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Remuneration Report 2020



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Letter from the Chairman of the Remuneration Committee

Dear shareholder,

In this letter, I will share with you an overview of the main items that we have worked on in the Remuneration Committee during 2020.

2020 was a highly unusual year and the consequences of the global pandemic obviously impacted the work of the Remuneration Committee. 2020 was a year where much of the attention of the Executive Management Board of Nilfisk and the Nilfisk Leadership team¹ was on keeping all employees safe and to safeguard Nilfisk's business.

The impact of COVID-19

Striking the right balance between shareholder alignment and pay for performance, while ensuring to motivate and retain executives and key employees did not become easier during the year.

In the first half of the year, following lockdowns in many of Nilfisk's markets, the visibility of the company's performance became very limited. We saw a decline in revenue and the originally agreed bonus targets seemed early in the year somewhat unrealistic.

It was therefore decided to suspend the annual bonus plan for the managers and key employees below Nilfisk Leadership Team. For the first half of the year bonus achievement was set to zero mirroring the actual financial performance at the time. For the second half of the year quarterly objectives were set to motivate and focus the organization on the most important priorities during the uncertainties created by the pandemic. The objectives set related to generation of

revenue and cash. Three out of three targets were delivered in Q3 and two out of three targets were met in Q4 supported by the financial recovery during the second half of the year.

The Executive Management Board and Nilfisk Leadership Team, however, stayed on the originally agreed bonus objectives and targets for 2020. Despite the improved financial performance in the second half of the year and that Nilfisk succeeded to improve employee engagement through a challenging year, the bonus program payed out below target.

The targets of the awarded 2020 long-term incentive program for executive management and key staff has this year increased the weight on Total Shareholder Return (TSR) performance from 33% to 50% of the targets, to further align the outcome with the shareholders in a difficult year.

The long-term incentive program awarded in 2018 is measured on the three years performance to the end of 2020. The program has not met its target and no shares have been awarded to the participants.

Restructure in 2020

In the 2nd quarter of 2020 Nilfisk announced its plans to reduce the workforce with 250 positions as part of a larger project aiming at aligning the cost base with the situation.

The re-organization also reduced the Nilfisk Leadership Team with 3 members from 11 to 8 and several senior management positions were eliminated, leading to a leaner and cost-efficient organization.

Salary adjustment

Another important measure decided in 2020 in the wake of the pandemic was to make no adjustment to the annual salary across all levels of the organization for 2021, unless legal requirements or collective agreements mandate an adjustment.

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, and that it is aligned with shareholder interests. We keep updated on trends and market statistics and will continue to develop both policy and practices to stay relevant.

I look forward to receiving your support for our Remuneration Report at the Annual General Meeting on March 26, 2021.



Jutta af Rosenberg

Chair of Nilfisk Remuneration Committee

¹ Nilfisk's Leadership Team consists of 8 members, including the CEO and CFO as well as 6 senior management members in Nilfisk headed by Hans Henrik Lund, CEO

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 and the Executive Management Board. Information on the Nilfisk Leadership team from the company and other companies in the group and associated companies for the past four years is also included.

The current remuneration policy was approved at the Annual General Meeting of the Company on June 17, 2020. Information included in this report illustrates the correlation between the policy and the company’s strategy and relevant related goals as well as the employment terms.

Remuneration Committee

The Remuneration Committee is a Board of Directors Committee preparing the resolutions to be taken by the Board. The Committees responsibility is laid out in its Terms of Reference. The overall responsibility of the Remuneration Committee is to oversee 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 efficient decision making.

Main activities in 2020

The Remuneration Committee had three regular meetings during 2020 one less than originally planned because of the shift in focus during the pandemic. However, the lower number of regular meetings was covered by several phone meetings in connection with remuneration topics.

