

Nilfisk
Annual General Meeting
21st March, 2024

Transcript

Speakers:

Peter Nilsson

Marlene Winther Plas

René Svendsen-Tune

Peter Nilsson

So, dear shareholders, dear invitees, and dear employees, welcome to the 2024 Annual General Meeting of Nilfisk. My name is Peter Nilsson. I'm the chair of the board of Nilfisk, and I'm very happy to see so many coming here today. So, welcome to you all. In 2023, Nilfisk continued laying the foundation for the strong execution of the Business Plan 2026, and before the formal meeting starts, I would like to use this opportunity to send a warm thanks to the management of Nilfisk and to all employees and colleagues. Everybody has contributed in each their way and put in an extraordinary effort during the entire year, helping to strengthen our foundation.

On a more practical note, the Annual Meeting is held in English, however we have a translation service, meaning that if you're watching online, either in real time or listening to the recorded version, you can choose the Danish language. After the General Meeting, you will be able to read a transcript and the presentation as well as all the documents that we are presenting today, at the web page of Nilfisk. This year, as in previous years, Marlene Winther Plas will be the chair of the meeting. So, welcome to you. And by that, I'll give the word to Marelene.

Marlene Winther Plas

Thank you very much. Thank you for electing me again this year as the chair for the Annual Meeting of Nilfisk. As the chair of the General Meeting, it's my duty to preside over the General Meeting and ensure that the General Meeting is conducted properly and in accordance with the agenda. A couple more formalities. As you can see, the General Meeting is conducted as a physical meeting. If you want to say something, if you want to ask a question, have a comment or something, please go over to Heidi, sitting over there, and give your name, and then I'll give the floor to you and you come up and talk from here. And that's very important because, as Peter said, we need that everybody can hear what you're saying.

So, yes, the meeting is broadcast live, and if you haven't done it already, please turn off your mobile devices. The minutes from the meeting today will be prepared in Danish and in English and, I, as the chair, will approve the minutes. And if anybody's leaving the meeting today, please remember to deregister at Computershare's desk outside. So, my next task as the chair of this meeting today is to conclude whether the meeting has been lawfully convened and is competent according to the agenda.

So in accordance with the notice that you've all received, the company's Articles of Association and the Danish Companies Act. As I can see that the requirements in Article 7 of the Articles of Association have been complied with, I find that the General Meeting has been lawfully convened. The General Meeting is held in the capital region, as set out in 7.2 of the company's Articles of Association. The notice of the General Meeting was

sent out on 20th February, which is not earlier than five weeks ahead of today and at least three weeks before today, which is set out in Article 7.3 of the Articles of Association.

The notice has been published on the company's website and through Nasdaq Copenhagen, and the notice has also been sent to the shareholders who have requested, so on the shareholders portal. The required majority for the respective items and proposals of the agenda are stated in the notice that you have all received and, as such, the proposals require a simple majority only. According to Section 7.8 of the Articles of Association, and also confirmed by the management, the following documents have been on the company's website. One is the notice of the General Meeting, with an agenda. Two, the audited annual report and, three, the vote form for voting via proxy or a postal vote.

So on that note, I can conclude that the General Meeting has been lawfully convened and is quorate and therefore I would like to ask if anybody has a comment on that or would like the word? There are no comments or questions. Then, I can conclude that the General Meeting has been lawfully convened and is quorate. I can also tell you that the company has received proxies constituting 75.41% of the shareholder capital and the votes represented at the General Meeting today. And due to this very high number of proxies and postal votes, all proposals on the agenda will be approved with the required majority.

So, I'll go to the agenda, and I will just go briefly through the agenda. And the agenda, like I say, is complying with Article 8.1 of the company's Articles of Association. The first four items on the agenda will be presented collectively by the chairman of the board of directors, Peter Nilsson, and the company CEO, René Svendsen-Tune. And they consist of the report by the board of directors on the company's activities in 2023, a presentation of the audited annual report containing the annual and consolidated accounts, the statement of the management and board of directors, the auditor's report and reviews for the year. Also, the adoption of the audited annual report and the proposal by the board of directors for the distribution of profits.

