



# Remuneration Report 2023

**NILFISK**

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# Letter from the Chair of the Remuneration Committee

Dear shareholders,

Last year was my second year as Chair of the Board of Nilfisk but also as Chair of the Remuneration Committee. I am pleased to report that Nilfisk has continued to make notable progress within the area of remuneration across the Group. Our approach to remuneration is an important element of delivering sustainable long-term growth as outlined in Business Plan 2026.

## Emphasis on Consistency in Remuneration Strategy

Recognizing the importance of a stable and predictable remuneration environment, we maintained the same approach for the incentive programs, with minor modifications, that we applied in 2022 for both the short-term incentives (STI) and long-term incentives (LTI) programs.

In 2023, we aligned our Global STI program across different countries and business units to mirror the new Nilfisk organization centered around customers. The focus was on standardizing the weight of targets to ensure a cohesive incentive structure within Nilfisk. This alignment is designed to drive performance and foster collaboration across the organization supporting our customers. We ensured a connection to global targets for all participants to support a global mindset. Depending on the area of responsibility within each respective function, the weight of the global targets is graduated.

## Introducing an Additional LTI Program - Management Incentive Program (MIP)

Nilfisk introduced the MIP in 2023 with the purpose of retaining strategically important employees by providing an attractive total compensation package that is competitive compared to standard market

practice. The MIP is designed to drive performance and engagement among the participants and align the interests of the participants with those of shareholders.

The MIP program was offered to members of the Executive Board and NLT and runs alongside the existing LTI - Performance Shares Program. MIP is a three-year program and not intended to roll out every year but is designed to strengthen efforts with a focus on the 2026 business plan.

The MIP was launched in March 2023, subsequent to an approval of amendments to Nilfisk's Articles of Association and Remuneration Policy at the AGM in March 2023.

The MIP is structured as an investment opportunity in Nilfisk shares and is conditioned as a private investment in Nilfisk shares, upon which eligible persons will be granted a number of warrants free of charge corresponding to 150% of the required investment amount. Conversion will be after three years and dependent on employment and the share reaching a given strike price.

## Sustainability in Remuneration

In 2022, we took a significant step by integrating a sustainability target into our existing Performance Share LTI program, ensuring that our remuneration strategy aligns with our environmental goals. Building on this momentum, we have decided to incorporate a global sustainability target in the Nilfisk STI program in 2024. A sustainability target in our STI further cements our commitment to embedding sustainability into every facet of our business operations.

## Commitment to Fair Compensation

Our ongoing commitment to equity and fairness in compensation remains a top priority. This encompasses addressing pay and gender gaps in day-to-day operations, as well as a special focus in the global merit process. Furthermore, we are aligning with the EU Pay Transparency Directive. This directive aims to enhance pay transparency for potential and current employees, allowing informed decisions about recruitment, employment, promotions, and salary adjustments. Our efforts are geared towards ensuring that our compensation practices are transparent, equitable, and competitive, reflecting the nature, complexity, and size of Nilfisk. One of the initiatives in 2023 has been to improve our pay ranges, to better link Nilfisk pay to the external market.

## CEO Transition

This year also marked a period of leadership transition at Nilfisk. Following Torsten Türling's resignation for family reasons, we appointed René Svendsen-Tune, an experienced member of our Board, as interim CEO effective August 18, 2023. His extensive experience and proven leadership capabilities have been invaluable during this period of change. Looking forward, we are excited about the arrival of Jon Sintorn as our new CEO, no later than July 1, 2024. Jon Sintorn brings a wealth of experience from his previous roles, and his expertise is expected to be a driving force in propelling Nilfisk into its next phase of growth and innovation.

## Annual General Meeting

As we move towards the Annual General Meeting, I want to emphasize the importance of your support for our remuneration policy and remuneration report. The Nilfisk Remuneration Policy will not be on the

agenda for the upcoming AGM. However, during 2024 we will revise the remuneration policy in line with the Danish Companies Act (Selskabsloven) and the guidelines provided by the Danish Business Authority (Erhvervsstyrelsen).

I look forward to receiving your support for our Remuneration Report at the Annual General Meeting on March 21, 2024.

## Peter Nilsson

Chair of Nilfisk  
Remuneration Committee



# Remuneration Report

## Introduction to the Remuneration Committee

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. Nilfisk Leadership Team (NLT) is included in the report as a collective entity. The report includes information on the most important content of retention and resignation arrangements, and the correlation between the remuneration and the company remuneration policy approved at the Annual General Meeting of the Company on March 25, 2023, the company strategy, and relevant related goals.

