

Remuneration Report 2021



NILFISK

Contents



03 Letter from the Chair of the Remuneration Committee

04 Remuneration Report

- 04 Remuneration Committee
- 05 Summary of the Remuneration Policy
- 05 Remuneration of the Board of Directors
- 05 Shareholdings of the Board of Directors
- 05 Terms and conditions for indemnity for the members of the Board of Directors
- 06 Remuneration of the Executive Management Board and the Nilfisk Leadership Team
- 08 Annual bonus plan – short-term cash-based incentive plan for 2021
- 08 Long-term incentive programs overview for 2021
- 09 Terms and conditions for notice of termination for the Executive Management Board
- 09 Terms and conditions for indemnity for the Executive Management Board
- 09 Payment for non-competition and non-solicitation of customers
- 09 Payment in connection with sickness and death in service
- 10 Shareholder feedback from Annual General Meeting in 2021
- 10 Shareholdings of the Executive Management Board and the Nilfisk Leadership Team
- 11 Comparative overview of remuneration and key figures

12 Statement by the Board of Directors

13 Independent auditors' report

Letter from the Chair of the Remuneration Committee

In this letter, I will share with you an overview of the main items that we have worked on in the Remuneration Committee during 2021.

2021 was in many ways a positive year for Nilfisk and its shareholders. Besides all of the normal activities in the Remuneration Committee in 2021, the changing of CEO and CFO was the overall headline for the year. However, other important remuneration topics like implementing the CSR-strategy into Nilfisk's short and long term remuneration structure was also very much in focus. The same was the introduction of a diversity and inclusion dashboard that has been developed over the last years and that will help Nilfisk determine how to further enhance equal career opportunities in the company in the coming years.

In 2021 the short term remuneration structures fully accommodated the opportunities in the markets and helped maintain momentum in sales, production, supply and support at a high level.

Welcoming a new Executive Management Board

In the 2nd quarter of 2021 Nilfisk announced the change of the Executive Management Board, replacing the former CEO and CFO. The new CEO, Torsten Türling and the new CFO, Reinhard Mayer are both seasoned executives coming from international companies. They will help Nilfisk focus on capitalizing on the growth opportunities in the cleaning market building on the strong foundation in place.

Implementing the CSR-strategy into the STI and LTI programs in 2022

In 2021 a new CSR strategy was adopted with a

strengthened focus on reducing the company's carbon footprint according to the science-based targets. This part of the CSR-strategy will be included in the annual bonus targets for 2022. From 2022 the carbon footprint targets will also become part of the long term incentives program as a supplement to the existing financial targets. By implementing these new targets into the STI and LTI program will ensure they become an integral part of the daily business both in the short and longer term.

Diversity and inclusion dashboard to identify and enhance equal career opportunities in Nilfisk

In 2021 a new diversity and inclusion dashboard was developed and launched based on existing data from the global HRIS system in Nilfisk and benchmark data from external sources. The tool is the first step to help identify and analyze how Nilfisk can become even better at creating and maintaining equal career opportunities for all employees in the future. The tool will both be used for reporting on general equal pay and gender pay but also allow big data analysis to highlight where and how equal career opportunities needs to further improve.

Updating the STI program to enable future growth

As stated in our remuneration policy our aim and intent are to pay board members executives and employees at Nilfisk appropriately and fairly according to market standards, while at the same time aligning with shareholder interest. We also keep updated on trends and market statistics and will continue to develop both policy and practices to stay relevant. This was why we got shareholder support to adjust the remuneration policy on the AGM in 2021 to allow for a larger part of the total remuneration package to be variable.

Benchmark study employee pay

In 2021 we conducted a study on employee pay in the wider workforce drawing upon external benchmark data. The survey included all types of jobs, from production/assembly jobs to sales and after sales service jobs, staff functions and R&D. The benchmark study is the first step to help identify and analyze how Nilfisk can become even better at attracting and maintaining talented employees in the future. The benchmark study showed that all jobs were paid at the market level. The benchmark study will mainly be used for offering the right pay in all functions and job levels and to help maintain a talented workforce as well as turnover rates that are not higher than the markets we operate in.

Remuneration benchmark study of board fees

We have also conducted an external benchmark study on board remuneration. The last time we did a survey was in connection with the company's listing in 2017, and no adjustments have since taken place. The study showed that the Nilfisk board fees were on par with the median of this group based on the annual reports for 2020. However, an increase in fees is seen in 2021 and is expected for 2022. To keep up with the development in the market movements Nilfisk will suggest an annual board fee adjustment at the AGM.

Remuneration policy – we keep making sure its relevant and aligned with shareholders

Our aim and intent are to pay executives and employees at Nilfisk appropriately and fairly according to market standards. We strive for a remuneration policy and practice that reflects the nature, complexity and size of the company and its current situation. Furthermore, we do our best to

ensure that the remuneration policy continues to support the strategy of the company, that it attracts, motivates and retains key employees, in the best interest of all stakeholders. In line with this, an update related to D&O insurance has been added to the Remuneration Policy for approval in 2022.