So that's the first four items, then the fifth item is the resolution regarding discharge of liability for management and board. Item six is about the adoption of the remuneration report by advisory vote. Item seven is remuneration of the board of directors for the current financial year. And then, after item seven we have item eight where members of the board of directors are elected, and item nine is the election of one or more public accountants. And with respect to item ten, there's only one proposal, as you have seen, and that's the proposal from the board of directors, and it is with respect, and we'll come back to that, to the election of an

auditor for sustainability purposes, which I'm going to present. And then, the last item on the agenda is item 11, and that's any other business. So that's the agenda, and I'll give the floor back to you, Peter.

Peter Nilsson

Thank you, Marlene. It's time for me to present and inform you about the work of the board of directors during 2023. It was, indeed, an intense year for us. And as you probably know we have a fixed plan for the number of meetings and what the meetings should contain during the year, and the different individual committees. And on the screen now you can see the overview of the number of meetings for the board and the committees during 2023.

And in addition to the meetings listed here, there have been many informal meetings, update calls and telephone conferences to deal with matters of urgency. And at the same time, we have had close cooperation with the management of Nilfisk. We also, as every year, have conducted a self-assessment of the board's work, and we did that in the last quarter of 2023, and it was conducted in the form of an online survey managed by the nomination committee of the company.

These results were discussed at the board meeting and we all reviewed and discussed the self-assessment between ourselves in the board. The survey concluded that the board has the necessary and relevant competencies and experiences but could benefit from additional diversity, and also that, with the new sustainability requirement coming into force, the board will benefit from additional training, education and, potentially, also competencies in this area. Focus areas for improvements are cooperation with management, tracking of key initiatives, and retention of C-level employees.

On this slide, you can see the board and what is pending for the election of board members, and it will be done under agenda item number 8 at this meeting. This overview shows the current members and candidates for the board of directors. In this connection, I would like to thank Jutta a Rosenborg for her work and contribution on the board and in the audit committee. You have served with dedication for many years, being one of the longest-standing board members in the company. It has been a pleasure to work with you and get to know you, so on behalf of myself, the board and the employees, thank you very much for your service. Thank you, Jutta.

I will now hand over to our CEO, René Svendsen-Thune, and René will take you through the financial results for 2023, as well as the strategic direction of Nilfisk. René, welcome.

René Svendsen-Thune

Thank you, Peter, and good afternoon to all of you. It's my pleasure now to walk you through the progress we have made

in 2023. In 2023, we dedicated our focus to developing Nilfisk according to the Business Plan 2026 that we launched around two years back. We have invested in our growth platforms and we improved on our financial business metrics, which have shown solid progress during the year. There's a problem?

So let's start with a review of the financial result of 2023. As I said, the year was a year of steady progress with our financial business metrics, and with implementing the Business Plan 2026. We delivered a set of results that we consider acceptable in a challenging climate. This was achieved by pursuing pockets of growth in a market that was impacted by a muted demand. Revenue landed at €1.34 billion, and EBITDA, before special items, was €132 million.

This allowed us to deliver flattish organic growth of minus 0.3%, and an EBITDA margin, before special items, of 12.8%. These were both in line with the outlook for the year. The gross margin increased through dedicated actions, most importantly price management, structural efficiency measures and saving on material spend. The gross margin reached 40.9% compared to 39.5% in 2022.

So let's take a closer look at the [unclear] by business segment. And looking at the business segments, our business segments, services delivered a solid organic growth of 5.5%. Professional and specialty businesses declined 1.8% and 2.6% respectively. Our consumer business declined by 8.9%, and negatively impacted the overall organic growth for the full year. It should, however, be noted that the consumer business returned to solid or strong growth in the later part of the year.

Let's take a regional view, now. Revenue in our largest region, EMEA, was €586 million, corresponding to a negative growth of 2.5%. Demand across the region was muted, but price management partly mitigated the declining volume. Central and Northern Europe saw volume decline, whereas South Europe remained relatively flat.