### Remuneration Committee

The overall responsibility of the Remuneration Committee, as laid out in the Remuneration Committee Charter is to oversee and recommend to the Board, the remuneration of the Board of Directors, the Executive Management Board, and other members of the Nilfisk Leadership Team, measures to ensure that the company's remuneration practice is appropriate, balanced, and effective to achieve growth, profitability, and shareholder value. This responsibility includes establishing the Remuneration Policy for the Board of Directors and the Executive Management Board, making proposals on changes to the Remuneration Policy,

and obtaining the approval of the Board of Directors prior to seeking shareholders' approval at the Annual General Meeting. The Remuneration Committee also oversees the company's short-term and long-term incentive programs, including awards, target-setting and a review of target achievements every year. The Remuneration Committee reports to the Board of Directors at all regular board meetings to ensure transparency and efficient decision making.

### Main Activities in 2023

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

- **January meeting:** Targets for the coming year's annual bonus program are approved.
- **March meeting:** The annual bonus payments for the prior year and the allotment of performance shares (if any) for the coming year are reviewed.
- **May meeting:** The remuneration policy and general guidelines for incentive pay, including current and new initiatives are reviewed. The annual wheel governing the plan for the four regular meetings is also reviewed.
- **November meeting:** The coming year's salary adjustments and benchmark of Executive Management and NLT. The coming year's annual bonus metrics and weights are reviewed. The Remuneration Report for the ending financial year, including highlights and focal points as well as implementation of any new corporate governance requirements or changes to the Remuneration Policy, is planned and discussed. In addition to the annual wheel, the Remuneration Committee had three additional meetings during 2023 covering various remuneration topics.

Meetings at the start of 2023 were focused on designing the new warrant-based MIP, amending articles of association and creating an appendix. The Remuneration Policy was amended to include the MIP, which will be described further in this report's LTI section.

RemCo based activities also included ensuring a smooth CEO transition, involving both the current interim CEO and the incoming CEO in 2024. Additionally, there was an increased emphasis on the 2024 merit process.



## Summary of the ongoing Remuneration Policy

The Remuneration Policy was approved at the AGM, March 2023. The Remuneration Policy governs the remuneration of the Board of Directors and Executive Management. The Board of Directors receives a fixed fee. The Executive Management Board receives a fixed salary, a short-term cash-based incentive, and a long-term performance share-based incentive (Performance Share Program, or PSP). Alongside with the PSP, the Management Incentive Program (MIP) has been offered to current members of Executive Management Board and Nilfisk Leadership Team and will be offered to future members of the Executive Management Board and NLT. The Executive Management Board comprises the CEO and the CFO, while the Nilfisk Leadership Team consists of Executive Vice Presidents, who report to the CEO.

This structure is designed to ensure commonality of interest between the management and shareholders of Nilfisk and maintain management's motivation to achieve both short-term results and pursue long-term strategic goals.

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

The Board of Directors may enter into an agreement with an executive on an extended termination notice period in case of a change of control of the Company.

In 2023, there have been no deviations from the Remuneration Policy. The contract for the current interim CEO deviates from Nilfisk standard practices due to the interim nature of the position being linked to the commencement of a new permanent CEO of Nilfisk.

## Key Components in the Remuneration of the Governing Bodies of Nilfisk under Current Remuneration 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.
Short-term cash-based incentive		•	Maximum award of 100% of base salary for the Executive Management Board
Long-term share-based incentive (Performance Share Program)		•	Maximum award of 100% of base salary
Long-term share-based incentive (Matching Warrant Program)		•	Maximum awarding value corresponding to 45% 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. No member of the Executive Management Board has a defined pension contribution, but this has been taken into account when setting the total remuneration.

## Remuneration of the Board of Directors

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

Each member of the Board of Directors receives a fixed annual fee while the Chair receives three times the base fee and the Deputy Chair receives two times the base fee. In addition, a member of a board committee may receive a supplemental annual fee per committee.

