

**Nilfisk**

AGM 2025

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Transcript

**Speakers:**

Peter Nilsson

Marlene Winther Plas

Jon Sintorn

Peter Nilsson

Dear shareholders, dear guests, dear employees, welcome, and good afternoon to the Annual General Meeting of Nilfisk 2025. My name is Peter Nilsson. Some of you might recognise me, it's not the first time. I'm the chair of the board of directors here at Nilfisk, and we are happy again to be able to welcome you here today. In 2024, we have had a year with many challenges and changes. Most notably, I would argue, the CEO change, which means that I'm sharing the stage here today with Mr Jon Sintorn, who took over in June last year.

And as I said, it has also been a year of challenges, not least in the Americas, but also some very strong results in other parts of the organisation. Everyone has contributed and put in a lot of effort in order to make the entire year and build the solid results we can see. I will have Jon give you more details on the progress and the results of 2024.

But before we start the meeting, some practicalities. Make sure your mobiles are switched off. You know exactly what you don't want to have, somebody calling you. Also, we will hold this meeting in English, but there will be, and there is, availability for translation services, either if you are watching online, but also in real time. And when we have the recorded version on the web, you can have it in English also, if you choose that. Or Danish, sorry. I will have it in English, though.

And after the meeting, you will actually be able to read the transcript and the presentations presented here today, and they will all be available on the web page, Nilfisk's web page. To chair the meeting itself, this year, as in previous years, Marlene Winther Plas will be the chair of the meeting. And I welcome you as well, and I'm pretty sure you will bring us into safe harbour. So, Marlene, the word is yours.

Marlene Winther Plas

Thank you very much, Peter. Ladies and gentlemen, I would like to thank the board of directors for appointing me as chair in accordance with the Articles of Association, Article 91. As a chairperson for the Annual General Meeting, it's my duty to preside over the General Meeting and ensure that the meeting is conducted in a proper way.

So, some formalities to supplement you, Peter. If you want to say something, you can go to Heidi, sitting over here, and give your nametag, or tell her your name, and then I'll present you up here, and you can come up here and ask your questions or comment on whatever you want. The meeting is broadcast live. And then, for the minutes of the meeting, I will approve the minutes, being the chair of the meeting today. And if you want to leave the room, then please remember to de-register at the Computershare desk outside.

So my next task as a chair is to conclude if the meeting has been

lawfully convened and is competent in accordance with the agenda of today. And as the requirements of Article 7 of the company's Articles of Association have been complied with, I find that the General Meeting has been lawfully convened. And it is because the meeting is held in the capital region, the notice of the General Meeting was sent out on 21st February, which is not earlier than five weeks ahead of the date of today, and at least three weeks before the date of today. And the notice was published on the website and through Nasdaq Copenhagen, and it was sent out to the shareholders, to the shareholders who requested so.

The required majority for the respective items on the agenda, that I will go through in a little while, have been stated in the notice, and all the proposals today require a simple majority. So, according to the articles, again, the following documents and information have been made available for everybody on the company's website. So that's, first of all, the notices to the General Meeting today with the agenda, the audited annual report for the company for the financial year 24, the vote form for voting via proxy or postal vote, and information to the shareholders on how to participate in the General Meeting. Therefore, I conclude that the meeting today has been lawfully convened and is quorate.

So, I'll ask if anybody has any comments to that. It doesn't seem the case, so I conclude that the General Meeting that has been lawfully convened and is quorate. And I will note, give you the information, that we have received proxies constituting 67.65% of the share capital and votes are represented at the meeting today. So, due to the high number of proxies and postal votes that has been received, all proposals on the agenda can be approved by the required majority, which is a simple majority.

So, I'm going to the agenda now. And I'll just go through it briefly, you have seen it before. So, for the first four items, they're going to be presented collectively by Peter Nilsson and Jon Sintorn. And it consists of the report by the board of directors of the company's activities in 24, presentation of the audited annual report, adoption of the audited annual report, and proposal by the board of directors for distribution of profits.