I look forward to receiving your support for our Remuneration Report, as well as our Remuneration Policy, at the Annual General Meeting on March 25, 2022.

Jutta af Rosenborg

Chair of Nilfisk Remuneration Committee



Remuneration Report

There is a clear alignment between shareholder value creation and the current remuneration policies for the Board of Directors, the Executive Management Board, and the Nilfisk Leadership Team.

In accordance with section 139 b of the Danish Companies Act implementing the requirements from Directive (EU) 2017/828 (SRD II), this Remuneration Report for Nilfisk Holding A/S ("Nilfisk Holding" or the "Company") includes information on the total remuneration received by each member of the Board of Directors, the Executive Management Board and the Nilfisk Leadership Team (NLT). This includes information on the most important content of retention and resignation arrangements, and the correlation between the remuneration and the company remuneration policy approved at the Annual General Meeting of the Company on March 26, 2021, the company strategy and relevant related goals.

Remuneration Committee

The overall responsibility of the Remuneration Committee, as laid out in the Terms of Reference, is to oversee and recommend to the Board, the remuneration of the Board of Directors, the Executive Management Board, and other members of the Nilfisk Leadership Team to ensure that the company's remuneration practice is appropriate, balanced, and effective to achieve growth, profitability, and shareholder value. This responsibility includes establishing the Remuneration Policy for the Board of Directors and the Executive Management Board, making proposals on changes to the Remuneration Policy, and obtaining the approval of the Board of Directors prior to seeking shareholders' approval at the Annual General Meeting. The Remuneration Committee also oversees the company's short-term and long-term incentive programs, including awards, target-setting and a review of target achievements

every year. The Remuneration Committee reports to the Board of Directors at all regular board meetings to ensure transparency and efficient decision making.

Main activities in 2021

The Remuneration Committee had four regular meetings during 2021. In addition to regular meetings several phone meetings took place in connection with remuneration topics.

An annual wheel governed the four regular meetings in the remuneration committee during the year. The wheel lays out the plan for the meetings:

- **February meeting:** Targets for the coming year's annual bonus program are approved
- **March meeting:** The annual bonus payments for the prior year and the allotment of performance shares (if any) for the coming year are reviewed
- **May meeting:** The remuneration policy and general guidelines for incentive pay, including current and new initiatives are reviewed. The annual wheel governing the plan for the four regular meetings is also reviewed.
- **November meeting:** The coming year's salary adjustments and the coming year's annual bonus metrics and weights are reviewed. The Remuneration Report for the ending financial year, including highlights and focal points as well as implementation of any new corporate governance requirements or changes to the Remuneration Policy, is planned and discussed.

In addition to these main topics, the Remuneration Committee annually reviews how Nilfisk Leadership Team is compensated. In November 2021 a benchmarking exercise was conducted, this year also including a study of the remuneration of board fees and structure.

The Remuneration Committee also reviewed the status on major initiatives on improved transparency on compensation. This year the global pay governance system has been implemented to allow for review of the global workforce compensation on an annual basis compared to market (pay) benchmark.

Key components in the remuneration of the governing bodies of Nilfisk under current policy

Remuneration	Board of Directors	Executive Management Board	Comments
Fixed fee/base salary	•	•	Salary levels take into account market remuneration as well as the executives' skills, performance and experience, increases for the broader workforce and external market data for peers
Fee for committee work	•		Members of Audit Committee, Nomination Committee and Remuneration Committee. The Chair of the Board is not remunerated for committee participation, nor are ad hoc committee members
Short-term cash based incentive		•	Maximum award of 100% of base salary for the Executive Management Board
Long-term share-based incentive		•	Maximum award of 100% of base salary
Benefits		•	Company cars, phone, private health care etc. are set taking into account the wider workforce rate and market practice in the country in which the executive resides
Pension		•	Set to take into account the wider workforce rate and market practice in the country in which the executive resides

Summary of the Remuneration Policy

Under the Remuneration Policy, the Board of Directors receive a fixed fee, while members of the Executive Management Board receive a fixed salary, a short-term cash-based incentive and a long-term share-based incentive. This structure is designed to ensure commonality of interest between the management and shareholders of Nilfisk and maintains management's motivation to achieve both short-term results and pursue long-term strategic goals.

Members of the Board of Directors are not entitled to any kind of compensation upon resignation as a member of the Board of Directors. Members of the Executive Management Board are not entitled to severance pay beyond ordinary remuneration during their notice period.

The Board of Directors may enter into an agreement with an executive on an extended termination notice period in case of a change of control of the Company. Change of Control will be defined as a situation where either i) one or more shareholders obtains a controlling influence over the company as defined in section 44 of the Danish Capital Markets Act, or ii) a transfer of all or the majority of the business activities carried out by the Company to a third party. The agreed total termination notice period in case of a Change of Control cannot exceed 24 months.

Remuneration of the Board of Directors

Members of the Board of Directors receive a base fee as well as fees for committee duties. Fees are evaluated relative to Danish and other European companies of comparable size and complexity to Nilfisk. No member of the Board of Directors participates in any of the company's incentive plans.

