

Nilfisk Annual General Meeting

March 25, 2022

NILFISK

Nilfisk Annual General Meeting 2022

Agenda

- 1** **Report by the Board of Directors on the Company's activities in 2021**
- 2** **Presentation of the audited Annual Report**, containing the annual and consolidated accounts, the statements of the Management and Board of Directors, the auditor's report, and reviews for the year
- 3** **Adoption of the audited Annual Report**
- 4** **Proposal by the Board of Directors for the distribution of profits**
- 5** **Resolution regarding discharge of Management and Board of Directors from their liabilities**
- 6** **Adoption of the Remuneration Report**
- 7** **Remuneration of the Board of Directors**
- 8** **Election of Board members**
- 9** **Election of one or more public accountants**
- 10** **Proposals from the Board of Directors and the shareholders**
 - a) The Board of Directors proposes that the general meeting approves an updated remuneration policy
 - b) The Board of Directors proposes to amend and extend the current authorization to issue new shares (with and without pre-emptive right for the existing shareholders) in Article 3 of the Articles of Association
 - c) The Board of Directors proposes to cancel the current authorization to issue warrants in Article 4 of the Articles of Association
 - d) The Board of Directors proposes to amend and extend the current authorization to raise convertible loans in Article 5 of the Articles of Association
- 11** **Any other business**

Agenda item 1-4

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Nilfisk Annual General Meeting