In the Americas, revenue was €366 million, and the region delivered organic growth of 1.4%. The growth was mainly driven by strong performance in Latin American markets throughout the year. And the Latin American markets benefits from both higher volume and price management. The US was flattish at 0.1% organic growth, while Canada observed negative growth. Demand weakened in the second half of the year, as the business climate in general became more challenging, and this resulted in lower volumes across the board compared to last year.

In APAC, 2023 revenue reached €82 million, which corresponds to strong organic growth of 8.3%. The growth was partly driven

by continuous strong demand in Australia and New Zealand, but also China contributed significantly with double-digit organic growth, and as they benefited from the reopening after the COVID-19 lockdown incidents.

So let's have a look at the earnings, then. EBITDA before special items amounted to €132 million in 2023, compared to €141 million in 2022. The soft demand impacted EBITDA negatively, but this was mostly offset with strong gross margin expansion and cost management. Consequently, we realised an EBITDA margin before special items of 12.8% compared to 13.2% in 2022.

And then a quick look at the cash flow-related metrics. Free cash flow increased by €60.7 million compared to 2022, and amounted to €115.2 million in 2023. CAPEX ratio increased to 3%, compared to 2.5% in 2022, as the CAPEX spend was increased in line with the Business Plan 2026. Net interest-bearing debt was lowered, to €252 million, a decline of €72 million from 2022. The decline was primarily driven by initiatives to lower the working capital. As a result, the gearing declined to 1.9 X, versus 2.3 X a year back. And the gearing is now within the Business Plan 2026 target range of 1.5 to 2.

So that would speak to the financial metrics, and let's have a look, then, at the strategy execution and the activities results. Along with delivering acceptable financial results, we did take important steps, during the year, to build a strong foundation that will act as a catalyst for the acceleration towards Business Plan 2026, now and in the years to come. And let me briefly run you through some of these.

Starting with strategic priorities, let's look at service as a business. In 2023, progress continued, developing our service organisation. We invested in digital solutions and we established a global programme for parts, accessories and consumables, the so-called PAC. We did this to drive more growth and better profitability in our services business.

This takes me, then, to the strategic priority of growing in large markets. And during 2023, US activities were addressing multiple focus areas, and despite the muted demand in the second half, we delivered a flattish growth of 0.1%. We made investments in developing our US services business, and we did put a lot of focus on reaching new customer segments in the US.

Another strategic priority is product development, where we continued to increase investments. For the full year 2023, the R&D ratio was 3.2%, which was up from 2.9% the year before. We launched new products, and several best-selling products were upgraded, and I will give a bit more detail to this a bit later in this presentation.

Then, moving on to progress on what we call optimisation opportunities, here we established the EMEA and APAC regions, and at year-end 2023, the EMEA operating model was finalised. This model introduces a new market structure with six similarly-scaled markets and clusters, leading all commercial activities, including service operations.

Then, let's go to the work about enhancing our supply chain robustness. This is about combatting the challenges seen in the recent years, where the global supply chain saw limitations, and here we have seen a lot of progress. During 2023, we worked on supply chain initiatives across the board, to ensure capacity for growth but also to reduce the risk of non-delivery.

And within specialty, just one comment, this is a business of its own, and we invested significantly in special-sized sales force in North America. So all in all, we saw steady progress on all growth platforms, and we have a solid platform to execute from now in 2024 and years to come.

Then, a few words about an area, an important area, that developed faster than we had planned for 2023, and this is sustainability. Here, we accelerated our efforts to reduce emissions, and the progress with reducing Scope 1 and 2 and Scope 3 greenhouse gas emissions took a solid leap forward in 2023. We are now on track to meet our 2030 Science-based Targets.

And if we look into some of the numbers, we achieved a 16% reduction in Scope 1 and 2 greenhouse gas emissions in 2023 compared to the base year. We reached a 25% reduction in Scope 3 greenhouse gas emissions, related to the use of sold products in 2023, compared to the base year. And if we shift to another dimension, we reached 30% of women in top management, an increase from 26% in 2022. And finally, Nilfisk was awarded an EcoVadis Silver medal, with scoring 65 out of 100 points. This is three points lower than we scored in 2022, 68%, but it is 20 points above the average of our industry. So very good progress.