Each member of the Board of Directors receives a fixed annual fee while the Chair receives 3x the base fee and the Deputy Chair receives 2x the base fee. The Chair receives no additional fee for committee work, but other members of permanent board committees receive a supplemental annual fee per committee.

A regulation of the Board fee, to keep aligned with the market movements, will be suggested at the AGM.

Remuneration fees of the Board of Directors – 2021

Total remuneration (Cash-based) in thousands EUR	
Board fee	
Chair	120.8
Vice-Chair	80.5
Member	40.3
Audit Committee fee	
Chair	26.8
Member	13.4
Nomination Committee fee	
Chair	13.4
Member	6.7
Remuneration Committee fee	
Chair	13.4
Member	6.7

Total remuneration of the Board of Directors – 2021

EUR thousand	Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee	Total
Jens Due Olsen (Chair)	120.8	-	-	-	120.8
René Svendsen-Tune (Deputy Chair)	71.0	-	-	13.4	84.4
Jutta af Rosenborg	40.3	26.8	13.4	-	80.5
Thomas Schleicher	40.3	-	6.7	-	47.0
Richard Bisson	40.3	-	-	-	40.3
Frank Falezan	40.3	-	-	6.7	47.0
Are Dragesund ¹	Fee waived	-	-	-	-
Gerner Raj Andersen	40.3	-	-	-	40.3
Søren Giessing Kristensen ²	40.3	-	-	-	40.3
Yvonne Markussen	40.3	-	-	-	40.3
Anders Runevad ³ (Former Deputy Chair)	18.7	-	-	-	18.7
Total	492.6	26.8	20.1	20.1	559.6

¹ Appointed June 17, 2020 – board fee and audit committee fee waived.

² Appointed October 10, 2017, resigned on December 31, 2021, and will be replaced by Thorkil Vinum.

³ Appointed October 10, 2017, resigned on March 26, 2021.

Board of Directors' Shareholding in Nilfisk – 2021

Number of Nilfisk shares	January 1, 2021	Movements in 2021	December 31, 2021	Market value on December 31, 2021 in EUR thousand (closing price)
Jens Due Olsen (Chair)	21,732	-	21,732	627.2
René Svendsen-Tune (Deputy Chair)	4,000	-	4,000	115.4
Jutta af Rosenborg	-	-	-	-
Thomas Schleicher	2,600	-	2,600	75.0
Richard Bisson	-	-	-	-
Are Dragesund	-	-	-	-
Franck Falezan	-	-	-	-
Gerner Raj Andersen	210	-	210	6.1
Søren Giessing Kristensen	-	-	-	-
Yvonne Markussen	6	-	6	0.2
Total	28,548	-	28,548	823.9

Terms and conditions for indemnity for the members of the Board of Directors

Nilfisk has taken out a standard D&O insurance for the members of the Board of Directors. In line with international practice, should the insurance coverage be insufficient, Nilfisk will in certain cases cover

additional claims that a member of the Board of Directors may personally incur, provided that such claims are not caused by fraud, gross negligence or willful misconduct or in respect of criminal sanctions. We will put forward an updated remuneration policy reflecting the practice for approval at the 2022 AGM.

Remuneration of the Executive Management Board and the Nilfisk Leadership Team

The members of the Executive Management Board and the Nilfisk Leadership Team receive a fixed salary, benefits, a pension plan where appropriate, a short-term cash-based incentive and a long-term share-based incentive.

This structure is designed to ensure commonality of interest between the management and shareholders of Nilfisk and maintains management's motivation to achieve both short- and long-term strategic goals. Benchmarking on total remuneration level is used to ensure retention and alignment with similar and comparable companies.

Illustration of the remuneration packages for the Executive Management Board

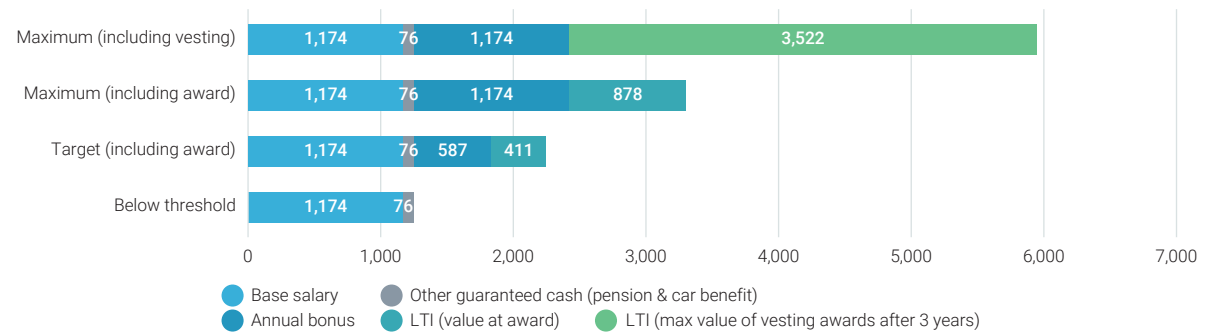
The charts below provide a graphical overview of total remuneration scenarios for each Executive Management Board member based on the remuneration opportunity granted in 2021.