An annual plan governed the three regular meetings in the remuneration committee during the year. The plan lays out the topic for the individual meetings:

- Approval of targets for the coming year’s annual short and long term programs
- The annual bonus payments for the prior year and the allotment of performance shares (if any) for the coming year are reviewed
- The remuneration policy and general guidelines for incentive pay, including current and new initiatives are reviewed
- The coming year’s salary adjustments and the coming year’s annual bonus metrics and weights and reviewed

In addition to these main topics, the Remuneration Committee annually reviews how Nilfisk Leadership Team is compensated, and in November 2020 a benchmarking exercise was conducted. The Remuneration Committee also took data on compensation trends into consideration. At the meeting the Remuneration Committee also reviewed the global workforce compensation on an annual basis comparing to market pay including a review of the pay equity for 3,500 out of the 4,366 employees.

The Remuneration Policy is every year reviewed for updates to ensure continued alignment with our peers and the international market, and Good Corporate Governance. The Remuneration Policy that will be put forward for approval by the shareholders at the AGM in March 2021 include such updates, but no changes are made to the basic remuneration structure.

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 create 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.

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 Chairman of the Board is not remunerated for committee participation
Short-term cash based incentive		•	Maximum award of 70% 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

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. The Board of Directors was at the Annual General Meeting in June 2020 expanded from 10 to 11 Board Members. Two additional ad hoc Committees was added to the three standing Committees. All Committees reports to the Board of Directors.

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

Members of the Board of Directors are currently not entitled to any kind of compensation upon resignation as a member of the Board of Directors.

The members of the two ad hoc committees, a Project Management Office Committee and a US Committee, do not receive a fee.

Remuneration fees of the Board of Directors – 2020

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

Total remuneration of the Board of Directors – 2020

EUR thousand	Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee	Total
Jens Due Olsen (Chairman)	120.8	-	-	-	120.8
Lars Sandahl Sørensen ¹	40.3	-	-	3.1	43.4
Jutta af Rosenberg	40.3	26.8	13.4	-	80.5
Anders Runevad (Deputy Chairman)	62.0	-	-	-	62.0
Thomas Schleicher	40.3	6.2	6.7	-	53.2
Richard Bisson	40.3	-	-	-	40.3
René Svendsen-Thune	40.3	-	-	7.2	47.5
Frank Falezan ²	21.7	-	-	3.6	25.3
Are Dragesund ³	Fee waived	Fee waived	-	-	-
Gerner Raj Andersen	40.3	-	-	-	40.3
Søren Giessing Kristensen	40.3	-	-	-	40.3
Yvonne Markussen	40.3	-	-	-	40.3
Total	526.9	33.0	20.1	13.9	593.9

¹ Appointed October 10, 2017, resigned in June 17, 2020

² Appointed June 17, 2020

³ Appointed June 17, 2020 – board fee and audit committee fee waived

Board of Directors' Shareholding in Nilfisk – 2020

Number of Nilfisk shares	January 1, 2020	Movements in 2020	December 31, 2020	Market value on December 31, 2020 in EUR thousand
Jens Due Olsen (Chairman)	21,732	-	21,732	383.0
Anders Runevad (Deputy Chairman)	1,000	1,000	2,000	35.2
Jutta af Rosenberg	-	-	-	-
Thomas Schleicher	2,600	-	2,600	45.8
Richard Bisson	6,500	(6,500)	-	-
René Svendsen-Tune	4,000	-	4,000	70.5
Are Dragesund	-	-	-	-
Frank Falezan	-	-	-	-
Gerner Raj Andersen	210	-	210	3.7
Søren Giessing Kristensen	-	-	-	-
Yvonne Markussen	6	-	6	0.1
Total	33,448	(2,900)	30,548	538.3

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 taking place every second year to ensure alignment with similar and comparable companies.