So much about 2023, and perhaps a bit now on this year and looking forward. When we turn the view towards the future, we will operate with a solid foundation and some very clear near-term and long-term objectives to deliver on. And if we take a closer look at 2024 now, in order to accelerate the execution this year, we had particular focus on four major priorities from the Business Plan 2026.

One is to increase growth momentum in North America, the US. Here, we will continue to focus on growth in the industry segment, we will increase our service covered, and we will execute well launches of new products. Second is about

accelerating service as a business. This is a continuation of driving the PAC strategy, accessories and so forth, and really strong focus on service contract attachment rate. We want everybody who buys a machine to buy a service contract.

Thirdly, we will continue to strengthen our innovation and execution model, deliver on impactful launches, kick-start new solution projects, drive profitable growth and create capacity through portfolio rationalisation. And finally, we will continue our operations transformation through capacity optimisation, strengthening indirect sourcing, and continuing the supply optimisation that is ongoing.

So that said, let me move to one of the growth drivers of 2024. As said over the recent years, we stepped up our investments into the innovation pipeline, and in 2023 we saw the first results with a handful of product launches. Within our largest product category, floorcare, we relaunched our first autonomous machine, SC50, in a version 1.6, an upgrade, a significant upgrade.

We also relaunched the popular SC650 walk-behind. We upgraded one of our best-selling products, the Professional VP92 [unclear] vacuum cleaner, and we launched the first, in the consumer segment, stick vac S1, which was received very well by the market out there. And then in Q1 this year, we relaunched our professional vacuum cleaner VP300, in a new and more sustainable version. This is the first machine in the market based on recycled consumer plastics. And you will say, why is that important? It's important because it's tougher and there is more of that out there. We also launched a new, it's a long name so you don't need it, high-pressure washer. And as part of our dual source, our dual manufacturing process, we have launched a CS7020 produced now in China for the Asian markets.

And I understand with all these numbers and product categories it may be a little bit hard to understand exactly what I said, but trust me, this is a really important and significant step forward in the portfolio out there. So with these launches, we're off to a strong start to 2024, with a road map where we will see a significantly higher number of launches in the year to come.

So with that review of last year and going into this year, let me round off with the outlook for 2024. Looking into 2024, we expect that both demand and supply will pick up. We expect that this will lead to volume growth across both products and services. We do note that the muted demand in North America specifically may affect this year, as it did the second half of last year, and bring some uncertainty to the top line, so for the organic revenue growth we expect a range from 3% to 6% growth in 2024. This is supported by new demand in combination with increase in

output and a solid order backlog. We note that we only expect minor effects on the top line from pricing actions this year.

The EBITDA margin before special items is expected in the range of 13% to 15%. The margin is expected to be supported by increased revenue, continued gross margin expansion and effects from the structural efficiency improvements that we realised last year. And finally to CAPEX, we expect CAPEX spend of around 4% in 2024, 4% of revenue, with more than half of that directed towards product investments. And with that, thank you for attention, and I will hand back to Marlene.

Marlene Winther Plas

Thank you very much. Yes, just for the sake of good order, I will say that I note that the company's auditor does not have any qualifications in the auditor's report, and you can review that on page 126 of the Annual Report. So now I'll just open for comments and questions to the first four items of the agenda. And I know that Carsten Carstensen from the Danish Shareholders Association, Dansk Aktionærforening, wishes to take the floor. So, Carsten, please?

Carsten Carstensen

Thank you for your time. My name is Carsten Carstensen and I represent the Danish Shareholder Association, as well as shareholders in Nilfisk too. First of all, I would thank the chairman and the CEO for the group reporting. When I look at the revenue for 2023, it was €1,033.6 million, and compare it to the revenue ten years ago, at €880.7 million in 2013, we see a growth of 17.4% over ten years. It's a little bit less than the inflation we have in that period. If Nilfisk had a revenue growth at just 3.5% over the last ten years, which has been the target we had in 2017, the revenue here this year will have [unclear] €1.2 billion instead of this €1,033 million we have in the annual report.