Then, item five is the resolution regarding discharge of liability from management and board of directors. Item six is the adoption of the remuneration report by advisory vote. Item seven is remuneration of the board of directors for the current financial year. And after item seven, we have eight, where members of the board of directors are elected. Item nine is the election of one or more public accountants, and item ten is proposal from the board of directors and shareholders. And we have only one proposal from the board of directors today, and it concerns an

update on the remuneration policy. We'll come back to that. And then, we have the last item on the agenda, which is item 11, any other business. So, Peter, I give the mic back to you to present items one to four.

Peter Nilsson

Thank you very much. I will start this presentation that I will do together with Jon by describing the work that we have done in the board during 2024. And as you can see on the screen here, we have the board meetings and the different committees and the number of meetings, and actually who sits in each, so you have a full picture of it. This is work conducted out of a fixed plan that we have throughout the year, a meeting wheel, if you want, for both the board and for the individual committees. And what you see, the number of meetings here is the scheduled meetings that we had during 2024. And in addition to this, because it has been an intense year and a year of change, there has been a lot of impromptu, informal meetings in the committees, as well as in the board, interactions between board members and management. So, indeed, there has been high activity.

We have also, in 2024, conducted, as we do every year, a board assessment. But intermittently, every third year, I believe it is, we do a deeper board assessment, which entails also guidance and help from an external consultant. So not only do we fill in a questionnaire and rank our performance in different dimensions, we have also had deep interviews with each individual board member from the specialist and benchmarked ourselves compared to board work in other companies. After that, we have had a presentation from the consultants on the results, and we have had, in the board, a discussion about what can be improved, are there any blind spots, etc.

On an overall level, I can disclose to you that we are functioning well as a board for Nilfisk. We can conclude that we have the necessary and relevant competencies and skills in the boardroom, but we can also see that, and I'm a clear example of that, we could benefit from more diversity in the board. If I'm looking at the focus areas for improvement in the board, it's not so much about interaction, it's not so much about the ability to discuss the right items and respect all different perspective. It's probably more around topics that you will probably nod and say, yes, that's probably it. It's about the regulatory burden on CSR items, directives in different contexts that comes out of Brussels and in national legislation that, in a very short period of time, has actually increased the burden of responsibility at board level.

And it's my duty as the chair of the board to ensure that the complete board is aware of the changes that occur, and that we have the necessary, call it, education on those topics, so that we can take decisions based on facts and insights. Another area that is definitely for us to watch out on is the very fast

development of AI. AI can change the way a company like Netflix operates, not only from how our products can operate, but also how we can gather information and data in order to drive better decision-making in our organisation. So those are two examples of what we have topically discussed in the board.

On the next slide, although this point is actually the board members, will be done under agenda item eight, I wanted to show the current members and candidates for the board of directors. And I want to take the opportunity, at this point in time, to thank René Svendsen-Tune. You see him in the [00:12:03 unclear ?]. Unfortunately, he cannot be here today, has a conflict, another board at this exact same time, but I still want to take the opportunity to, on a personal and on behalf of the board and the company, direct a big thanks for the service that René has done for Nilfisk during the year he has been sitting on the board.

And not only in the board, he has actually, during the difficult times of a speedy transition of CEO, while we were searching for Jon, the successor, he volunteered to step down from the board and become the interim CEO. So, René, as shareholders, as board colleagues, we should thank René a lot. With that, I want to hand over to Jon, the CEO, the new CEO. For the first time, you will hear him talk about the business and the financial results for 2024 and the priorities for 2025. So, Jon, the floor is yours.

Jon Sintorn

Thank you. Hello, everyone. I am Jon Sintorn, and it's my pleasure to be here. And thank you all for coming to this event. Let's start looking at some 2024 numbers. 2024 was a year of variation in regional performance. The year began with good momentum, with growth tracking according to plans through the first half of 2024. However, a slowdown in demand in Americas during the third quarter affected our professional business, prompting an adjustment for our full year guidance in October.

After a thorough review and assessment of the trajectory against the targets, we decided to withdraw long-term targets and adjust our outlook for the year. Revenue landed last year at €1.28 billion, and EBITDA, before special items, was at €135.8 million. This allowed us to deliver an organic growth of 1.2%, an EBITDA margin before special items of 13.2%. And these were both in line with our adjusted outlook for the year. The gross margin increased, driven by price management and operational efficiencies. The gross margin reached 42.2%, compared to 40.9% in 2023.