Solid path for long-term value creation

2021 in review



New executive leadership team joined Nilfisk

2021 in review



< **Torsten Türling**
CEO



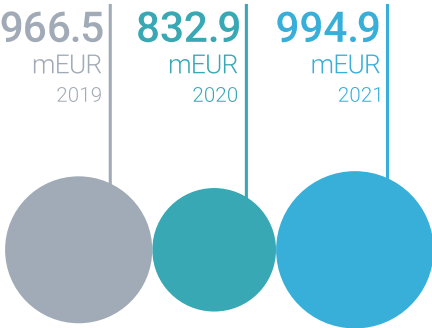
Reinhard Mayer >
CFO

Solid organic growth and improved EBITDA

2021 financial highlights

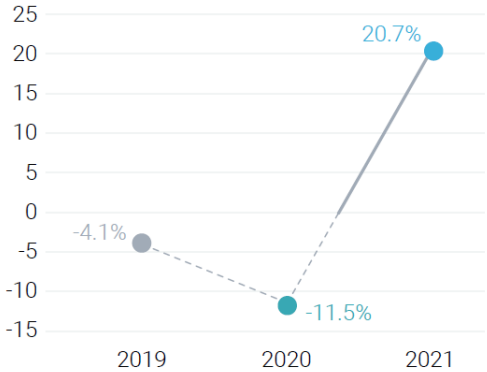
994.9 mEUR

Revenue



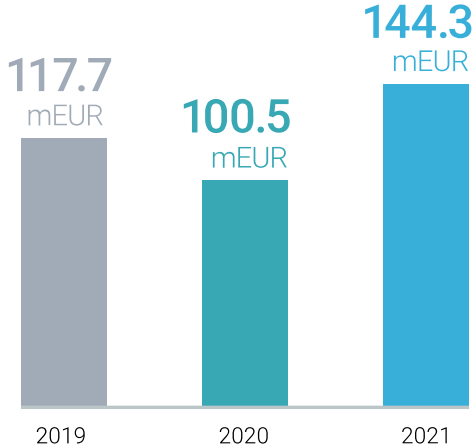
20.7%

Organic revenue growth



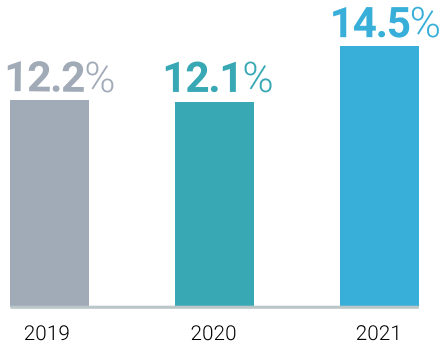
43.6%

EBITDA growth bsi



14.5%

EBITDA margin bsi



Improved performance quarter over quarter

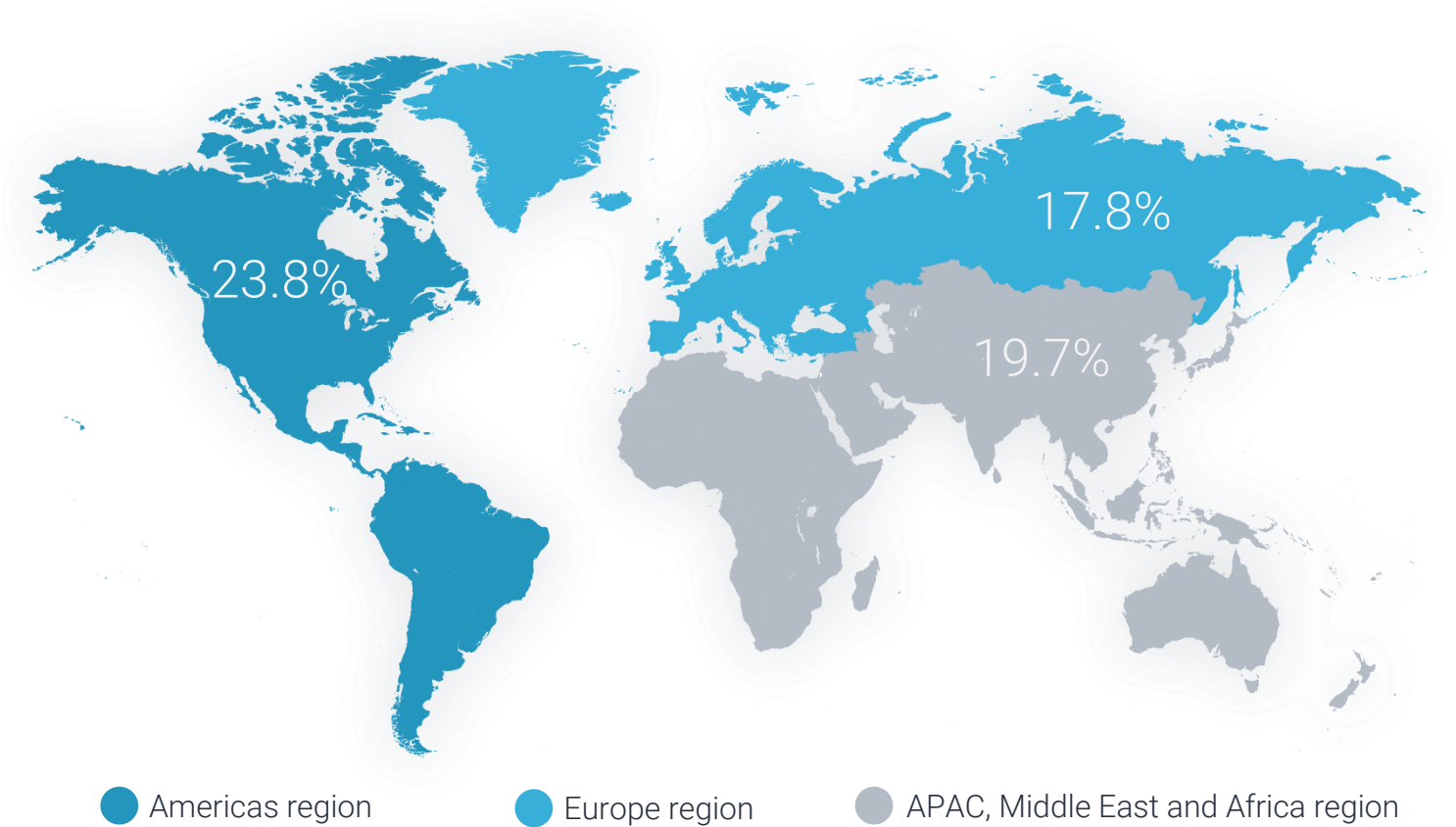
2021 financial highlights

	Initial outlook March 3, 2021	Adjustment May 6, 2021	Adjustment July 13, 2021	Adjustment November 24, 2021	Realized