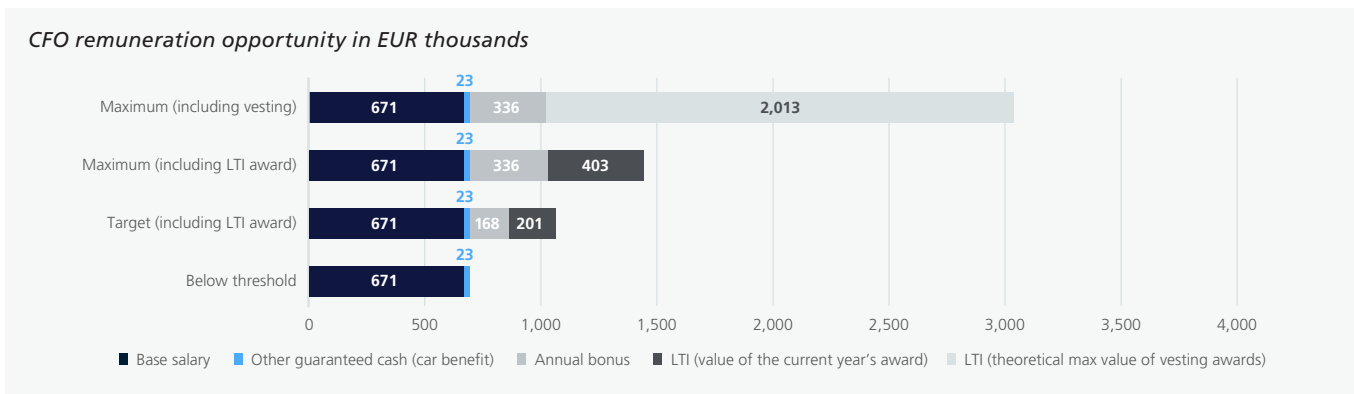
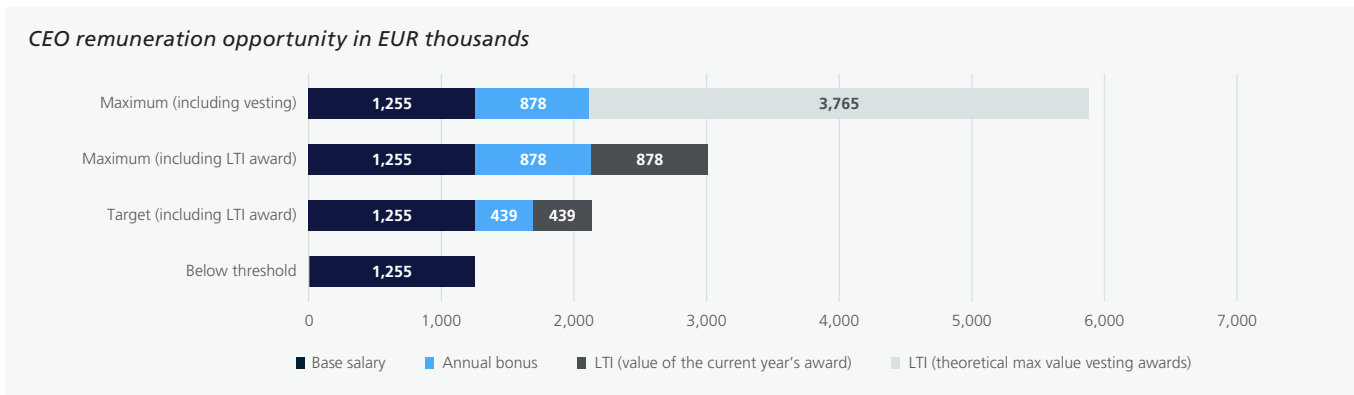
Illustration of the remuneration packages for the Executive Management Board

The charts on this page provide a graphical overview of total remuneration scenarios for each Executive Management Board member based on the remuneration opportunity granted in 2020.

All amounts are calculated using 2020 base salary as baseline, also in connection with the values shown for vesting LTI programs even though these programs were awarded before 2020.

Potential outcomes for each member, based on four different performance scenarios, are shown: 1. below threshold performance, 2. on target performance and 3. maximum performance (including LTI award) and 4. maximum performance (Including vesting)².

² 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 2020 figures this maximum vested value is therefore capped at 3,765 EUR thousands for the CEO and at 2,013 EUR thousands for the CFO.