### Total Remuneration of the Board of Directors – 2023

EUR thousand	Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee	Total
Peter Nilsson (Chair)	130.8	-	14.5	12.7	158.0
Bengt Anders Lennart Thorsson (Deputy Chair) <sup>1</sup>	49.1	-	-	-	49.1
René Svendsen-Tune <sup>2</sup>	70.9	-	-	9.1	80.0
Jutta af Rosenberg	43.6	29.1	-	-	72.7
Franck Falezan	43.6	-	-	7.3	50.9
Viveka Marianne Ekberg <sup>3</sup>	32.7	10.9	-	-	43.6
Ole Kristian Jødahl <sup>3</sup>	32.7	-	-	-	32.7
Are Dragesund	Waived	-	Waived	-	-
Thomas Lau Schleicher <sup>4</sup>	10.9	-	1.8	-	12.7
Richard Bisson <sup>4</sup>	10.9	-	-	-	10.9
Gerner Andersen	43.6	-	-	-	43.6
Claus Dalmoose	43.6	-	-	-	43.6
Nadia Damiri	43.6	-	-	-	43.6
Marcus Faber Kappendrup	43.6	-	-	-	43.6
<b>Total</b>	<b>599.6</b>	<b>40.0</b>	<b>16.3</b>	<b>29.1</b>	<b>685.0</b>

1. Appointed Deputy Chair on August 17, 2023

2. Deputy Chair until August 17, 2023, and subsequently board member.

3. Appointed March 23, 2023.

4. Resigned on March 23, 2023.

### Remuneration Fees of the Board of Directors – 2023

Total remuneration (Cash-based) EUR thousand	Fees structure			
	Board of directors	Audit committee	Remuneration committee	Nomination committee
Chair	130.8	29.1	14.5	14.5
Deputy Chair	87.2	-	-	-
Member	43.6	14.5	7.3	7.3

### Board of Directors' Shareholding in Nilfisk – 2023

Number of Nilfisk shares	January 1, 2023	Movements in 2023	December 31, 2023	Market value on December 31, 2023 in EUR thousand (closing price)
Peter Nilsson (Chair)	27,104	13,000	40,104	636.3
Bengt Anders Lennart Thorsson (Deputy Chair)	-	-	-	-
René Svendsen-Tune	4,000	7,501	11,501	182.5
Jutta af Rosenberg	-	8,000	8,000	126.9
Franck Falezan	-	-	-	-
Viveka Marianne Ekberg	-	9,500	9,500	150.7
Ole Kristian Jødahl	-	4,000	4,000	63.5
Are Dragesund	-	-	-	-
Gerner Raj Andersen	210	-	210	3.3
Claus Dalmoose	30	100	130	2.1
Nadia Roya Damiri	145	-	145	2.3
Marcus Faber Kappendrup	32	-	32	0.5
Former board members	2,600	-2,600	-	-
<b>Total</b>	<b>34,121</b>	<b>39,501</b>	<b>73,622</b>	<b>1,168.1</b>

Shareholdings are included from the day the board members became members of the Board of Directors until the day they retired from the Board of Directors at Nilfisk Holding A/S

## Remuneration of the Executive Management Board and the Nilfisk Leadership Team

The current and future 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 the long-term share-based incentive (PSP). Alongside with the PSP, the MIP has been offered to the former CEO and current CFO and current members of NLT. MIP will be offered to future members of the executive management board and NLT.

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. The structure is governed by the Nilfisk remuneration policy. Benchmarking on total remuneration level is used to ensure retention and alignment with similar and comparable companies.

Nilfisk's Interim CEO René Svendsen-Tune continues to serve on the board. The interim CEO position receives compensation exclusively through a fixed base salary and benefits to streamline the transition both when entering and leaving the position. The salary was determined based on a market benchmark and took into consideration the interim nature of the position.

The CFO position has a STI target at 35% (Max STI 70%) compared to annual base salary. The CFO is eligible for an annual award in the annual LTI program at 35% compared to base salary (70% face value). The annual LTIP is the Performance Shares Program described on page 8.

### Total Remuneration for the Executive Management Board and the Nilfisk Leadership Team – 2023

EUR Thousand	Salary and Pension	STI Awarded <sup>1</sup>	Other Short-Term compensation <sup>5</sup>	PSP Awarded <sup>1</sup>	MIP Awarded <sup>1</sup>	Other Benefits	Total	LTI Expensed <sup>3</sup>	STI Paid <sup>2</sup>	LTI Vested and Paid <sup>4</sup>
René Svendsen-Tune (CEO)	873.3	-	-	-	-	-21.8	<b>851.5</b>	-	-	-
Torsten Türling (former CEO)	756.1	246.4	100.3	-	-	71.3	<b>1,174.1</b>	-288.6	394.6	-
Reinhard Mayer (CFO)	674.0	205.0	-	235.9	303.3	48.4	<b>1,466.6</b>	126.3	153.9	-
Nilfisk Leadership Team	2,181.4	376.9	664.8	384.2	247.8	131.5	<b>3,986.6</b>	224.7	352.6	90.9
Former members of the Nilfisk Leadership Team	90.7	2.8	1,434.7	-	-	6.0	<b>1,534.2</b>	58.7	147.4	85.1
<b>Total</b>	<b>4,575.5</b>	<b>831.1</b>	<b>2,199.8</b>	<b>620.1</b>	<b>551.1</b>	<b>235.4</b>	<b>9,013.0</b>	<b>121.1</b>	<b>1,048.5</b>	<b>176.0</b>