Potential total outcomes for each member, based on three different performance scenarios, are shown:

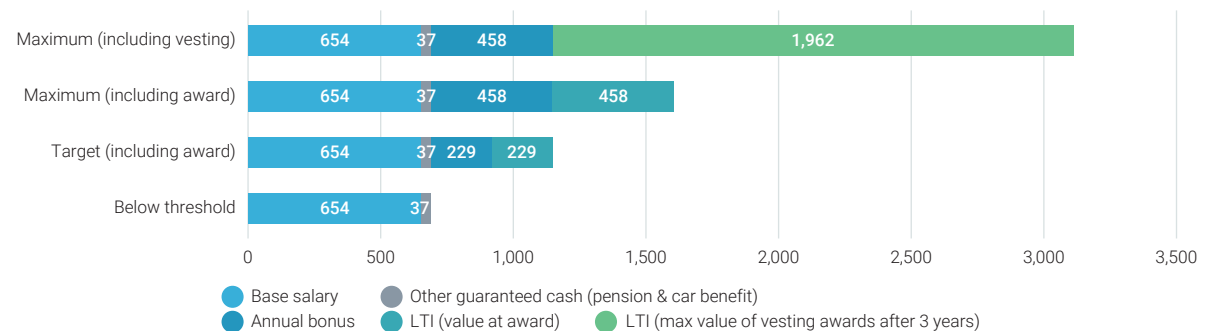
1. below threshold performance, 2. on target performance and 3. maximum performance¹.

¹ LTI (theoretical max value of vesting awards) under the maximum performance scenario is shown as the maximum vested value deriving from both maximum share price increase and maximum target achievement during the performance period. Also taken into account under the LTI (theoretical max value of vesting awards) under the maximum performance scenario is the defined cap on maximum vested value in the current Remuneration Policy, that states: "The maximum value at vesting cannot exceed three times the individual's base salary at the time of award. If the total exceeds this level, awards are scaled back accordingly. In 2021 figures this maximum vested value is therefore capped at 3,522 EUR thousands for the CEO and at 1,962 EUR thousands for the CFO.

CEO remuneration opportunity in EUR thousands



CFO remuneration opportunity in EUR thousands



1. Below threshold performance

Only the guaranteed pay elements (base salary and other guaranteed cash) of the package is received. Minimum performance targets for the annual bonus are not achieved, therefore, no payments are made. The Long Term Incentive Program (LTI) will be awarded at target value (35% of base salary for CEO and 35% for CFO) but if the 3 years performance targets are not met, the vesting will not result in any share delivery, so the award value is zero at vesting.

2. On target performance

Guaranteed pay elements (base salary and other guaranteed cash) are received. Annual bonus on-target performance is achieved, resulting in a bonus of 35% of base salary for CEO and 25% for CFO. The Long Term Incentive Program will be awarded at target value (35% of base salary for CEO and 35% for CFO).

3. Maximum performance

In both scenarios guaranteed pay elements (base salary and other guaranteed cash) are received as well as maximum annual bonus of 70% of base salary for CEO and 50% for CFO. In scenario 3 the Long Term Incentive Program is shown at full awarded value (70% of base salary for CEO and 70% for CFO). In scenario 4 the theoretical max value of vesting awards after 3 years are shown (including maximum share price development). This value is capped at maximum 3 times base salary at award for CEO and CFO cf. current Remuneration Policy.

Development in total remuneration for the Executive Management Board and the Nilfisk Leadership Team – 2021

Mid-year on June 1, 2021, a new Executive Management Board was engaged to realize the company's strategy. The total remuneration packages adopted for the new CEO and CFO and the mix of compensation elements was set according to the approved remuneration policy as well as the company strategy and relevant related goals. The change of management impacted the development in the total remuneration for Executive Management Board as explained below.

The former CEO and former CFO was in office from January to end of May 2021 where they received their normal compensation. From June 1, 2021, the new CEO and new CFO took office and received a prorated compensation for the 7/12 remainder of 2021.

To settle the employment relationship with the former CEO and CFO, a total cash severance payment of thousand EUR 3,929.3 was agreed. The "Other short term compensation" column show this amount.

When determining the remuneration arrangements for new CEO and CFO, the Board of Directors took into account all relevant factors including the caliber of the individual and market practice.

In connection with the hiring, a payment of an sign-on bonus was agreed in respect of recruitment of the new CEO. The value of the sign-on bonus is thousand EUR 587,2 and is seen in the column, "Annual bonus awarded". According to the remuneration policy such extraordinary incentive remuneration may equal up to 100% of the individual's base salary for the full calendar year. For the new CEO, the base salary for the full calendar year is thousand EUR 1,174.0.