So, let's have a closer look at the development of our business segments. Looking at them, the professional business faced headwinds in Americas and APAC, and declined 0.9%. The service business delivered organic growth of 0.6%. The

speciality business delivered organic growth of 4.9%. And then the highlights. The consumer business experienced a very strong growth throughout all of 2024, as most markets experience high demand and increased volumes. And that was clearly supported also by our new product innovation, resulting in organic growth of 19.7%.

2024 revealed notable regional differences also in performance. In EMEA, we saw strong performance with growth across all segments, and key drivers included robust demand in several of our large and most important segments. Revenue in EMEA reached €612.4 million, corresponding to a strong growth of 5.9%. So it's a strong year for EMEA, with good momentum. However, the Americas encountered a slowdown in demand, leading to volume declines, and the revenue was €341 million and delivered a negative organic growth of 4.3%. In APAC, as many, we experienced market headwinds, like many other industrial companies, driven by macroeconomic challenges and the geopolitical disruptions. On the back of that, our performance was lower than expected for 24, with revenue of €74.3 million. And that corresponds to negative organic growth of 8%.

EBITDA before special items amounted to 136 million, compared to 132 million in 2023, the increase in gross margin offset by the impact from the decline in revenue and a higher overhead cost. Consequently, we realised a margin before special items of 13.2 compared to 12.8 in 23. So a slight increase.

To the cash-related metrics, free cash flow was €7.7 million, and cash flow was negatively impacted by changes in working capital as inventory grew on support of the launch of new products. The CapEx ratio increased to 4.5% from 3% in 2023, as CapEx spend increased. The increase was a combination of investments into strategic R&D projects, alongside the continued rollout of the ERP system, SAP. NIBD, net interest bearing debt, reached €270 million, and that is an increase of 17.9 million, driven by an expansion in working capital. And the gearing increase to 2 times, and remained within the target range of 1.5 and 2.

So that was financial numbers. Then, moving on to ESG, sustainability targets, which were on track 2024. And the progress with reducing Scope 1, 2, and Scope 3 greenhouse gas emissions took a solid leap forward last year, and we are on track to meet our 2030 science-based targets. We achieved a 22% reduction in Scope 1 and 2 emissions compared to the base year, and we reach a 39% reduction in Scope 3, relating to the use of sold products in 24 compared to the base year. And for 24, we reached 31% women in top management, which is an increase from 30% the year before. Finally, Nilfisk was awarded the EcoVadis gold medal, scoring 80 out of 100 points, which is

nine points better than we did the previous year. And we are among the top 5% of global companies rated gold by EcoVadis last year. So quite an achievement in this area.

So let's look at some key priorities for 2025. Our top priority in the near-term is strengthening our competitive position in North America. As you have seen in our results, our 24 performance in this region fell significantly below our expectations. Adding to the challenge, geopolitical uncertainties, such as the potential tariffs, create additional, potentially additional, headwinds in 2025. To secure revenue in the US, we will focus on increasing our sales density, refreshing our core product portfolio, improving product and parts deliveries, and implementing targeted organisational changes. These changes will address clear improvement areas that we are committed to turning around. And with our new head in Americas, Eapen Chacko, which is now, as of Monday, in place, I'm confident that he will, and the team will, guide us through these challenges successfully.

Another key priority is decentralising our operating model. By shifting decision making closer to our customers, we will strengthen our commercial focus and create more a responsive business. Today, too much responsibility sits with centralised functions that do not have the same direct feel for the customer needs and the proximity of the business. By empowering more of the local and regional business leaders with greater accountability, we will be able to improve execution and ensure that we are delivering the right value propositions across the various customer segments and verticals.

This transition will also drive efficiency improvements. As we reduce support functions overhead, we will reinvest savings into commercial activities in key markets. Some of the steps are already in motion, including optimising production and distribution, example, consolidating our Hungarian production sites, two into one, streamlining our sales entities in the APAC and initiating a strategic review of our US high pressure washer business.

Another key priority is continuing to drive growth in EMEA and continue on the positive momentum that we have there. This region has been a strong performer, and we are committed to sustaining that momentum. That will require sharp focus and ongoing investments to expand our market share, and our operating model, the new one, will further support enhancing this execution across the region.