Organic revenue growth	5 – 10%	8 – 12%	12 – 16%	17 – 18%	20.7%
EBITDA margin before special items	12.5 – 14.5%	13 – 15%	13 – 15%	14 – 15%	14.5%

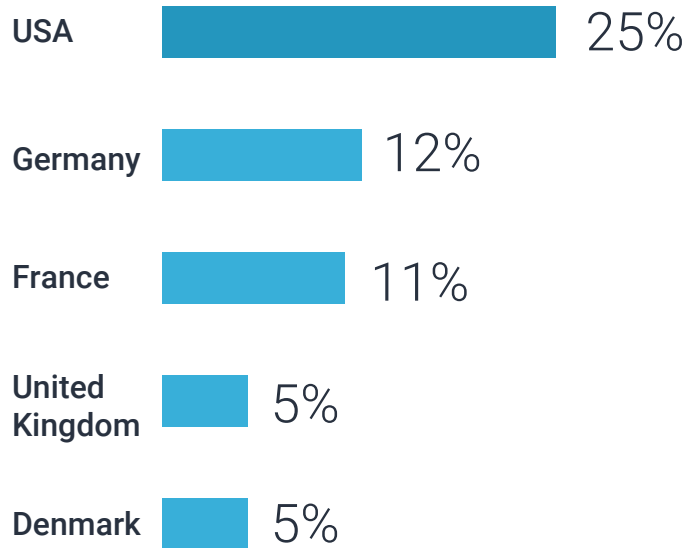
Strong growth across regions and segments

2021 financial highlights

Our geographies
Organic revenue growth 2021



Our key markets
Share of revenue 2021



Supply chain mitigating actions

2021 in review

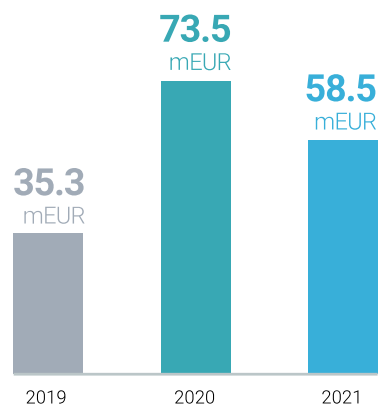


Capital structure and financial gearing

2021 financial highlights

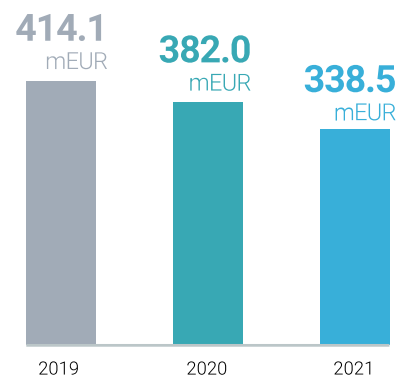
58.5 mEUR

Free cash-flow



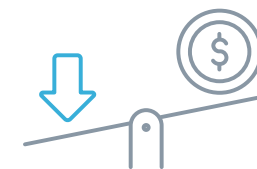
338.5 mEUR

Net interest-bearing debt (NIBD)