1. Below threshold performance

Only the guaranteed pay elements (base salary and other guaranteed cash) of the package are received. Minimum performance targets for the annual bonus are not achieved, therefore no payments are made. The Long Term Incentive Program will be awarded at target value (35% of base salary for CEO and 30% for CFO) but if the 3 years performance targets are not met with, 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 30% for CFO).

3. & 4. 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 60% for CFO). In scenario 4 the theoretical max value of vesting awards after 3 years is 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 – 2020

From 2019 to 2020 the CEO's base salary increased with 2.5%. The new CFO's (Prisca Havranek-Kosicek) base salary was not increased from 2019 to 2020 since she was hired December 1, 2019. Looking at the long term incentives, the CEO continued to accrue long term incentives in 2020 (from the Long Term Incentive Program) adding to the existing awards from 2018 and 2019 (not vested). The new CFO Prisca Havranek-Kosicek took part in the Long Term Incentive Program in 2020 for the first time.

The LTI program from 2018 that vests in 2021 did not meet with threshold performance and the accrued cost for this program was therefore released as a gain in 2020. This is seen in the numbers as a reversal of expensed LTI pay of 129.2 thousand EUR for the CEO and a gain of 17.1 thousand EUR for the former members of the NLT has been recognized in the income statement in 2020 corresponding to the costs recognized in 2019. This is shown as a gain in the below table of (129.2) and (17.1) thousand EUR.

The CEO's total pay increased from 1,753.8 thousands EUR in 2019 to 2,043.7 thousands EUR in 2020 because of a higher awarded annual bonus.

The increase in bonus in 2020 has to be seen on the backdrop of a very moderate payout in 2019. No financial targets were met in 2019. Only targets related to non-financials (weighing 10%) were met, hence a modest bonus payout in 2019. In 2020 we saw improvements to the EBITDA margins and tight control of the working capital. However, due to the impact of COVID-19 on the business, the total bonus for 2020 ended below the target.

The tables show the expensed accounting value of the total remuneration for the Executive Management Board and the Nilfisk Leadership Team as determined under IFRS 2. The first grey column show the accrued fair value amounts for long term incentives awarded in financial year 2020. The following gray columns show the actual payout of the short-term bonus and long-term incentives in 2019, and thus the actual cash impact to Nilfisk.

Total remuneration for the Executive Management Board and the Nilfisk Leadership Team – 2020

EUR thousand	Salary and pension	Annual bonus awarded ¹	Other bonus	Long term incentive awarded ¹	Other benefits	Total	Long term incentive expensed ²	Bonus, paid ³	Long-term incentive, vested and paid ³
Hans Henrik Lund (CEO)	1,254.6	333.9	0.0	455.2	0.0	2,043.7	(129.2)	42.8	0.0
Prisca Havranek-Kosicek (CFO)	671.1	127.6	0.0	208.7	42.6	1,050.0	66.9	2.9	0.0
Nilfisk Leadership Team	2,157.3	284.4	0.0	373.8	112.3	2,927.8	31.5	54.9	52.6
Former members of the Nilfisk Leadership Team ⁴	388.1	0.0	666.6	-	51.1	1,105.8	(17.1)	19.7	0.0
Total	4,471.1	746.0	666.6	1,037.7	206.0	7,127.4	(47.9)	120.3	52.6

¹ Amounts shown in these columns are the amounts for annual bonus for 2020 performance and long-term incentives awarded for 2020. Bonus amounts will be settled and paid out in 2021 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) earliest in 2023.

² Amounts shown in this column are accrued amounts for long term incentives earned in financial year 2020 regarding 2020 performance. Long term incentive amounts will be settled (depending on performance) earliest in 2021.

³ Amounts shown in this column are actual amounts settled and paid out in financial year 2020 regarding 2019 performance.

⁴ All remuneration to former NLT members are included in this row.

Annual bonus plan – short-term cash-based incentive plan for 2020

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

In the beginning of 2019 Nilfisk introduced a new global bonus plan for the Executive Management Board. Individual targets have been replaced by financial targets directly linked to our guidance for organic growth and EBITDA margin. A target for Working Capital is also included.