Finally, a very important driver for 2025 across the regions is our continued product launches. And with that, let's have a look at those products. Yes, this is good stuff. Last year, already, we started to launch several vital products, including the SC550

scrubber dryer, and that was our first, what we call, Next Generation product launch, setting new standards in the industry for ergonomics, sustainability, and usability.

Additionally, we introduced a compact autonomous scrubber, the SC25, and the Nilfisk Dryft microscrubber, which fills significant market caps. So those were introduced already during last year, and predominantly at the end of last year, so we will see some real cool effects coming this year with these products. And the first quarter of 2025, we launched four Next Generation products for the professional segment. We introduced our first stick vacuum for professionals, and two new compact canister vacuums as well, that are now out in the market.

And then, just a few weeks ago, we launched our biggest project in years, the CS7500, a new combination sweeper-scrubber, designed based on extensive customer research. And it is easier for operators to use and maintain, not least comes with water and energy saving features as a standard, and has excellent manoeuvrability. And this is the first launch in our new range for large industrial machines. We have high expectations for this machine, and already received very positive feedback and orders at the launch event. Several from our customers. So very positive feedback from the customers who have tried these machines out. All of these products are really, really cool stuff now coming out the door, and there's more to come. So, step by step, we are rejuvenating and improving our assortment in our core segment for our core usability, which is fantastic.

Now, let's look at the outlook for 2025. For organic revenue growth, we expect a range from 1% to 3%, and the EBITDA margin before special items is expected to range from 13% to 14%. And key elements for this year to come, 2025, are, as I said, to improve the situation in North America, to continue the drive on the momentum, the good momentum, we have in EMEA, to ensure that we put our operating model in place to be more business-driven and customer-centric, connected to our customers, and to successfully launch these new products that will help drive our business forward and supply customers with a lot of joy. And also obviously, then, to fulfil the guidance for the year.

But this financial outlook for 25 is based on several assumptions, and that includes stable market conditions in EMEA, a neutral development in the US versus 2024, that the APAC region returns to moderate growth, and that we have a limited impact from tariffs, which is now a big, big thing, talked about a lot. And with that, thank you very much for your attention, and I will hand back Marlene. Looking forward to 25.

Marlene Winther Plas

Thank you very much, Jon. So, this will cover the first four items

on the agenda. And I just have to mention that the company's auditor does not have any qualifications in the auditor's report. So, I've been informed that the Danish Shareholders Association, Dansk Aktionærforening, will take the floor now and present the speech. So I'll leave the word to you, Jens-Christian Andreasen [00:27:51 unclear ?], the floor is yours. And you will speak in Danish, and we have accepted that, so that's fine. It's okay.

Translator

Thank you for the floor, and I will be speaking in Danish. As I said, my name is Jens-Christian Andreasen [00:28:14 unclear ?], and I represent the Danish Shareholders Association, and I also represent a number of international companies that are Nilfisk shareholders. By way of introduction, I would like to thank the chairman for a good and comprehensive report. It's always a pleasure to attend a General Meeting in one of Denmark's old and illustrious companies. When we look at Nilfisk, there's still a poor development in sales. It has decreased for the second year in a row. However, earnings are improving, with an EBITDA margin of 13.2%, which is a considerable improvement on last year, and on the same level as Tennant delivered also in 2024.

Previously, the EBITDA margin has been higher for Tennant, around 16%, and this level has, as you know, also been our target in Business Plan 2026. Therefore, we also see that there is room for improvement when it comes to the EBITDA margin. As you all know, in the summer of 2024, we got a new CEO, Jon Sintorn, and we would like to welcome you. And as you also know, Business Plan 2026 has been part of the Nilfisk strategy in recent years. Late last year, around November, it was announced that Nilfisk cancelled the financial targets, including the organic growth target in the Business Plan 2026. We, in the Shareholders Association, were somewhat surprised and disappointed. We are of the opinion that it's not appropriate to have a business plan without financial targets for EBITDA and organic sales growth, etc. There are also other key figures that you could address. Therefore, we believe that Nilfisk should urgently re-establish and update the financial targets as a measure for organic growth and EBITDA margin, etc.