The older targets that I have found in our annual report, that was 3% to 4% in annual growth from the annual report in 2017. In the annual report, I could also see the sales in Nilfisk as spread over more than 100 countries, and I found it good because it gave a good spread of the risk. But outside the top ten countries, we have revenue of €257.5 million, and spread over these 90 countries is not many million euros per country.

Our strategy is to create sales growth on our major main markets, with the US as the largest market. And in 2023, Nilfisk sees declining sales in all these top ten markets, by about 5%, but outside this top ten market, we see a sales growth of approximately 2%. Therefore, I wonder why Nilfisk don't have these smaller markets in focus in their strategy plan, when it looks like we are better to create sales growth in this smaller market compared to the top ten markets.

I really like that sales growth is a high priority in Nilfisk, with ambition to create revenue growth of 3% to 6% per year.

Therefore, I will ask the chairman to put some more words on how Nilfisk could create more revenue growth on both top ten markets as well as the smaller markets. Finally, I find the earnings in Nilfisk at a good level, with a profit margin of 12.8% in EBITDA, with ambitions for further improvement in the coming years.

At the Annual Meeting, here five years ago in 2019, one of the points on the agenda was the digitalisation of cleaning machines, with the newly-introduced Nilfisk Liberty SC50 as one of the big news this year, as well as more new products and services which will be introduced in the market in the following years. At that time, I asked how much digital products and services will be able to contribute to revenue from 2019 and forwards. And here, in 2024, I would like to ask again, how high sales of digital products and services has gone since 2019? Therefore, I would like to ask the chairman to put some words on how the sale of digital products and services has performed since 2019. With this question and comment, I will thank you for your time.

Marlene Winther Plas

Thank you, Carsten. I will now give the floor to you, René, for the responses. Also, Peter. First you, Peter? Okay, good.

Peter Nilsson

I'll just start. I'll sit down. Thank you, Carsten, for your questions, and thank you for the review of the history, here. In light of the fact that René presented so much of where we are in the different markets and where we are going, and the outlook, and also a significant proportion of the presentation was spent on the new product generations, I will actually give the word to René back, and he can fill in on the blanks.

René Svendsen-Thune

Okay, thank you, Carsten, for the kind words I would almost say. I appreciate, of course, that you realise, as we do, that solid profitability is a key requirement for driving the company forward, so we are in a good spot there, so let's start with that. The profitability is solid, the balance sheet has improved. This is exactly what we need to drive investments in the next phase.

Then, of course, I cannot disagree with you that we would like to grow faster, and this is basically what is inside the Business Plan 2026 that we talk about all the time. It was launched by management and the board together, two-plus years ago, and it has these cornerstones of where this growth will come from.

It's not like a magic trick, because it will have to be driven by best product execution in the market, and we are investing in that and we have launches in that direction, and I'm very hopeful that these will drive volume growth first, and then, with the right price and commercial execution, also top line growth. We need to grow a much better service business, as we are working on.

There are a lot of services we can bring to this business so it becomes solutions, and it's a service you deliver more than a product. And there's a lot of growth hidden in that space. There are pure market share battles out there we have to take. That's a matter of product execution, as we talk about here, but also commercial execution, and the customer alignment in terms of services and so forth.

So if you can get the right products out there, the right services along with that, and the right commercial and partner execution with our customers in the field, we will be better at doing what you're asking for, in a sense. And that's what we're working on.

Then, you had the end question, what about the autonomous and the robots and the digital execution? We are investing in that. We launched, years back, the first two products I just mentioned here. We are launching an upgrade to one of them, we just did, and so this is a key element, and more will happen for sure. But it hasn't taken over, so the productivity gain from robots in this field is not at the level yet where you somehow just wipe out all the mechanics and put these machines in, but you need to have share in the space, you need to make progress, and we're doing that.

So we're investing but it is not at the account of the rest, so to speak. So that balance needs to stay. Slowly, slowly you will see a higher share of autonomous machinery out there. We hear you, we're working on it, and it will get there.