Further, a cash payment of documented loss of incentive remuneration from a former employer for the new CEO of thousand EUR 751,7, and the new

Total remuneration for the Executive Management Board and the Nilfisk Leadership Team – 2021

EUR thousand	Salary and pension	Annual bonus awarded ¹	Other short term compensation	Long term incentive awarded ¹	Other benefits	Total	Long term incentive expensed ³	Bonus, paid ²	Long-term incentive, vested and paid ²
Torsten Türling (CEO)	685,1 ⁴	587,2	751,7 ⁵	239,8	94,9	2,358.7	55,6	244,7	0,0
Reinhard Mayer (CFO)	381,7 ⁴	349,2	469,8 ⁵	133,6	46,0	1,380.3	31,0	-	0,0
Hans Henrik Lund (Former CEO)	522,8	137,5	3,433.7 ⁶	-	-	4,093.9	413,6	333,9	0,0
Prisca Havranek-Kosicek (Former CFO)	279,6	104,9	495,6 ⁶	-	33,4	913,5	76,4	127,6	0,0
Nilfisk Leadership Team	2,330.8	848,1	-	390,2	117,6	3,686.7	341,4	284,4	0,0
Total	4,200.0	2,026.9	5,150.8	763.6	291,9	12,433.1	917,9	990,6	0,0

¹ Amounts shown in these columns are expected pay-out annual bonus for 2021 performance and long-term incentives awarded for 2021. Bonus amounts will be settled and paid out in 2022 at the displayed value. The long term incentives are displayed at fair value, meaning that values are based on expected financial performance during the program's performance period. Long term incentive amounts will be settled (depending on performance) in 2024. For new CEO the amount covers the value of a sign-on bonus.

² Amounts shown in this column are actual amounts settled and paid out in financial year 2021 regarding 2020 performance. For the new CEO, value covers the part of the sign-on bonus that has been paid in 2021.

³ Amounts shown in this column are accrued amounts for long term incentives earned in financial year 2020 and 2021 regarding 2021 performance. Long term incentive amounts will be settled (depending on performance) in 2023-2024.

⁴ Amounts for base salary cover only part of 2021 (7/12) since both CEO and CFO joined in June 2021.

⁵ These amounts cover documented loss of incentive remuneration with former employer in connection with the employment at Nilfisk. The award is subject to claw-back in the event that the executive is terminated within the first three years after the date of commencement of the position with Nilfisk due to his own resignation or on grounds attributable to the executive.

⁶ Amounts shown here are the total redundancy pay for the former CEO and CFO.

CFO of thousand EUR 469,8. The values are seen in the column, "Other short term compensation".

Both the new CEO and CFO took part in the Long Term Incentive Program in 2021 for the first time accruing a pro-rated award (7/12).

Accrued long term incentives (not yet vested) for both new and former CEO and CFO are shown in the column "Long term incentive expensed".

No value came from vested long term incentives as shown in column "Long term incentive, vested and paid", since the performance share program vesting in 2021 did not meet with the defined threshold targets.

The increase in earned bonus in 2021, which is shown in column "Annual bonus awarded", comparing to paid bonus for 2020, which is shown in column "Bonus paid", has to be seen in relation

to the unexpected rapid rebound of the business in 2021, which meant that all financial targets were met in 2021. In 2021 we saw significant improvements to both the revenue growth and EBITDA margins and tight control of the working capital. Only targets related to Customer satisfaction (weighing 15%) were not fully met. Despite the impact of COVID-19 on the business in 2021, the total bonus ended above the target.

The table show the granted value of the total remuneration for the Executive Management Board and the Nilfisk Leadership Team as determined under IFRS 2. The blue column shows the long-term incentive expensed in financial year 2021. The two columns to the right show the actual payout of the short-term bonus and long-term incentives vested and paid in 2021, and thus the actual cash impact to Nilfisk of the long-term incentives.

Annual bonus plan – short-term cash-based incentive plan for 2021

The Executive Management Board and the rest of Nilfisk Leadership Team participate in the short-term cash-based incentive plan (STIP).

The Bonus targets are a balance between the financial targets (75%) and non-financial targets (25%), and will only pay out if the threshold targets have been reached.

In 2021, the Executive Management Board and the rest of the Nilfisk Leadership Team were measured as shown below.

Executive Management Board and Nilfisk Leadership Team short-term incentive plan, target overview – 2021

Target type	Weight in model	KPI
Group financial targets	75%	Organic revenue growth
		EBITDA margin (before special items)
		Working Capital in % of revenue
Customer satisfaction	15%	Customer satisfaction score
Engagement score	10%	Engagement score compared to industry benchmark
Total	100%	

Executive Management Board and Nilfisk Leadership Team short-term incentive plan, target achievement – 2021

Target type	Weight in model	KPI	Achievement level incl. weights
Group financial targets	75%	Organic revenue growth	20.0% (above target achievement)
		EBITDA margin (before special items)	35.0% (above target achievement)
		Working Capital in % of revenue	20.0% (above target achievement)
Customer satisfaction	15%	Customer satisfaction score	11.0% (above target achievement)
Engagement score	10%	Engagement score compared to industry benchmark	10.0% (above target level)
Total	100%		
Total achievement incl. weights			96.25% (above target level)

The former CEO and CFO was also part of the short term incentive plan until the end of May 2021. During this period, they both got a total achievement incl. weights of 75%.