And I have, in that connection, in conclusion, two questions I would like to ask the chairman of the board, if you can talk a little bit about when Nilfisk will have a new business plan with concrete, long-term financial targets? We also have Nilfisk versus Tennant. When we look at the Nilfisk business, we're doing well in Europe, while Nilfisk is still challenged in the US. If we, on the other hand, look at our American competitor, Tennant, they are strong in the US market, while the European market, as far as they are concerned, is of less importance.

As we live in a time of a potentially seriously escalating trade war

and tariff threats from the American President Trump, it is perhaps worth considering whether Nilfisk should concentrate more on the European market, and then, of course, hope that Tennant primarily would focus on the American market. Maybe that's wishful thinking.

And this leads me to my next question. I would like to ask the chairman of the board if he could talk a little bit about how strong Nilfisk is compared to Tennant in connection with a potential trade war between the US and the EU. On both the US and European markets, with mutual high tariffs on cleaning machines and the other product range, any potential trade war could be of a longer duration. Nobody knows tomorrow. And how well equipped are we really for such a challenge? Have you done the maths of various scenarios regarding the extent and duration of seriously increasing tariffs? Obviously, I hope the same for our company. Thank you so much for the floor.

Peter Nilsson

Thank you, Jens. It's good that you continue to have interest in our company. And I guess, especially on the trade tariffs and Trump question, I have to personally thank you for having an assessment for the future, as everybody else is, trying to figure out what is happening. But let me start on question number one, which was basically, when will we have the new business plan, long-term financial targets?

There is a short and a long answer to it. The short answer is that this year we are focused on delivering results within our financial outlook that you just heard from Jon, for 2025, and to make further improvements to our business, building a strong momentum for the future. And we believe that we remain well positioned to do so, and will revisit and establish long-term financial targets, where we have greater visibility and acceptable sets of results behind us from 2025. So you can call it a reset.

The longer answer is that there are so many significant changes in the world, but also internally in Nilfisk since the Business Plan 26 was launched, in 22 I believe it was. And for many parts of the Business Plan 26, we managed to deliver good results, both strategically and the financial progress that is also notable. And that, despite what I just said, the macroeconomic changes and some business interruptions that we have experienced.

And in our optimisation opportunity, supply chain robustness has been substantially improved, supporting an expansion of our gross margin. Also, which we seldom talk about, we have delivered over €240 million of free cash flow since the beginning of 21. And that has led to a meaningful reduction on net debt. And that we have done while simultaneously significantly improved or increased our spending in new product innovation, which Jon naturally talked about, some coming to market as we

speak. And we have also expanded our production capacity.

But as I said, we came to a conclusion that we cannot be bound by something that, to an increasing degree, became not meaningful for us to steer towards. But the only thing we gave up on was the long-term financial guidance. And as I just mentioned, we are resetting that. The strategic pillars, to a large extent, in the Business Plan 26, growing a service business, getting more operational efficiency out of the organisation, all of that remains intact, and we continue to do daily progress on it.

So, where I stand today, I believe that Business Plan 26 was good, it delivered good results for us, but we now need to develop a new set of operational improvements and a strategy that will, from a strategic point of view, probably not fundamentally divert from what you have seen. We are a global business, we are dependent on the EMEA region in the Americas regions, and we have a small foothold in APAC, but still, we are global.

And that leads me into question number two. It's an extremely different question to answer. What I can say is, trust me, we are working on it. With the changes that happens, you follow it on the news, we follow it on the news, we try to assess what is actually happening in the real world when it comes to trade tariffs and classification, what type of products, what type of materials, etc., etc., will be impacted. Is it an American play only, or will there be retaliation? And what would that look like? It's the same that you every evening see on national news. It's all over the place.

So, what do we do about it? Well, we have made sure that the company is very well aware of what is the potential exposures and where would that be. If we have an exposure, how can we mitigate the effects of it? Do we have dual source for certain, or are we highly dependent on a single-source setup? The fact is that Nilfisk, as many other companies typically in the world, have, after 20, 30 years of global trade, an international supply chain, and we are selling our products in many parts of the world. So if there are trade wars, which you alluded to, this will impact how we do business. But we also have our supply chains in every part of the world, so given time and giving effort, we can adjust to all potential scenarios.