To further balance the financial targets in the bonus model, the new bonus plan also included employee engagement targets in 2019 and also customer satisfaction targets in 2020.

The new bonus plan is aligned with shareholder value creation and will only pay out a bonus if the targets above threshold performance have been reached.

In 2020, 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 – 2020

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 – 2020

Target type	Weight in model	KPI	Achievement level incl. weights
Group financial targets	75%	Organic revenue growth	0.0%
		EBITDA margin (before special items)	9.28%
		Working Capital in % of revenue	15.0%
Customer satisfaction	15%	Customer satisfaction score	3.75%
Engagement score	10%	Engagement score compared to industry benchmark	10.0%
Total	100%		
		Total achievement incl. weights	38.03%

This target achievement applies to both the CEO and the CFO (registered with the Danish Business Authority in 2020).

In 2021, the STIP targets for the Executive Management Board and the Nilfisk Leadership Team will be as follows:

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 (before special items)
		Working Capital in % of revenue
Customer satisfaction	15%	Customer satisfaction score
Employee engagement score	10%	Employee engagement score compared to industry benchmark
Total	100%	

The employee engagement and customer satisfaction scores serve to balance the financial targets with non-financial targets measuring directly on internal as well as external satisfaction ratings.

Long-term incentive programs (LTIP) overview for 2020

The 2020 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 long term targets linked to Nilfisk’s strategy and business plans. The program is designed to drive sustainable growth and create shareholder value, and 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 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 2020, the participants in the LTIP have been awarded a number of contingent performance shares that will vest from 2023 depending on the company’s achievement of targets 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 50% of the LTIP award is based on Nilfisk’s operational EBITDA in mEUR. (EBITDA before special items) reported at the end of the three-year performance period, which for the 2020 award is the operational EBITDA for the financial year ending December 31, 2022, measured against the defined targets.

The Operational EBITDA is the calculated earnings in mEUR before interest, tax, depreciation and amortisation (EBITDA), before special items. It is also called Operational EBITDA and is reported in the annual report.

Total Shareholder Return

The remaining 50% of the LTIP award is based on Nilfisk's Total Shareholder Return (TSR) performance, which for the 2020 award will be the average TSR performance from 2020 through 2022 measured against the defined targets.

TSR calculates the shareholder value created over the performance 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 2020 LTIP award allotment

Based on the valuation of the 2020 LTIP, Nilfisk made a total award of 142,030 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 2020, the VWAP used in the LTIP was 132.55 DKK.

Movements in the Nilfisk Long Term Incentive Program – 2020

Number of awarded performance share units (PSUs)	Awarded PSUs	
	September, 2020	December 31, 2020
Hans Henrik Lund	49,360	49,360
Prisca Havranek-Kosicek	22,633	22,633
Nilfisk Leadership Team	40,536	40,536
Other key employees	29,501	29,501
Total	142,030	142,030

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 months by the executive;
- 12 months by the Company.

In exceptional circumstances, the Board of Directors may appoint an executive with a 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.

As an exception to this is the notice period of the CEO, which is 9 months by the executive and 18 months by the Company.

The notice period for the CEO is in line with international standards, which we use as a benchmark. In the Remuneration Policy, to be put forward for approval by the shareholders at the 2021 AGM, it is suggested to reflected the notice period as:

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

to better align with the international market.

Shareholdings of the Executive Management Board and the Nilfisk Leadership Team

Executive Management Board and the Nilfisk Leadership Team's Shareholding in Nilfisk – 2020

Number of Nilfisk shares	January	Movements in 2020	December	Market value on December 31st in EUR thousand
	1, 2020		31, 2020	
Hans Henrik Lund	19,600	-	19,600	345.4
Prisca Havranek-Kosicek	-	-	-	-
Camilla Ramby	-	-	-	-
Steen Lindbo	-	-	-	-
Pierre Mikaelsson	15	-	15	0.3
Jesper Terndrup Madsen	-	-	-	-
Jacob Blom	200	-	200	3.5
Hans Flemming Jensen	735	-	735	13.0
Total	20,550	-	20,550	362.2