In 2022, the STIP targets for the Executive Management Board and the Nilfisk Leadership Team will, as earlier mentioned, include an ESG target; Total Co2 emission reduction for scope 1 and 2. This target will substitute the employee engagement KPI after 3 years of stable performance on this KPI.

Executive Management Board and Nilfisk Leadership Team short-term incentive plan, target overview – 2022

Target type	Weight in model	KPI
Group financial targets	75%	Organic revenue growth
		EBITDA margin (before special items)
		Working Capital in % of revenue
Customer satisfaction	15%	Customer satisfaction score
Total Co2 emission reduction (2021 baseline)	10%	Scope 1 and 2 reduction targets compared to science based targets (Scope 3 is expected to be included in 2023)
Total	100%	

Co2 emission reduction KPI and customer satisfaction scores ensure that the Executive Management Board and the Nilfisk Leadership Team are measured directly on the company's environmental impact and external satisfaction ratings.

Long-term incentive programs (LTIP) overview for 2021

The 2021 LTIP award which is issued under the Remuneration Policy is structured as a performance share award, where shares will be delivered to the participant in three years subject to the achievement of the long term targets linked to Nilfisk's strategy and business plans. It is designed to drive sustainable growth and shareholder value creation by providing an opportunity to receive shares, which are directly aligned to our long term financial performance.

The performance conditions will be determined at award and will be a combination of different financial metrics designed to ensure alignment of long term interests with shareholders.

Under the Remuneration Policy and in the LTIP, the Board of Directors has a discretionary right to adjust the incentive program in case of certain extraordinary circumstances to cater to shareholder interests if there is any unforeseen impact on the value of the program.

The value at vesting in respect of each individual award, cannot exceed three times the participant's fixed annual salary as of the time of award. In such cases where this cap is applied the number of shares vesting will be reduced accordingly.

In 2021, the participants in the LTIP have been awarded a number of contingent performance shares that will vest in 2024 depending on the company's achievement of targets specifically relating to operational EBITDA before special items and total shareholder return. Each of these elements and vesting conditions are further described below.

Operational EBITDA

The first 60% of the LTIP award is based on Nilfisk's operational EBITDA in mEUR measured at the end of the three-year performance period, which for the 2021 award is the operational EBITDA for the financial year ending December 31, 2023, measured against the defined targets.

The Operational EBITDA is the calculated earnings in mEUR before interest, tax, depreciation and amortisation (EBITDA), before special items and the effect of IFRS 16 (IFRS 16 is the latest reporting standard). It is also called Operational EBITDA and it is not reported publicly but tracked internally on a monthly basis in Nilfisk.

Total Shareholder Return

The remaining 40% of the LTIP award is based on Nilfisk's Total Shareholder Return (TSR) performance, which for the 2021 award will be the average TSR performance from release of annual accounts in 2021 through to the release of the annual accounts (for FY 2023) in 2024 and measured against the defined targets.

TSR calculates the shareholder value created over the mentioned period taking into account share price growth and the value of any dividends. TSR is calculated via a Calculated Total Return and Compound Annual Growth Rate or CAGR. CAGR provides the annual return for such an investment as if it had grown at a steady, even pace over the relevant 3 years.

TSR is commonly used in incentive plans to reward value delivered to shareholders over the performance period.

Status for 2021 LTIP award allotment

Nilfisk made a total award of 87,020 contingent performance shares to members of the Executive Management Board, the Nilfisk Leadership Team, and other selected key employees.

The number of performance shares awarded to each participant is based on a probability-adjusted percentage of his/her base salary, also referred to as the "face value". The actual number of share units awarded is calculated by dividing the face value with a fixed share award price, equal to the Volume Weighted Average share Price (VWAP) over the 10 trading days following the release of the Annual Report. For 2021, the VWAP used in the LTIP was 171.4 DKK for all participants, except for the new CEO and CFO.

Since the new CEO and new CFO joined mid-year, their 2021 award allotment was calculated on a pro-rata basis. For the face value calculation, the full year base salary level was prorated by 7/12 when calculating the face value, and in addition the calculating of the actual number of share units awarded was done using a different VWAP of 191 DKK, which was calculated on the 10 trading days following the signing of their contracts in May 2021.

Movements in the Nilfisk Long Term Incentive Program – 2021

Number of awarded performance shares	September, 2021	December 31, 2021
Torsten Türling	18,706	18,706
Reinhard Mayer	10,422	10,422
Nilfisk Leadership Team	33,916	33,916
Other key employees	23,976	23,976
Total	87,020	87,020

Terms and conditions for notice of termination for the Executive Management Board

Nilfisk does not have a standard notice policy. However, our notice period is normally:

- 6-9 months by the executive;
- 12-18 months by the Company.

In exceptional circumstances, the Board of Directors may appoint an executive with a regular notice period (upon the Company) of up to 24 months. Where such deviation from the normal notice period has been agreed to, the Board of Directors will endeavor to provide appropriate supporting rationale within the following annual remuneration report.

Unlike the former CEO and CFO, the new CEO and CFO does not have a contractually agreed change of control clause in their employment contracts.