Then, you also asked about the relative gain with Tennant. Well, they also have a global sales footprint. They are bigger than us in the US, and we are bigger than them in Europe. Simplified. They will also be impacted too. If it's absolutely equal extent, question mark, but they probably address the questions pretty much in the same way as we do, trying to find ways to mitigate potential effects in different scenarios. This is just a widespread

answering to a question that I think no company, no board and no management team have clear answers to, because we simply don't know what will happen. We have just raised a significant level of alertness to be able to act with agility when things are implemented. Is that a fair answer to that question? Yes? Yes. So, thank you very much for the questions. Thank you.

Marlene Winther Plas

So, I'll ask the General Meeting if anybody else wants to make a comment on the first four items on the agenda, or have any questions? Doesn't seem to be the matter, so I'll just ask if there's anyone who wants to vote on this? It doesn't seem to be the case, either. So I'll record in the minutes that the report on the company's activities in 24 and the presentation of the annual report has been noted by the General Meeting, that the General Meeting has adopted the audited annual report for the financial year 24, and that the General Meeting has approved the proposal from the board of directors regarding distribution of profits.

So I'll continued to item number five of the agenda. And it is a proposal to adopt a resolution regarding discharge of liability for the management and board of directors. And I want to ask if anybody wants to say something, comment, or vote on this? It doesn't seem the case, so I assert that the discharge of liability has been approved by the General Meeting.

Item number six, it's adoption of the remuneration report. Each year, the company must prepare a report, a remuneration report, and presented for advisory vote at the General Meeting. The report must present an overview of the remuneration of the members of the management that has been earned during the preceding year. The vote on this proposal is not binding for the company, but it is advisory. So I'll give the floor to you, Peter, and you will comment on the remuneration report, yes?

Peter Nilsson

So, the remuneration report of the board becomes more extensive by the regulations. You have probably read it. We believe we are in full compliance to all the guidelines issued about how a remuneration report should look like, so let me then review some of the key elements of it. And you actually have them on the screen. First point, the interim CEO, René Svendsen-Tune, he was hired on a fixed-base salary in 2023, and for a half-year of 24. And since it was an interim solution, he had no severance or terms associated with leaving this position at all. So it was just a monthly salary that was received. And you can see the numbers in the report.

And then, when it comes to the onboarded CEO, Jon Sintorn, he started June 17th, so the compensation elements that you see in the report is actually for basically a half-year. And the package that was offered, and what we have for Jon, is in full compliance,

and very similar to what we have had when it comes to different types of elements in the remuneration package. It's the same as we have had before for the previous years, and it's also according to practices and benchmarks on the Danish market/Nordic market.

When it comes to the CEO position, we have an STI target at 50%. STI target is where we expect the payout levels to be over time. The max target is 100%. But we talk about STI, the target level, compared to base salary. For 24, we have pro-rated that based on the base salary. And the same principle goes for the performance share programme, the PSP programme, and that was awarded to the CEO in 2024. And also, finally, on the long term incentive programmes, the CEO is awarded a fair value at 35% compared to annual pro-rated base salary. Despite a growth across revenue and margin for 24, the pro forma was lower than expectations, and that is reflected by that the payout level was 14.1% out of the 100. That is his max allowance.

If we look at the CFO, I believe it was in 23 we actually lifted the bonus potential for the CFO, and the target level now is at 40% from previously 35%. Despite that we did that, and the fact that it was low payout, his salary remuneration for the CFO was lower in 24 than in 23. And this is full-year effect. And that was, as I said, because of the lower payout of bonuses.

What else do I have here? Yes, finally, on the MIP, for those that were here last year, we have a one-time extra incentive that was decided by this AGM last year, and we have, during 24, enrolled a couple of new members to that programme, because of changes in senior management. But that followed the same principle, exactly like what the original program instituted. So I believe with this I actually have summarised the key elements of the report, and if there is need for further details, the full report is among the material that you have received. Yes?. Thank you.