2.3x

Financial gearing



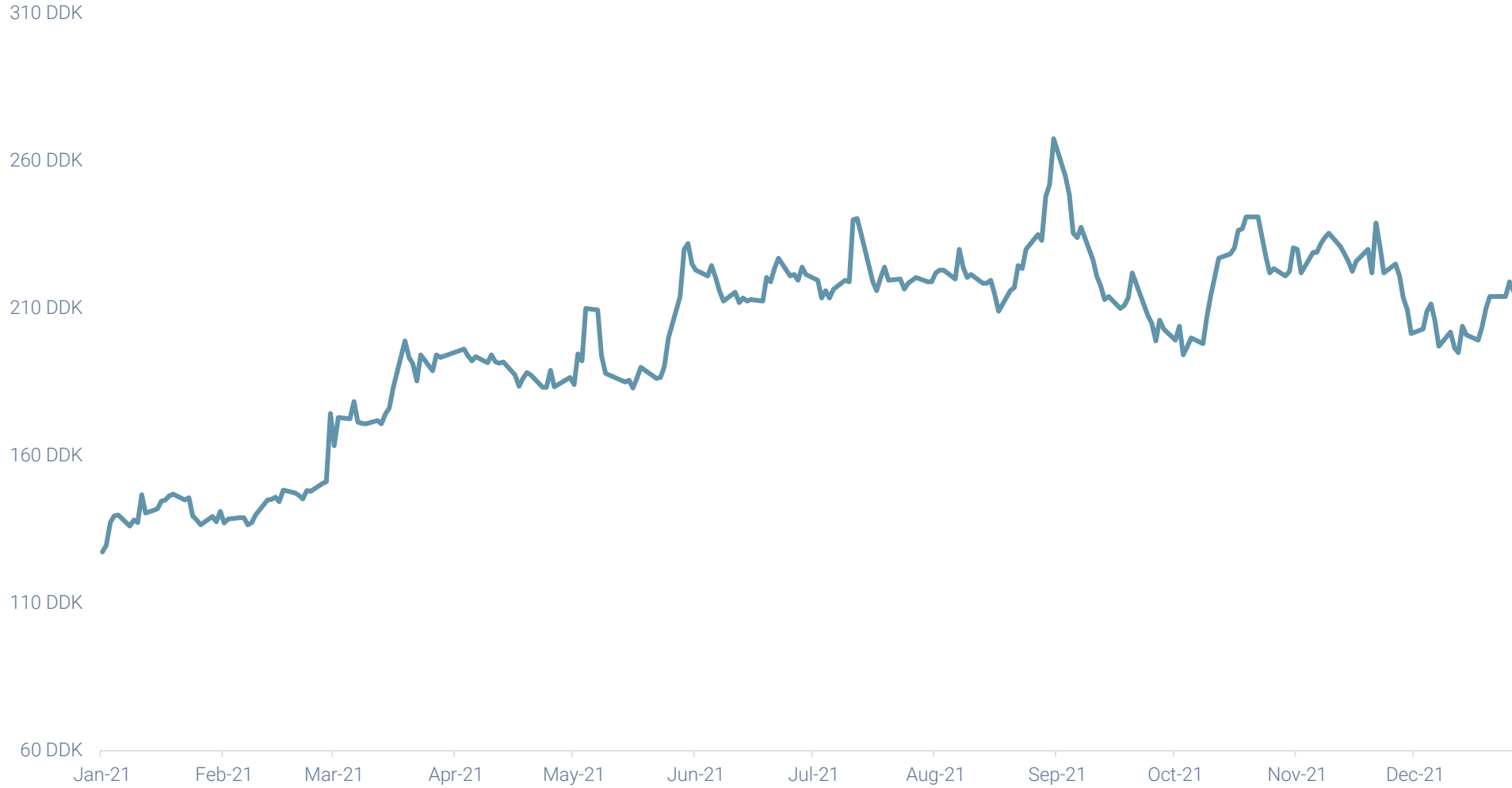
0%

Dividend



Nilfisk share price development January-December 2021

2021 financial highlights



Nilfisk suspends all business with Russia



We expect profitable growth to continue

Outlook for 2022



CONTINUED SOLID MARKET DEMAND

4% to 7%

Organic revenue growth



INVESTING IN GROWTH INITIATIVES

13.5% to 15.5%

EBITDA margin before special items

Introducing new Business Plan 2026

2021 strategic review

Strategy review

During second half of 2021

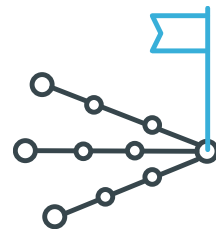


Targets

For 2026 and 2030

Business plan 2026

Focus on long-term sustainable growth



Business Plan 2026

Key elements



FOCUS

Long-term sustainable growth



VALUE PROPOSITION

Customer centricity & sustainability



STRATEGIC PRIORITIES

Underutilized growth & optimization opportunities



EXECUTION

New ways of working

Financial targets for 2026

Sustainable long-term growth



LONG-TERM GROWTH

1.2 to 1.3 bnEUR

Revenue in 2026



ENSURING PROFITABLE GROWTH

Above 16%

EBITDA margin before special items



INVESTING IN GROWTH AND SUSTAINABILITY

3% to 4%

CAPEX in % of sales



INVESTMENT GRADE COMPANY

1.5x to 2.0x

Gearing

Sustainability targets towards 2030



GHG EMISSIONS SCOPE 1 AND 2

35% reduction

Of direct and indirect carbon emissions linked to Scope 1 and 2 in 2030



GHG EMISSIONS SCOPE 3

48% reduction

Per unit of gross profit of carbon emissions linked to Use of Sold Products Scope 3 (Category 11) in 2030



DIVERSITY

25% women

In senior leadership positions in 2026

The work of the Board of Directors

Meetings in 2021

Board and committee	Members	Number of meetings
Board of Directors	Jens Due Olsen (Chair), René Svendsen-Tune (Deputy Chair), Richard Bisson, Are Dragesund, Franck Falezan, Jutta af Rosenborg, Thomas Lau Schleicher, Gerner Raj Andersen, Søren Giessing Kristensen, Yvonne Markussen	10
Chair Committee	Jens Due Olsen (Chair), René Svendsen-Tune (Deputy Chair)	7
Audit Committee	Jutta af Rosenborg (Chair), Are Dragesund	5