Following the Remuneration policy, the Board of Directors may enter into an agreement with an executive on an extended termination notice period in case of a change of control of the Company. Change of Control will be defined as a situation where either i) one or more shareholders obtains a controlling influence over the company as defined in section 44

of the Danish Capital Markets Act, or ii) a transfer of all or the majority of the business activities carried out by the Company to a third party. The agreed total termination notice period in case of a Change of Control cannot exceed 24 months.

Terms and conditions for indemnity for the Executive Management Board

Nilfisk has taken out a standard D&O insurance for the Executive Management Board. In line with international practice, should the insurance coverage be insufficient, Nilfisk will in certain cases cover additional claims that a member of the Executive Management Board may personally incur, provided that such claims are not caused by fraud, gross negligence or willful misconduct or in respect of criminal sanctions. We will put forward an updated remuneration policy reflecting the practice for approval at the 2022 AGM. We will put forward an updated remuneration policy reflecting the practice for approval at the 2022 AGM.

Payment for non-competition and non-solicitation of customers

The new CEO and CFO are entitled to receive a fixed proportion of their normal salary after they have left the company as compensation if Nilfisk chooses to enforce the non-competition and non-solicitation clauses agreed in their employment contracts.

Payment in connection with sickness and death in service

The new CEO and CFO are entitled to receive full salary during periods of sickness. If the executive dies during the term of the employment, Nilfisk will pay salary for the current month plus 6 months post-service salary to spouse, partner or dependents.

Shareholder feedback

This new section on "Shareholder feedback" includes a high-level description and the results on AGM voting on the remuneration policy and remuneration report in 2021.

The adoption of the Remuneration Report was supported by 99.41% of the valid votes casted. No comments or questions concerning the Remuneration Report was received before or at the AGM.

The adoption of the revised Remuneration Policy was supported by 99.44% of the valid votes casted. No comments or questions concerning the Remuneration Policy was received before or at the AGM.

Shareholdings of the Executive Management Board and the Nilfisk Leadership Team**Executive Management Board and the Nilfisk Leadership Team's Shareholding in Nilfisk – 2021**

Number of Nilfisk shares	January 1, 2021	Movements in 2021¹	December 31, 2021	Market value on December 31, 2021 in EUR thousand (closing price)
Torsten Türling	-	16,980	16,980	490.0
Reinhard Mayer	-	13,869	13,869	400.2
Camilla Ramby	-	1,155	1,155	33.3
Hans Henrik Lund (former CEO)	19,600	-	N/A	N/A
Prisca Havranek-Kosicek (former CFO)	-	-	-	-
Steen Lindbo	-	-	-	-
Pierre Mikaelsson	15	-	15	0.4
Jesper Terndrup Madsen	-	1,000	1,000	28.9
Jacob Blom	200	-	200	5.8
Hans Flemming Jensen	735	-	735	21.2
Total	20,550	33,004	53,554	979.9

¹ For former CEO and CFO movements are until May 31st.

Comparative overview of remuneration and key figures

5 years key figures (amounts in thousand EUR)	2021	% Change	2020	% Change	2019	% Change	2018	% Change	2017 ¹
Remuneration of the Board of Directors									
Jens Due Olsen (Chair)	120.8	0%	120.8	0%	120.8	-	120.8	309%	29.5
René Svendsen-Tune (Deputy Chair)	84.4	78%	47.5	18%	40.3	-	40.3	333%	9.3
Jutta af Rosenborg	80.5	0%	80.5	0%	80.5	-	80.5	333%	18.6
Thomas Schleicher	47.0	(12%)	53.2	15%	46.3	-	-	-	-
Richard Bisson	40.3	0%	40.3	30%	30.9	-	-	-	-
Are Dragesund	Fee waived	0%	Fee waived	-	-	-	-	-	-
Frank Falezan	47.0	86%	25.3	-	-	-	-	-	-
Anders Runevad (former Deputy Chair)	18.8	(70%)	62.0	54%	40.3	-	40.3	333%	9.3
Lars Sandahl Sørensen ²	-	-	43.4	(54%)	93.9	-	93.9	333%	21.7
Jens Maaløe ³	-	-	-	(100%)	15.1	(75%)	60.4	331%	14.0
Gerner Raj Andersen	40.3	0%	40.3	0%	40.3	29%	31.3	-	-
Søren Giessing Kristensen	40.3	0%	40.3	0%	40.3	29%	31.3	-	-
Yvonne Markussen	40.3	0%	40.3	15%	35.0	293%	8.9	(4%)	9.3
Michael Gamtofte ⁴	-	-	-	(100%)	5.3	(87%)	40.3	333%	9.3
Jean-Marc Rios Dionne ⁵	-	-	-	-	-	(100%)	8.9	(4%)	9.3
Remuneration of the Executive Management Board and the Nilfisk Leadership Team⁶									
Torsten Türling (CEO)	2,358.7	100%	-	-	-	-	-	-	-
Reinhard Mayer (CFO)	1,380.3	100%	-	-	-	-	-	-	-
Hans Henrik Lund (Former CEO)	1,831.2	(10%)	2,043.7	23%	1,753.8	(23%)	2,264.4	83%	1,239.7
Prisca Havranek-Kosicek (Former CFO)	913.5	(14%)	1,050.0	1,636%	60.5	-	-	-	-
Karina Deacon (former CFO)	-	-	-	(100%)	466.5	(26%)	632.4	(35%)	977.2
Nilfisk Leadership Team	3,686.7	26%	2,927.8	(8%)	3,171.9	(23%)	4,100.1	(43%)	7,171.5
Former members of the Nilfisk Leadership Team	-	(100%)	1,105.8	(26%)	1,501.4	-	-	-	-
Financial measures, Nilfisk Group⁷									
Revenue in mEUR	994.9	19%	832.9	(14%)	966.5	(8%)	1,054.3	(3%)	1,081.9
EBITDA margin (before special items)	14.5%	2.4pp	12.1%	(0.5pp)	12.6%	0.7pp	11.9%	0.8pp	11.1%
Organic growth	20.7%	32.2pp	(11.5%)	(7.5pp)	(4.0%)	(6.0pp)	2.0%	(1.7)	3.7%
Average number of full-time employees	4,696	5%	4,460	(14%)	5,158	(11%)	5,819	2%	5,708
Average pay for company employees (thousand EUR) ⁸	54.8	(2%)	56.2	1%	55.8	8%	51.5	(1%)	52.0
CEO Pay-Ratio ⁹	38.6	1%	38.2	22%	31.4	(28%)	43.9	84%	23.8