<sup>1</sup> Amounts shown in these columns are expected pay-out short-term Incentives(STI) for 2023 performance and long-term incentives(LTI) awarded for 2023. Incentive amounts will be settled and paid out in 2024 at the displayed value. The LTIs are displayed at fair value, meaning that values are based on expected financial performance during the program's performance period. LTI amounts will be settled (depending on performance) in 2026.

<sup>2</sup> STI Amounts shown in this column are actual amounts settled and paid out in financial year 2023 regarding 2022 performance.

<sup>3</sup> Amounts shown in this column are accrued amounts for long-term incentives earned in financial year 2021, 2022, and 2023 regarding 2023 performance. LTI amounts will be settled (depending on performance) in 2024-2026.

<sup>4</sup> Amounts shown in this column are paid amounts for long-term incentives earned in financial year 2020 regarding 2022 performance. Long-term incentive amounts will be settled (depending on performance) in 2025-2026.

<sup>5</sup>Any redundancy payment made after the August 17, 2023, is documented under "Other short-term compensation," amounting to 100.3 kEUR. The sum is attributed to a clawback provision related to previously awarded bonuses

### Development in Total Remuneration for the Executive Management Board and the Nilfisk Leadership Team – 2023

In 2023 the overview of executive remuneration is impacted by the interim change in the CEO position. The mix of compensation elements is displayed in the table. The table shows the value of the total remuneration for the Executive Management Board, the Nilfisk Leadership Team and the former members of the Nilfisk Leadership Team as determined under IFRS 2.

Torsten Türling's final day as an executive was on August 17, 2023, and his last day of employment was October 31, 2023. The ordinary remuneration during his employment period as a registered executive (Jan 1 - Aug 17, 2023) is presented in the appropriate categories. Any payments made after the August 17, 2023, are documented under "Other short-term compensation," amounting to 100.3 kEUR. The sum is attributed to a clawback provision related to a previous sign-on bonus. The clawback of the sign-on bonus amounts to 250.6 kEUR and will be

deducted in the pro-rated short-term incentive for 2023. Torsten Türling is classified as a "bad leaver", hence Long-Term Incentives Expenses are negative due to reversal of unvested performance shares. Refer to the table at page 9 regarding movement in performance shares for 2023.

The interim CEO, René Svendsen-Tune, assumed the role of interim CEO starting from August 18, 2023. René Svendsen-Tune continues to serve as a member of the Board of Directors and receives compensation for this role, as well as a salary for the interim position. The annualized salary for the interim CEO position amounts to 2,349 kEUR, excluding deductions made for fees received from the Nilfisk Board of Directors post. This salary consists entirely of base salary. Deductions for the board fees are shown under "Other Benefits".

The CFO's total compensation increased from 1,074.7 kEUR in 2022 to 1,466.6 kEUR in 2023, primarily due to participation in the MIP program.

Short-term incentives for 2023 also represents an increase compared to 2022 with a realization rate of 43.5% compared to a 33.6% bonus realization rate in 2022. While Organic Revenue Growth and EBITDA Margin fell slightly short of their targets there was an overperformance in the Net Debt target.

## Annual Incentive Plan – Short-Term Cash-Based Incentive Plan for 2023

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

The Bonus targets have been defined in the Remuneration Policy as consisting of at least 50% financial targets and will only pay out if the threshold targets have been reached.

In 2022, Nilfisk made the decision to streamline the existing Short-Term Incentive Plan by reducing the number of KPIs from five to three. This change was followed in 2023 by a decision to prioritize specific activities and provide a greater opportunity to achieve our key objectives for the year. The same targets for 2022 were retained except changing from EBITDA to EBITDA Margin and from Working Capital to Net Debt for group financial targets.