Marlene Winther Plas

Thank you, Peter. Anyone else to comment or any questions? Anyone who wants a vote on this? Doesn't seem to be the case, so I can conclude that the remuneration report has been approved by the General Meeting, by advisory vote. So, we go to item number seven of the agenda, which is remuneration of the board of directors. The remuneration of the board of directors has not been changed since the 2022 Annual General Meeting, and to ensure that the company can continue to attract and retain qualified candidates for the board of directors, the board has proposed to increase its base fee from DKK 320,000 to DKK 375,000. It is also proposed that the chair shall continue to receive three times the base fee, and the deputy chair shall continue to receive 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. The other members of the Audit Committee receives one-third of the base fee. The chairs of the Remuneration Committee and the Nomination Committee each receive one-third of the base fee. And the other members of the Remuneration Committee and Nomination Committee each receive DKK 100,000. So I'm asking if anybody wants to comment on this or have any questions? It doesn't seem to be the case, so the proposal regarding remuneration of the board of directors has been approved by the General Meeting today.

We go to item number eight, which is election of board members. According to the Articles of Association of the Company. Article 11, the members of the board of directors appointed by the General Meeting must consist of a minimum five members and maximum eight members. Members of the board appointed by the General Meeting must stand for election every year, and re-election is possible. René Svendsen-Tune, as mentioned by Peter, is stepping down from the board of directors at the General Meeting, and he will not be up for re-election.

The board of directors proposes re-election of the following board members, which were elected by the General Meeting last year. So, it's Peter Nilsson, Bengt Thorsson, Are Dragesund, Franck Falezan, Viveka Ekberg and Ole Kristian Jørdahl. And I'll ask if there are any other candidates for the board of directors. It doesn't seem to be the case, so I'll conclude thus that the board of directors will consist for the following year of Peter Nilsson, Bengt Thorsson, Are Dragesund, Franck Falezan, Viveka Ekberg and Ole Kristian Jørdahl. So, congratulations to you with the election.

We go to item number nine, and that is election of one or more public accountants. The board of directors proposes that Deloitte is re-elected in accordance with the audit committee's recommendation. And the board also proposes that Deloitte is re-elected as the company's auditor for sustainability purposes, which is also in accordance with the audit committee's recommendation. This auditor for sustainability purposes was elected the first time last year at the General Meeting. Anybody has any comments to this or wants to suggest somebody else as an auditor? No, it doesn't seem the case, so Deloitte has been re-elected. Congratulations to Deloitte.

So we go to item number ten on the agenda, which is proposals from the board of directors and shareholders. And as I mentioned in the beginning, we only have one proposal from the board of directors regarding the approval of an updated remuneration policy in order to include an option to award stay-on bonuses in line with market practice, as well as a general update on minor corrections. So, Peter, I'll give the floor back to

you for this.

Peter Nilsson

Yes, thank you. Well, I guess there is not much to have to be said on this point. You mentioned it, we have we have reviewed the policy, and we have also made sure that it is in line with regulatory and compliance items. So there is minor updates to the report, but formally I need to bring it to your attention. We have modernised some language, but as you said, Marlene, we have a section to make sure that we are gender-neutral in remuneration, enforcing equality in that respect.

And we also an option for stay-on bonuses, including a cap, so we have some kind of control over it. And that is in line with what has developed and become the market practice in, in particular, Denmark and for Danish-headquartered companies. And that is in order for us to be able to attract high-calibre talent in the company. So with those two changes, I ask you to adopt this policy.

Marlene Winther Plas

So, any comments or questions to this? Any requirements to vote? Doesn't seem to be the case, so I'll conclude that this proposal has been adopted by the General Meeting. And then we go to item 11, which is any other business. And as you know from previous years, it is possible for you to express your opinion and provide advice or guidance to the company's management. But we cannot vote on anything here or decide anything. So, anybody wants the word? Yes? Can you maybe go to Heidi and give your name to her? She's sitting over here. Yes, come up here. Okay, [00:54:08 unclear ?] wants to take the word. Please?

Questioner

Yes, just a comment, rather. I just came to say maybe you could throw a couple of words about AI, concerning the helpfulness, and, so to speak, like a nice talk, letting it into the family, taking care, and only buying when necessary.

Peter Nilsson

AI, I think you asked about AI. Well, do you want a chairman answer or a personal answer? AI is very hard to get our arms around. It's no doubt that for a company like Nilfisk, it can be of great help in speeding up our processes, our information gathering, and our knowledge-enhancement in the organisation. It can help us develop products that, for the end user, actually can do things that previously was unthinkable. So we can embed it in our innovation part as well.