Marlene Winther Plas

I would like to hear if there are any more questions or comments to these four first items. So, there's nobody, so I'll record in the minutes that the report on the company's activities in 2023, and the presentation of the Annual Report, have been noted by the General Meeting, that the General Meeting has adopted the audited Annual Report for the financial year 2023, and that the General Meeting has approved the proposal from the board of directors regarding distribution of profits. Good. So I'll go to item number five.

And it's a proposal to adopt a resolution regarding discharge of liability for the management and the board of directors. And I'll ask if there are any comments or questions to that. That's not the situation, so I'll conclude that the discharge of liability has been approved by the General Meeting. Good.

We'll go to the next item, six, which is the adoption of the remuneration report. Each year, the company must prepare a remuneration report and present this for advisory vote at the General Meeting. And this is in accordance with Section 139 b(4) in the Danish Companies Act. The report must present an overview of the remuneration of the members of management earned during the preceding year. The vote is advisory and it will

contribute to compliance with the remuneration policy, and I will, on this point, give the floor to you, Peter, and you will comment on the report.

Peter Nilsson

Thank you very much. As Marlene said, the remuneration report is part of the annual package that we need to comply with and be transparent towards the shareholders on. So I will then concentrate to try to summarise the report for 2023, before the adoption of this year's report. I will focus on the remuneration to the executive management board. The former CEO, Torsten Türling, ended employment on October 31st 2023, and he ended without any special severance terms, and in accordance to his contract.

In this connection, the sign-on bonus that he had received at the start of his employment was clawed back to the amount of €250,000. Interim CEO, René Svendsen-Thune, was hired with a fixed base salary annualised to €2.3 million. He started in August of 2023. The salary was determined based on a market benchmark and took into consideration the interim nature of the position. The base salary was deducted for fees received from the Nilfisk board of directors for the time of the year that he was not part of the board work. And I again want to stress that it's a fixed salary, there are no variable incentive programmes attached to René's position.

Nilfisk's chief financial officer, Reinhard Mayer, received a total compensation of €1,466,000 [unclear] in 2023, and it compares to €1,074,700 [unclear] in 2022. The increase is mainly due to increase in the variable part of his package. The STI, or short-term incentives, for 2023 saw an increase compared to 2022. The realisation in 2023 was 43.5%, and that compares to 33.6% in 2022. The targets for this annual bonus programme is EBITDA margin, organic growth, and they were below target, and net debt, the third parameter, was above target in performance.

If we look at the long-term incentives, or in short LTI, in 2023 we launched an MIP programme, management incentive programme. The programme was offered to members of the executive board and NLT, and runs alongside the existing long-term incentive programme, the performance share programme.

The MIP is not intended to roll out every year, but it's a programme designed to strengthen the efforts to focus on the Business Plan 2026 achievement. In total, 165,332 warrants were issued in 2023 for this programme. On the performance share programme, that rolls out every year, in 2023 a total of 151,456 performance shares units were awarded to executive management, the Nilfisk leadership team plus key employees.

The target for this programme includes a total shareholder return parameter, EBITDA and an ESG goal focusing on CO2 emission

reduction. All targets cover the period from 2023 to 2025. And with this, I conclude my summary on the 2023 remuneration report. And the full details on these programmes that I've just talked about is in the remuneration report on page eight to ten, where you can read more about it. Thank you.

Marlene Winther Plas

Thank you, Peter. I'll ask the General Meeting if you have any questions or comments to the report, or to what Peter said. And there are no questions or comments, so I can conclude that the remuneration report has been approved by the General Meeting today.

Then, we'll go to item seven, which is remuneration of the board of directors. And the board of directors proposes to maintain the same level of remuneration for this year, 2024, as in 2023. Consequently, it is proposed that each ordinary member of the board will receive a base fee of 325,000 Danish krone. The chair shall receive three times the base fee, and the deputy chair two times the base fee.

Further, work in the board committees shall be remunerated as follows. The chair of the audit committee receives two-thirds of the base fee. Other members of the audit committee receives one-third of the base fee. The chairs of the remuneration committee and nomination committee each receive one-third of the base fee. And the other members of these two committees each receive one-sixth of the base fee.