Remuneration Committee	Jutta af Rosenborg (Chair), Thomas Lau Schleicher	4
Nomination Committee	René Svendsen-Tune (Chair), Franck Falezan	4
Project Management Office Committee ¹	Are Dragesund, Franck Falezan	1
US Committee ¹	Jens Due Olsen (Chair), René Svendsen-Tune, Richard Bisson	1

¹ US and Project Management Office Committees were dissolved in June 2021.

Board of Directors

Not up for re-election



Jens Due Olsen

Proposed re-elected



René Svendsen-Tune



Richard Bisson



Are Dragesund



Franck Falezan



Jutta af Rosenberg



Thomas Lau
Schleicher

Proposed elected



Peter Nilsson

Elected by the employees



Gerner Raj Andersen



Claus Dalmose



Nadia Roya Damiri



Marcus Faber
Kappendrup



Thank you

Nilfisk Annual General Meeting



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- 11** **Any other business**

Agenda item 5

5

Resolution regarding discharge of Management and Board of Directors from their liabilities

Agenda item 6

6

Adoption of the Remuneration Report

Agenda item 7

7

Remuneration of the Board of Directors

- The remuneration to the Board of Directors has remained unchanged since the listing of the Company in October 2017
- To ensure that the Company can continuously attract and retain qualified candidates for the Board of Directors and to remain in line with Danish market practice, the Board of Directors proposes to increase its base fee from DKK 300,000 to DKK 325,000
- It is further proposed that the Chair of the Board shall continue to receive 3 times the base fee and the Deputy Chair shall continue to receive 2 times the base fee
- The Board of Directors finally propose that work in Board Committees shall be continue to be remunerated as follows:
 - the Chair of the Audit Committee receives 2/3 of the base fee;
 - the other member of the Audit Committee receives 1/3 of the base fee;
 - The Chair of the Remuneration Committee and the Chair of the Nomination Committee each receive 1/3 of the base fee; and
 - The other member of the Remuneration Committee and the Nomination Committee each receive 1/6 of the base fee