Realization for the shown Group KPI's for 2023 is equal to a total bonus percentage of 43.5% out of max 100% compared to maximum short-term bonus. While Organic Revenue Growth and EBITDA Margin fell slightly short of their targets there was an overperformance in the Net Debt target.

### Executive Management Board and NLT 2023 Short-Term Incentive Plan and Overall Achievement Rate

KPI	Weights	Outcome (0%-100%)
Organice Revenue growth	35%	
EBITDA Margin (before special items - BSI)	45%	
Net Debt	20%	
<b>Total</b>	<b>100%</b>	<b>43.5%</b>

### Short-Term Cash-Based Incentive Plan for 2024

To enhance the focus on Nilfisk's Corporate Social Responsibility (CSR) agenda, an ESG (Environmental, Social, and Governance) target has been introduced for the 2024 STIP. This target is divided into sub-targets, each assigned respective weights, focusing on reducing emission, monitoring employee engagement, and ensuring high quality in the sustainability management system.

The overview of the targets is shown in the in below table for 2024. It is a continuation of 2023 targets including incorporation of the ESG target.

### Executive Management Board and NLT 2024 Short-term Incentive Plan, Target Overview

KPI	Weight
Organic Revenue Growth	30%
EBITDA Margin BSI	40%
Net Debt	20%
ESG Target	10%
<b>Total achievement incl. weights</b>	<b>100%</b>

## Long-Term Incentive Programs Overview for 2023

### PSP - Performance Shares Program

The 2023 PSP LTI award, governed by the Remuneration Policy, is a performance share award. Shares will be granted to the participant over a three-year period contingent upon meeting long-term targets tied to Nilfisk's strategic objectives and business plans. Its purpose is to promote sustainable growth and enhance shareholder value by offering shares directly linked to our long-term financial performance.

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

According to the Remuneration Policy and to the terms of the Long-term Incentive Program (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 with respect to 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 2023, the participants in the LTIP have been awarded a number of contingent performance shares that will vest in 2026 depending on the company's achievement of targets specifically relating to total shareholder return, EBITDA before special items, and ESG target. Each of these elements and vesting conditions are further described on following page.



### Total Shareholder Return

The first 50% of the LTIP award is based on Nilfisk's Total Shareholder Return (TSR) performance, which for the 2023 award will be the average TSR performance from release of annual accounts in 2023 through to the release of the annual accounts (for FY 2025) in 2025 and measured against the defined targets.

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

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

### EBITDA

The following 40% of the LTIP award is based on Nilfisk's publicly reported EBITDA in mEUR measured at the end of the three-year performance period, which for the 2023 award is the EBITDA for the financial year ending December 31, 2025, measured against the defined targets.

The EBITDA is the calculated earnings in mEUR before interest, tax, depreciation and amortization (EBITDA), before special items. It is reported publicly both in quarterly and annual reports.

### ESG Target – Co2 Emissions

The last 10% of the LTIP is based on Nilfisk performance in relation to CO2 emissions from product usage, according to category 11 of the Greenhouse Gas Protocol, reported for the Performance Period. Also known as "Scope 3 targets", they are set according to Science Based Targets and cover the emissions from our products during their lifetime in use, measured in Kilograms (Kg) CO2e pr EUR Gross Profit. The targets are set and measured as a percentage reduction of the 2021 baseline. Actual performance is reported annually in the Nilfisk CSR report.

### Status for 2023 PSP Award Allotments

Nilfisk made a total award of 151,456 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 their 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 2023, the VWAP used in the LTIP was 134 DKK for all participants.

As shown in the table, performance shares were initially allocated to Torsten Türling at the beginning of the year. However, due to the terms and conditions of the PSP and Torsten Türling's status as "bad leaver", all unvested performance shares expired after his last day of employment. This is why there were no performance shares awarded to Torsten at the end of the year 2023.

The difference in the number of awarded performance shares in 2023 of 151,456 and the number of performance shares of 96,877 still in the program at the end of 2023 is due to a number of resignations from key members of staff.