Comparative overview of remuneration and key figures

4 years key figures (amounts in thousand EUR)	2020	% Change	2019	% Change	2018	% Change	2017 ¹
Remuneration of the Board of Directors							
Jens Due Olsen (Chairman)	120.8	0%	120.8	-	120.8	309%	29.5
Anders Runevad (Deputy Chairman)	62.0	54%	40.3	-	40.3	333%	9.3
Jutta af Rosenborg	80.5	0%	80.5	-	80.5	333%	18.6
Thomas Schleicher	53.2	15%	46.3	-	-	-	-
Richard Bisson	40.3	30%	30.9	-	-	-	-
René Svendsen-Tune	47.5	18%	40.3	-	40.3	333%	9.3
Frank Falezan	25.3	-	-	-	-	-	-
Are Dragesund	Fee waived	-	-	-	-	-	-
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	29%	31.3	-	-
Søren Giessing Kristensen	40.3	0%	40.3	29%	31.3	-	-
Yvonne Markussen	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							
Hans Henrik Lund (CEO)	2,043.7	23%	1,753.8	(23%)	2,264.4	83%	1,239.7
Prisca Havranek-Kosicek (CFO)	1,050.0	1,636%	60.5	-	-	-	-
Karina Deacon (former CFO)	-	(100%)	466.5	(26%)	632.4	(35%)	977.2
Former members of the Executive Management Board	-	-	-	-	-	-	1,152.5
Nilfisk Leadership Team	2,927.8	(8%)	3,171.9	(23%)	4,100.1	(43%)	7,171.5
Former members of the Nilfisk Leadership Team	1,105.8	(26%)	1,501.4	-	-	-	-
Financial measures, Nilfisk Group⁷							
Revenue in mEUR	832.9	(14%)	966.5	(8%)	1,054.3	(3%)	1,081.9
EBITDA margin (before special items)	12.1%	(0.5pp)	12.6%	0.7pp	11.9%	0.8pp	11.1%
Organic growth	(11.5%)	(7.5pp)	(4.0%)	(6.0pp)	2.0%	(1.7)	3.7%
Average number of full-time employees	4,460	(14%)	5,158	(11%)	5,819	2%	5,708
Average pay for company employees (thousand EUR) ⁸	56.2	1%	55.8	8%	51.5	(1%)	52.0
CEO Pay-Ratio ⁹	38.2	22%	31.4	(28%)	43.9	84%	23.8

The increase in total remuneration of 23% for the CEO in 2020 is due to a higher bonus than in 2019 where almost no bonus was achieved (5% of 100% opportunity).

In 2020 we saw improvements to the EBITDA margins and tight control of the working capital. However, due to the impact of COVID-19 on the business, the total bonus for 2020 ended below the target.

The decrease of 8% in total remuneration for the Nilfisk Leadership Team in 2020 related to the decrease in number of leadership team members. However, if we look at each member individually they have seen a corresponding increase in total remuneration for the same reason as the CEO.

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 salary costs by the average pay for company employees. Please refer to note 3 of the annual report.

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 2020.

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, March 3, 2021

Board of Directors

Jens Due Olsen
Chairman

Anders Runevad
Vice-chairman

Richard Bisson

Jutta af Rosenberg

Thomas Lau Schleicher

Rene Thune-Svendsen

Are Dragesund

Franck Falezan

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 2020.

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 independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by FSR - Danish Auditors (Code of Ethics for Professional Accountants), which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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 2020.

Copenhagen, March 3, 2021

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Kirsten Askov Mikkelsen
State-Authorized
Public Accountant
MNE no mne21358

Sumit Sudan
State-Authorized
Public Accountant
MNE no mne33716



Nilfisk's Remuneration Report 2020 was published on March 4, 2021.
The report is also available at www.nilfisk.com.

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Company reg. No. 38 99 88 70.