So I'll ask if there are any questions or comments to this. There are no questions or comments, then I'll conclude that this has been approved by the General Meeting today.

Next item is item eight, election of board members. According to Article 11.1 of the Articles of Association, the members of the board of directors appointed by the General Meeting consists of a minimum of five members and maximum eight members. And members are standing for election each year, and they can be re-elected.

The board of directors proposes re-election of the following board members, and that is Peter Nilsson, Bengt Thorsson, René Svendsen-Thune, Are Dragesund, Franck Falezan, Viveka Ekberg and Ole Kristian Jørdahl. As mentioned at the beginning of the General Meeting, Jutta af Rosenberg has decided to step down from the board of directors today, as her election period expires and she will not be up for re-election.

And then, for the sake of good order, I'll ask if anybody would like to candidate for the board of directors. There are no other candidates than the ones mentioned, so the board of directors for the next year will be as mentioned, Peter, Bengt, René, Are, Franck, Viveka and Ole. So congratulations to all of you for the

elections.

Okay, then we go to item number nine of the agenda, which is the election of one or more public accountants. There's a separate proposal, as I mentioned at the beginning, about the new election for an auditor for sustainability purposes, but we'll deal with that under item 10(a) of the agenda. So this is just the ordinary public accountant. And the board of directors, they propose that Deloitte is re-elected, and I'll ask if there are any other suggestions. That is not the case, so Deloitte has been re-elected as auditor, and congratulations.

So item ten, that's the proposal that I mentioned also at the beginning, the only proposal that we have received for today, and the proposal is due to the new legal requirements expected to be implemented in Danish law, where the company must elect an auditor for sustainability purposes. And this requirement follows from the EU Directive on Corporate Sustainability Report, referred to as the CSRD directive.

The bill has been, since the notice to convene the General Meeting of today. This bill has been presented to the Danish parliament, but the bill does not alter the assumptions stated in the notice to convene the meeting today. The auditor for sustainability purposes must be elected for Nilfisk, and the auditor must be able to provide a statement on the company's sustainability reporting. And the requirements for Nilfisk to report on certain sustainability topics are expected to come into effect in the current financial year, this year.

As said in the notice to convene the meeting today, the board of directors expect that Deloitte to be approved for issuing such statements, and therefore the board proposes Deloitte to be elected for this purpose. So I'll ask if there's any other proposal. There's nobody else, so Deloitte will be elected to be an auditor for sustainability reasons as well. Congratulations.

So we go to item 11, and that's any other business. As you know, there's no binding adoption of proposals that can be made under this item, but it's possible for all of you to express your opinion or comment. So I'll ask if there's anybody who would like to take the floor. Yes? Can you...? Arn Henderson [unclear] would like to take the floor. [Non-English]

Questioner

Do we have any business with Russia?

Peter Nilsson

No. Actually, if you looked carefully in René's presentation on that map of the global, everything was coloured except Russia, meaning that Russia is not part of any region and we don't conduct business there.

Marlene Winther Plas

Thank you. Any other questions or comments? Fine, so there are no more comments, no more questions from the General

Meeting, so I would like to thank you all for participating in this General Meeting and for this... I mean, good meeting. Thank you for the questions. And then, I'll leave it up to you to finish off, Peter. The word is yours.

Peter Nilsson

Thank you very much. Thank you very much, Marlene, and I'll take the opportunity to conclude with a couple of words. To all you shareholders, both in the room and on the web, thank you for your time today, and thank you for the good and relevant questions and ideas that you put forward to us during the year, in investor meetings and in meetings like this. We appreciate that interest and we take it with us.

Also, thank you again, Marlene, for navigating us through this. We feel extremely good in being in these safe hands. And for all of you that made this possible, technicians, interpreters, employees of Nilfisk, thank you for contributing to having a good meeting today. And with this, I would like to conclude the meeting and declare it closed. And I hope to see you again next year. Thank you very much, have a great afternoon. Thank you.