### Movements in the Nilfisk Performance Share Program – 2023

Number of Performance Shares	PSP 2020		PSP 2021		PSP 2022		PSP 2023		Total Performance Shares December 31, 2023	Fair Value Performance Shares December 31, 2023
	January 1, 2023	December 31, 2023	January 1, 2023	December 31, 2023	January 1, 2023	December 31, 2023	June, 2023	December 31, 2023		
René Svendsen-Tune (CEO)	-	-	-	-	-	-	-	-	-	-
Torsten Türling (former CEO)	-	-	18,706	-	30,172	-	47,080	-	-	-
Reinhard Mayer (CFO)	-	-	10,422	10,422	16,810	16,810	26,230	26,230	53,462	464.9
Nilfisk Leadership Team	23,352	-	24,767	8,256	21,542	12,529	45,480	42,251	63,036	157.7
Other key employees	104,925	-	23,248	37,491	15,153	18,702	32,666	28,396	84,589	903.2
<b>Total</b>	<b>128,277</b>	<b>-</b>	<b>77,143</b>	<b>56,169</b>	<b>83,677</b>	<b>48,041</b>	<b>151,456</b>	<b>96,877</b>	<b>201,087</b>	<b>1,525.8</b>

### PSP 2020 Program Awarded in 2023

KPI	Weight	Vesting
Operating EBITDA Ultimo 2023	60%	
TSR	40%	
<b>Total</b>	<b>100%</b>	<b>40%</b>

### PSP 2020 Program Awarded in 2023

The 2020 PSP program resulted in an outcome awarding 40% the PSP 2020 allocated performance shares. The performance measures were 60% Operating EBITDA for 2023 and 40% TSR.

**Management Incentives Program (MIP) Overview for 2023**

Nilfisk introduced the MIP in 2023 with the purpose of retaining strategically important employees by providing an attractive total compensation package that is competitive compared to standard market practice. The MIP is designed to drive performance and engagement among the participants and align the interests of the participants with those of the shareholders. The program was offered to members of the Executive Board and NLT and runs alongside the existing LTI - Performance Shares Program. MIP is not intended to roll out every year but is a program designed to strengthen efforts with a focus on Business Plan 2026.

At the Annual General Meeting held on March 23, 2023, Nilfisk obtained shareholder approval for the Board of Directors to issue warrants following an approval of changes to the remuneration policy introducing a new warrant-based long-term incentive program. The new program is structured as a matching warrant program, meaning that the participation in the program is conditional upon the participants' own investment in shares in Nilfisk.

The value of the warrants may not at the time they are awarded exceed an amount corresponding to 45% of the participant's annual gross base salary.

The participants will be awarded warrants which give the holder the right to convert one warrant into one share after a three-year vesting period at a given strike price at 200 DKK, contingent upon employment as well as holding all investment shares throughout the vesting period.

After exercise, participants may sell a portion of the converted warrants to fund the strike payment and taxes. Remaining shares (converted from warrants) must be held for minimum 12 months.

At the end of March 2023, the Executive Board and Nilfisk Leadership Team were offered the opportunity to participate in the matching warrant program which could be accepted until August 31, 2023. Warrants were issued upon the participants' acceptance, fulfilment of the conditions for participation, and approval by the Board of Directors.

The reason for having both MIP June and MIP September in the below warrant overview is only attributed to investments made in two distinct timeframes, resulting in different maturity periods. Therefore, the overview does not display two different programs. During 2023 165,332 warrants have been issued and 142,110 is remaining. The fair value of the warrants was 0.6 mEUR.

**Terms and Conditions for Notice of Termination for the Executive Management Board**

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

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

The contract for the current interim CEO deviates from Nilfisk standard termination practices due to the interim nature of the position being linked to the commencement of a new permanent CEO of Nilfisk.

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

The CEO and CFO do not have a contractually agreed change of control clause in their employment contracts.

**Terms and Conditions for Indemnity for the Executive Management Board**

Nilfisk has taken out a standard D&O insurance for the Executive Management Board. In line with international practice, should the insurance coverage be insufficient, Nilfisk will in certain cases cover additional claims that a member of the Executive Management Board may personally incur.

**Movements in the Nilfisk Warrant Program – 2023**

Number of Warrants	Own Investment (shares) 2023	MIP June		MIP September		Total Outstanding Warrants December 31, 2023	Total Fair Value of MIP December 31, 2023 (EUR thousands)
		June, 2023	December 31, 2023	September, 2023	December 31, 2023		
René Svendsen-Tune	-	-	-	-	-	-	-
Torsten Türling (former CEO)	-	-	-	-	-	-	-
Reinhard Mayer	11,700	80,012	80,012	-	-	80,012	303.3
Nilfisk Leadership Team	13,346	33,133	33,133	52,187	28,965	62,098	247.8
<b>Total</b>	<b>25,046</b>	<b>113,145</b>	<b>113,145</b>	<b>52,187</b>	<b>28,965</b>	<b>142,110</b>	<b>551.1</b>

## Shareholder Feedback

This section on "Shareholder feedback" includes a high-level description and the results on AGM voting on the remuneration policy and remuneration report in 2023.