At the same time, it can be viewed as a threat to a product-oriented company like ours. The time to have an advantage can diminish tremendously, because competitors and other stakeholders will have access to the same tools, so it can have a tendency of speeding up the processes that are necessary for us in order to have time enough to earn money on what we are doing and what we are investing. The time to copy, I'm talking about copying, instead of trying to lead in a marketplace.

It is going to be, at the end of the day, the agility of this organisation that gives the answer to if we are a beneficiary or if we are a victim of AI development. That it will come is no doubt. But as I said, it's early days. I don't know if this answer gives you anything. It is a try. There will, within short, be an avatar based on AI giving this answer to you at the Annual Shareholders Meeting. Thank you.

Marlene Winther Plas

Any other questions or comments? Yes? Arn Henson [?] , the floor is yours.

Arn Henson

Thank you. Two questions. Could you outline the worst-case scenario as you see it regarding a focused US tariff on our products? And second question, has it been considered to pre-emptively withdraw voluntarily from the US market and focus elsewhere. Thank you.

Peter Nilsson

Shall we do it that I start and you take over? We have a good grip on the worst-case scenario, or at least the worst-case scenarios that we can calculate on a trade war. Yes, we have that. Do we want to disclose that? No, we don't. We deem that very sensitive information, but we have a good grip on that. That being said, we also have good grip on what actions can we take to mitigate that. So I don't like that this is happening, but I don't feel overly stressed, either. We need to act with agility and with decisiveness when this happens, if it happens.

Then, pre-emptive exiting of Americas. Because of what we, and I shouldn't be political here but with what European eyes, view as increasingly difficult interpretation of what is going on in America, to just walk out... Nilfisk has, what is it, a good third of its turnover and its activities in America. America is Nilfisk. We have a commercial activity and a supply chain activity that is optimised for the American market in the old days, and we can make it optimised for the future. So to walk out of it, it's not good for shareholders just because of the trade war.

To adjust and adopt and perhaps reprioritise could be options that we are looking into. So that is the answer to that. I don't think a scenario of just pre-emptively walking out of America based on economic fundamentals will ever be a case that can be counted on. So that's the answer I have there. Is there anything you want to add, Jon?

Jon Sintorn

I think you answered well. If anything, [01:00:35 inaudible ?] not the worst-case scenario, but the mirror effect of the threat of trade wars putting inactivity in the market, meaning slowing down, postponement of investment in the world [01:00:48 inaudible ?]. So I think you answered well, and we shall have the agility to adjust supply chains for whatever needs that are necessary going forward, and so on. And we understand what needs to be done when this kind of settles. As of now, it's very

flippy-floppy, what is happening, what is not happening, and something is happening from day to the next, something else is not happening or happening. So we need to keep a steady course and understand and follow, obviously, and make decisions where things have settled down.

What I was adding to Peter's comment was on the trade war. I think maybe this is not the worst-case scenario, but an additional scenario, which is being more and more talked about, and we can see signs of across industries, obviously not specifically for Nilfisk, is this uncertainty that this situation with tariffs is creating puts the global economy in, or not only the US economy but other economies, slowdown, which will push investments into the future, and so on and so on, which is obviously not a good scenario for anyone. So that would be in addition to the specific tariff situation.

Marlene Winther Plas

Thank you. Any more questions or comments? Thank you very much for your questions. Thank you very much for the answers. And thank you very much for today. I have no further to do now as chair of the General Meeting, and thank you very much for attending, and I give the word back to you, Peter, for final remarks.

Peter Nilsson

Thank you. Normally, I would end the shareholder meeting by looking forward to an even better year, 2025. But for what we have seen in the start of this year, even for a born optimist like myself, it's hard to see that we are going in the right direction as a world economy and society. But let's make sure that what we can control within Nilfisk we will improve compared to previous years.

So with that, it's time for me to thank. Thank you, shareholders, and the ones that raised questions and challenged us here at the AGM. I thank you for your interest and continued support for Nilfisk. I want to also thank Marlene. As always, you navigate safely in this. I feel it's almost that you can relax for two seconds in between the questions. I want to thank the interpreters, the two in the box behind us, good work. The technicians, you have to have one more mic next year, you learned that, but thank you very much. And again, then, the employees of Nilfisk and everyone that has contributed to make this a good Annual Meeting. So, again, thank you and hope to see you next year. Bye.