Co. A/S is the administrative entity. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

## **Balance Sheet**

### **Tangible Assets**

#### **Other fixtures, fittings, tools and equipment**

Other fixtures, fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
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Equipment is written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sale of equipment is calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Profits or losses are recognized in the income statement as adjustment to depreciation and impairment losses, or under other operating income if the selling price exceeds original cost.

### **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realizable value.

Cost of goods for resale consists of purchase price plus delivery costs. Cost of manufactured goods consists of costs of raw materials and consumables.

The net realizable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### **Receivables**

Receivables are measured at amortized cost, usually equalling nominal value less provisions for bad debts.

### **Dividend**

The proposed dividend for the financial year is disclosed as a separate item in equity.

### **Other provisions**

Other provisions comprise anticipated warranty commitments.

Other provisions are recognized and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Warranty commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

### **Other financial liabilities**

Other financial liabilities are recognized at amortized cost which usually corresponds to nominal value.

### **Deferred income**

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.












# FOSS Nordic A/S - årsregnskab 2020


Final Audit Report

2021-03-25

Created:	2021-03-25
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