The Remuneration Report was adopted by 99.97% of the valid votes cast.

The revised Remuneration Policy was adopted by 99.83% of the valid votes cast. No comments nor questions regarding the contents of the Remuneration Policy or Remuneration Report was received ahead of or at the Annual General Meeting in 2023.

## Shareholdings of the Executive Management Board and the Nilfisk Leadership Team

### Executive Management Board and the Nilfisk Leadership Team's Shareholding in Nilfisk – 2023

Number of Nilfisk Shares	January 1, 2023	Movements in 2023	December 31, 2023	Market value on December 31, 2023	
				in EUR Thousand (closing price)	
René Svendsen-Tune (CEO)	4,000	7,501	11,501		182.5
Torsten Türling (former CEO)	16,980	-16,980	-		-
Reinhard Mayer (CFO)	13,869	11,700	25,569		405.7
Siam Schmidt	2,000	2,250	4,250		67.4
Hans Flemming Jensen	735	4,347	5,082		80.6
Camilla Ramby	1,155	3,706	4,861		77.1
Jamie O'Neill	-	846	846		13.4
Petros Kapelles	-	-	-		-
Christopher Riau	-	2,100	2,100		33.3
Anupam Bhargava	6,000	3,700	9,700		153.9
Former members of the Nilfisk Leadership Team	15	-15	-		-
<b>Total</b>	<b>44,754</b>	<b>19,155</b>	<b>63,909</b>		<b>1,013.9</b>

## Comparative Overview of Remuneration and Key Figures

Six Years Key Figures (Amounts in Thousand EUR)	2023	% Change	2022	% Change	2021	% Change	2020	% Change	2019	% Change	2018
<b>Remuneration of the Board of Directors</b>											
Peter Nilsson (Chair) <sup>1</sup>	158.0	38%	114.6	100%	-	-	-	-	-	-	-
Bengt Anders Lennart Thorsson (Vice-chair) <sup>2</sup>	49.1	100%	-	-	-	-	-	-	-	-	-
René Svendsen-Tune (Deputy Chair) <sup>3</sup>	80.0	-20%	99.8	18%	84.4	78%	47.5	18%	40.3	0%	40.3
Jutta af Rosenberg	72.7	-3%	74.7	-7%	80.5	0%	80.5	0%	80.5	0%	80.5
Franck Falezan	50.9	2%	49.9	6%	47	86%	25.3	-	-	-	-
Viveka Marianna Ekberg <sup>2</sup>	43.6	100%	-	-	-	-	-	-	-	-	-
Ole Kristian Jødahl <sup>2</sup>	32.7	100%	-	-	-	-	-	-	-	-	-
Are Dragesund	Fee waived	-	Fee waived	-	Fee waived	-	Fee waived	-	-	-	-
Thomas Schleicher	12.7	2% <sup>5</sup>	49.9	6%	47	-12%	53.2	15%	46.3	-	-
Richard Bisson	10.9	2% <sup>5</sup>	42.8	6%	40.3	0%	40.3	30%	30.9	-	-
Gerner Raj Andersen	43.6	2%	42.8	6%	40.3	0%	40.3	0%	40.3	29%	31.3
Claus Dalmose <sup>1</sup>	43.6	0% <sup>5</sup>	32.7	-	-	-	-	-	-	-	-
Nadia Roya Damiri <sup>1</sup>	43.6	0% <sup>5</sup>	32.7	-	-	-	-	-	-	-	-
Marcus Faber Kappendrup <sup>1</sup>	43.6	0% <sup>5</sup>	32.7	-	-	-	-	-	-	-	-
Jens Due Olsen (former Chair)	-	-100%	30.0	-81%	120.8	0%	120.8	0%	120.8	0%	120.8
Yvonne Markussen	-	-100%	10.1	-75%	40.3	0%	40.3	15%	35	293%	8.9
<b>Remuneration to the Executive Management Board and the Nilfisk Leadership Team</b>											
René Svendsen-Tune (CEO)	851.5	100%	-	-	-	-	-	-	-	-	-
Torsten Türling (Former CEO)	1,174.1	6% <sup>5</sup>	2,133.6	-10%	2,358.7	100%	-	-	-	-	-
Reinhard Mayer (CFO)	1,466.6	36%	1,074.7	-22%	1,380.3	100%	-	-	-	-	-
Nilfisk Leadership Team	3,986.6	21%	3,295.5	-14%	3,686.7	26%	2,927.8	-8%	3,171.9	-23%	4,100.1
Former members of the Nilfisk Leadership Team	1,534.2	11%	1,382.0	100%	-	-100%	1,105.8	-26%	1,501.4	-	-
<b>Financial Measures, Nilfisk Group</b>											
Revenue in mEUR	1,033.6	-3%	1,069.5	7%	994.9	19%	832.9	-14%	966.5	-8%	1,054.3
EBITDA margin (before special items)	12.8%	(0.4)pp	13.2%	(1.3)pp	14.5%	2.4pp	12.1%	(0.5)pp	12.6%	0.7pp	11.9%
Organic growth	-0.3%	(5.2)pp	4.9%	(15.8)pp	20.7%	32.2pp	-11.5%	(7.5)pp	-4.0%	(6.0)pp	2.0%
Average number of full-time equivalents	4,680	-2%	4,772	2%	4,696	5%	4,460	-14%	5,158	-11%	5,819
Average staff costs per full-time equivalent (thousand EUR) <sup>6</sup>	64.5	9%	59.3	6%	56.1	-2%	57.0	1%	56.3	8%	52.1
Annual Total Remuneration Ratio <sup>4</sup>	62:1	0.0%	62:1	-9.9%	69:1	4.0%	66:1	1.3%	65:1	-3.7%	68:1

