



**A unique opportunity to create a global industry leader
and generate extraordinary returns for all shareholders**

PrimeStone

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PrimeStone Analysis Summary

PrimeStone analysis of Tennant, Nilfisk and the professional cleaning equipment industry is based on public information and extensive due diligence completed

60+ interviews completed with a combination of

- Current senior management of Tennant and Nilfisk (organized by Investor Relations)
- Industry executives including former employees of Tennant and Nilfisk
- Competitors of both Tennant and Nilfisk
- Customers (both direct and indirect) of Tennant and Nilfisk
- Specialised industry consultants as well as generalist industrial consultants

Interactions were realised through

- Direct meetings / calls with senior management of Tennant and Nilfisk
- Expert networks
- Trade fair attendance
- 3rd party consultant

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PrimeStone is a long-term value added investor in mid-cap companies. We invest in high quality businesses that can create substantial shareholder value over time. We support their executives and boards by leveraging

- Our private equity type due diligence and process acquired over 20+ years investing more than \$10bn of equity
- Our experience as chairmen or directors of more than 30 boards of public and private companies

We have been following the professional cleaning equipment industry, Tennant and Nilfisk for the last 3 years

PrimeStone Capital owns more than 5% of both Tennant and Nilfisk and believes a combination of the two will generate extraordinary returns for shareholders by creating the market leader of the professional cleaning equipment industry

We believe synergies will generate EPS accretion in excess of 85% for both companies on the basis of a merger at current valuations

We believe that, together with some of management's current initiatives, Tennant shares will be worth c.\$144 in 4 years generating a Total Shareholder Return of c.23% per annum or close to 130% in total

We believe the value creation from the merger will be far in excess and far more certain than in any standalone plan

Executive Summary

The professional cleaning equipment industry is attractive, characterized by the significant benefits provided by both global and local scale, and still fragmented with the top 4 players accounting for 45% of the market

Tennant and Nilfisk are large players of comparable size with very complementary areas of strength

- Tennant is leader in the Americas, much smaller in EMEA and weak in APAC. It is stronger with Industrial customers. It mostly serves its customers directly in Americas and through distributors elsewhere
- Nilfisk is a leader in EMEA, much smaller in Americas and weak in APAC. It is stronger with Commercial customers. It mostly serves its customers directly in EMEA and through distributors elsewhere
- Both have acquired mid-market brands (IPC and Viper) with complementary geographic coverages

Tennant and Nilfisk have historically exploited the benefits provided by local scale and outperformed each other in their respective region of strength over 2005-2016, illustrating the advantage provided by a strong local direct sales force and an in-house service offering

Tennant and Nilfisk share the same vision, values and strategy

Both face Kärcher, a much larger German family-owned company with ample financial resources and ambitious growth plans

We believe the combined entity formed by Tennant and Nilfisk will be a truly global industry leader with #1 positions in the Americas, EMEA and APAC. Its geographic exposure will mirror that of the overall professional cleaning equipment market

Executive Summary

We believe merging Tennant and Nilfisk will drive both global and local scale and lead to a step change in operating profitability through

- Significant revenue opportunities
 - Accelerate new product development
 - Shift current equipment revenues generated through distributors to direct sales
 - Capture current service and spare parts revenues currently generated by distributors
 - Accelerate growth in Emerging Markets
 - ...which altogether outweigh the potential dis-synergies
- Dramatic cost reductions at both global and local level, that can partially be reinvested in growth
 - Costs of Goods Sold
 - Sales, General & Administration
 - Research & Development

Now is the right time

- A merger could not have happened sooner since Nilfisk was part of electric cable manufacturer NKT
 - only an acquisition by NKT could have been envisioned...
 - ...but such a deal would have deprived Tennant's shareholders from much of the value creation
- Nilfisk has now been demerged from NKT and is being re-energized under a new leadership
- Tennant's integration of IPC appears on track and will fit perfectly into Tennant+Nilfisk's strategy
- Tennant's current operational problems will be solved by the end of Q1 or Q2 2018 according to management, by which time the merger should just be approved