Agenda item 8

8

Election of Board members

- The Board of Directors proposes re-election for a one-year term of the shareholder-elected board members René Svendsen-Tune, Thomas Lau Schleicher, Richard P. Bisson, Are Dragesund, Franck Falezan, and Jutta af Rosenborg
- Jens Due Olsen has decided to step down from the Board of Directors at the Annual General Meeting and will consequently not be up for re-election. As a consequence hereof, the continuing members of the Board of Directors recommends that Peter Nilsson is elected by the General Meeting as a new member of the Board of Directors
- Thomas Lau Schleicher, Are Dragesund and Franck Falezan are considered non-independent due to their affiliation with KIRKBI INVEST A/S, Ferd AS and Prime-Stone Capital LLP, respectively. All other proposed candidates are considered to be independent
- A description of the background and other executive functions (CVs) held by the persons up for election is available on the Company's website, www.nilfisk.com

Board of Directors

Not up for re-election



Jens Due Olsen

Proposed re-elected



René Svendsen-Tune



Richard Bisson



Are Dragesund



Franck Falezan



Jutta af Rosenberg



Thomas Lau Schleicher

Proposed elected



Peter Nilsson

Elected by the employees



Gerner Raj Andersen



Claus Dalmose



Nadia Roya Damiri



Marcus Faber Kappendrup

Board of Directors

Proposed elected



Peter Nilsson

Selected positions and directorships:

- Chairman of the board of directors of Lindab Group
- Deputy chairman of Creaspac AB

Candidate background:

Peter Nilsson is currently Chairman of the Board of Lindab Group to which he was elected in 2016. Previously he was notably Chairman of the Board of Adapteo OYJ, Duni AB, Securitas Direct AB and Sanitec Holdings Oy, and Deputy Chairman of the Board of Cramo OYJ.

Peter also has strong experience within executive management, where former positions include that of CEO of Sanitec and CEO of Duni AB.

Peter is a Swedish national and holds an M.Sc. in Business and Economics from the Stockholm School of Economics.

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Agenda item 9

9

Election of one or more public accountants

- The Board of Directors proposes that Deloitte Statsautoriseret Revisionspartnerselskab, CVR-no. 33 96 35 56, is re-elected in accordance with the Audit Committee's recommendation. The Audit Committee is not influenced by any third parties and has not been subject to any agreement which limits the General Meeting's choice of auditor to certain auditors or audit firms.

Agenda item 10(a)

10

Proposals from the Board of Directors and the shareholders

- A. The Board of Directors proposes that the general meeting approves an updated remuneration policy, in which it is described how members of the Board of Directors and the Executive Management are covered in relation to indemnity in their liability insurance.

Agenda item 10(b)

10

Proposals from the Board of Directors and the shareholders

- B. The Board of Directors proposes to amend and extend the current authorization to issue new shares (with and without pre-emptive right for the existing shareholders) in Article 3 of the Articles of Association.