Note: Remuneration figures for 2018 to 2020 are shown excluding the value of earned long-term incentives.

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

<sup>1</sup> Elected in 2022

<sup>2</sup> Board member until August 17, 2023, and subsequently Deputy Chair.

<sup>3</sup> Deputy Chair until August 17, 2023, and subsequently board member.

<sup>4</sup> Annual Total Remuneration Ratio is calculated by dividing the CEO's full year target salary including base salary + STI + LTI (PSP) with median of employees annualized base salary + target STI by end of year according to ESRs regulations.

<sup>5</sup> Calculated as annualized change.

<sup>6</sup> Average staff costs is calculated as total staff costs divided by average full-time equivalents as per the Annual Report. 2022 Remuneration Report did exclude BoD members, EMB and NLT members in the calculation.



# 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 2023.

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.

Copenhagen, February 15, 2024

## Board of Directors

**Peter Nilsson**

Chair

**Bengt Thorsson**

Deputy-Chair

**René Svendsen-Tune**

**Jutta af Rosenborg**

**Franck Falezan**

**Vibeke Ekberg**

**Are Dragesund**

**Ole Kristian Jödahl**

**Nadia Roya Damiri**

**Gerner Raj Andersen**

**Marcus Faber Kappendrup**

**Claus Dalmose**

# Independent Auditor's Report

## To the Shareholders of Nilfisk Holding A/S

We have examined whether the remuneration report for Nilfisk Holding A/S for the financial year 01.01.2023 - 31.12.2023 contains the information required by section 139b(3) of the Danish Companies Act.

We express a conclusion providing reasonable assurance.

## The Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the remuneration report in accordance with section 139b(3) of the Danish Companies Act and the remuneration policy adopted at the Annual General Meeting.

Further, the Board of Directors is responsible for the internal control that the Board of Directors considers necessary to prepare the remuneration report without material misstatement and omissions, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express a conclusion on the remuneration report based on our examinations.

We 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 applies International Standard on Quality Management 1, ISQM 1, which requires the firm to

design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

As part of our examinations, we have checked whether the remuneration report, to the extent relevant, includes the information required by section 139b(3), items 1-6, of the Danish Companies Act for the remuneration of each member of the Executive Management and the Board of Directors.

We believe that the procedures performed provide a sufficient basis for our conclusion.

Our examinations have not included an examination to verify the accuracy and completeness of the information provided in the remuneration report, and therefore we do not express any conclusion in this regard.

## Conclusion

In our opinion the remuneration report contains, in all material respects, the information required by section 139b(3) of the Danish Companies Act.

## Deloitte

Statsautoriseret Revisionspartnerselskab  
Business Registration No 33 96 35 56

Kirsten Aaskov Mikkelsen  
State-Authorized Public Accountant  
MNE no mne21358

Copenhagen, February 15, 2024



Nilfisk's Remuneration Report 2023 was published on February 15, 2024.  
The report is also available at [www.nilfisk.com](http://www.nilfisk.com).

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Company reg. No. 38 99 88 70.