¹ Pro-rated fees, since Board of Directors was formed on October 10, 2017 when the company became an independent listed company.

² Appointed October 10, 2017, resigned in June 17, 2020

³ Appointed October 10, 2017, resigned March 26, 2019

⁴ Appointed March 23, 2018, resigned in February 18, 2019

⁵ Appointed October 10, 2017, and resigned March 23, 2018

⁶ Remuneration figures for 2017 to 2020 are shown excluding the value of earned long term incentive.

⁷ Figures for 2019 and 2020 stated according to latest account standard IFRS 16. Comparative figures from 2016 to 2018 are not restated with the effect of IFRS 16. Please refer to note 1 of the annual report.

⁸ Average pay excluding Board of Directors and Executive Management Board

⁹ CEO pay-ratio is calculated by dividing the CEOs full year target salary costs by the average pay for company employees.

Statement by the Board of Directors

The Board of Directors has today considered and approved the remuneration report of Nilfisk Holding A/S for the financial year 1 January - 31 December 2021.

The remuneration report has been prepared in accordance with section 139b of the Danish Companies Act.

In our opinion, the remuneration report is in accordance with the remuneration policy adopted at the Annual General Meeting, and is free from material misstatement and omissions, whether due to fraud or error.

The remuneration report will be presented for an advisory vote at the Annual General Meeting.

Brøndby, February 25, 2022

Board of Directors

Jens Due Olsen

Chair

René Svendsen-Tune

Deputy-Chair

Richard Bisson

Jutta af Rosenberg

Thomas Lau Schleicher

Thorkil Vinum

Are Dragesund

Franck Falezan

Yvonne Markussen

Gerner Raj Andersen

Independent auditor's report

To the shareholders of Nilfisk Holding A/S

We have examined whether Management has fulfilled its obligations to disclose the information required by section 139b(3) of the Danish Companies Act in the company's remuneration report for 2021.

Management's responsibility

Management is responsible for the preparation of the remuneration report in accordance with section 139b of the Danish Companies Act and the remuneration policy adopted at the Annual General Meeting.

Further Management is responsible for the internal control that the Board of Directors considers needed to prepare the remuneration report that is free from material misstatement and omissions, whether due to fraud or error.

Auditor's responsibility

It is our responsibility to express a conclusion on whether Management has fulfilled its obligations to disclose the information required by section 139b(3) of the Danish Companies Act in the company's remuneration report.

We have conducted our examinations in accordance with ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and additional requirements under Danish audit regulation to obtain reasonable assurance about our conclusion.

Deloitte Statsautoriseret Revisionspartnerselskab is subject to International Standard on Quality Control (ISQC) 1 and, accordingly, applies a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the requirements for independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and ethical requirements applicable in Denmark.

Our examinations included an examination of whether the remuneration report, to the extent relevant, includes the disclosures required by section 139b(3), items 1-6, of the Danish Companies Act for the remuneration of each member of Management.

Our examinations have not included an examination of accuracy and completeness of the disclosures, and we do not express any conclusion on this.

Conclusion

It is our opinion that Management has fulfilled its obligations to disclose, in all material respects, the information required by section 139b(3) of the Danish Companies Act in the company's remuneration report for 2021.

Copenhagen, February 25, 2022

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Kirsten Aaskov Mikkelsen
State-Authorized
Public Accountant
MNE no mne21358

Kåre Kansonen Valtersdorf
State-Authorized
Public Accountant
MNE no mne34490



Nilfisk's Remuneration Report 2021 was published on February 25, 2022.
The report is also available at www.nilfisk.com.

Nilfisk Holding A/S, Kornmarksvej 1, DK-2605 Brøndby, Denmark.
Company reg. No. 38 99 88 70.