If the proposal is adopted the Articles of Association will be amended to the following:

Article 3

3.1 *The share capital may, by resolution of the Board of Directors, be increased by a maximum nominal amount of DKK 200,000,000 (10,000,000 shares of DKK 20 each) at market price through one or more issues of new shares. This authorization shall be valid until March 24, 2027. The capital increase may be carried out through the issue of shares for cash consideration, conversion of debt or payment in values other than cash. The capital increase shall be carried out through the issue of shares, giving existing shareholders pre-emptive rights.*

3.2 *The share capital may, by resolution of the Board of Directors, be increased by a maximum nominal amount of DKK 100,000,000 (5,000,000 shares of DKK 20 each) at market price through one or more issues of new shares. This authorization shall be valid until March 24, 2027. The capital increase may be carried out through the issue of shares for cash consideration, conversion of debt or payment in values other than cash. The capital increase shall be carried out through the issue of shares, without giving existing shareholders pre-emptive rights.*

3.3 *New shares issued in accordance with the authorizations in articles 3.1 and 3.2 shall carry dividends from such time as may be decided by the Board of Directors, but not later than for the financial year in which the increase in share capital takes place. The shares shall be negotiable instruments and registered in the name of the shareholder. The new shares shall, with regards to rights, redemption and negotiability, in all respects be subject to the same terms as the existing shares.*

Agenda item 10(c)

10

Proposals from the Board of Directors and the shareholders

- C. The Board of Directors proposes to cancel the current authorization to issue warrants in Article 4 of the Articles of Association.

If the proposal is adopted the existing authorization in Article 4.1-4.3 in the Articles of Association will be deleted.

Agenda item 10(d)

10

Proposals from the Board of Directors and the shareholders

- D. The Board of Directors proposes to amend and extend the current authorization to raise convertible loans in Article 5 of the Articles of Association.

If the Board of Directors proposal in point 10(c) is adopted, the existing Article 4 in the Articles of Association will be deleted, and the current Article 5 will thus be renumbered to Article 4. If the proposal is adopted the Articles of Association will be amended to the following:

Article 4

4.1 For a period of five years until March 24, 2027, the Company may, by the decision of the Board of Directors by one or more issues raise loans against bonds or other financial instruments with a right for the lender to convert his claim to a nominal amount of DKK 100,000,000 (5,000,000 shares of nominal DKK 20 each) as a maximum (convertible loans). Convertible loans may be raised in DKK or the equivalent in foreign currency computed at the rates of exchange ruling on the day of loan. The Board of Directors is also authorized to affect the consequential increase of the share capital. Convertible loans

may be raised against payment in cash or in other ways. The subscription shall take place without pre-emption rights for the shareholders and the convertible loans shall be offered at a subscription price and a conversion price that correspond in aggregate to at least the market price of the shares at the time of the decision of the Board of Directors. The time limit for conversion may be fixed for a longer period than five years after the raising of the convertible loan. The terms for the raising of convertible loans shall be determined by the Board of Directors, including loan terms and the rules for conversion of the loans as well as the holder's legal position in case of capital increase, capital decrease, raising of new convertible loans, dissolution, merger or demerger of the Company before the expiration of the right of conversion. Time and terms for the capital increase shall be decided by the Board of Directors observing the rules in article 4.2.

4.2 If the Board of Directors exercises the authorization granted in article 4.1, the new shares shall be shares registered in the name of the shareholder and carry dividend as of a date to be fixed by the Board of Directors. No restrictions shall apply as to the pre-emption right of the new shares, and they shall rank *pari passu* with the existing shares with respect to rights, redeemability and negotiability. The Board of Directors is authorized to make the necessary amendments to these Articles of Association in connection with the capital increases.

Agenda item 10(d) cont.

10

Proposals from the Board of Directors and the shareholders

If the Board of Directors proposals in item 10b-10d above are adopted, Article 3.4 in the Articles of Association will be amended as follows:

3.4 The foregoing authorizations to the Board of Directors under articles 3.1 and 3.2 and the authorization to the Board of Directors under article 4.1 below, can, subject to the limitations set forth therein, be utilized to increase the share capital by a total maximum of nominally DKK 200,000,000, and the authorizations to the Board of Directors under articles 3.2, above, and 4.1 below, can, subject to the limitations set forth therein, be utilized to increase the share capital by a total maximum of nominally DKK 100,000,000.

Agenda item 11

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