We believe that Nilfisk's management, Board and shareholders are likely to support the combination with Tennant

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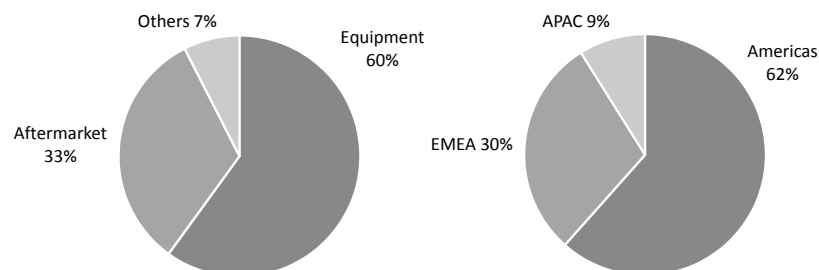
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Company Profiles



- Pro-forma FY16 Revenues: \$1 billion¹
- Pro-forma FY16 EBITDA: \$120 million¹
- Market-Cap: \$1.1 billion
- Net debt / EBITDA: c.2.8x²
- Global market share: c.12%⁴
- Employees: c.4,100
- Products: floorcare equipment, vacuum cleaners, carpet extractors and other specialty cleaning equipment
- Clear leader in Americas
- Weaker in EMEA and APAC
- Historical strength in industrial cleaning equipment

FY2016 Revenues¹



Source: Company Reports, PrimeStone estimates

Note:

1 Tennant financials FY2016PF including IPC (converted at EUR/USD 1.1885) and Florock full year impact; adjusted for foreign currency changes as of November 2017; "Others" includes Tennant Coatings as well as IPC Tools & Supplies

2 Tennant Q3 2017 net debt / FY2016PF EBITDA including full year impact of IPC and Florock ; adjusted for foreign currency changes as of November 2017

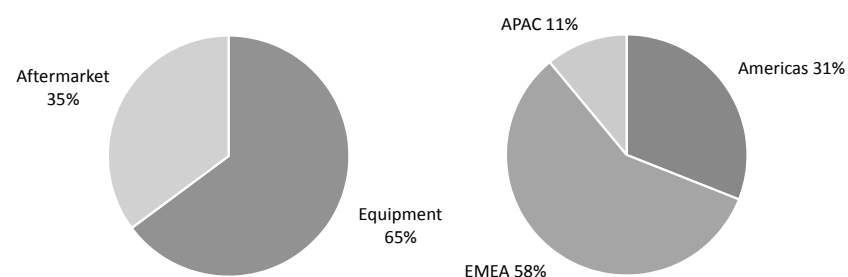
3 Nilfisk financials FY2016; adjusted EBITDA including capitalized R&D expenses; net debt Q3 2017 LT&ST "interest bearing loans and borrowings" less "cash at hand and in bank"; adjusted for foreign currency changes as of November 2017; FX rate for currency conversion: EUR/USD: 1.1885

4 Based on market definition according to Nilfisk CMD presentation September 2017



- Pro-forma FY16 Revenues: \$1.2 billion³
- Pro-forma FY16 adj. EBITDA: \$129 million³
- Market-Cap: \$1.3 billion
- Net debt / EBITDA: c.2.8x³
- Global market share: c.13%⁴
- Employees: c.5,600
- Products: floorcare equipment, vacuum cleaners, high pressure washers, other specialty cleaning equipment
- Leader in EMEA
- Weaker in Americas and APAC
- Historical strength in commercial cleaning equipment

FY2016 Revenues³



The Professional Cleaning Equipment Industry Is Attractive

An Attractive Industry...

- Growth in line with GDP
- Equipment, service and parts accounting for less than 10% of total cleaning cost, itself a small part of the customers' cost base
- Significant aftermarket revenues: c.30-35% for Tennant and Nilfisk
- Fragmented customer base: more than 200,000 customers including 10,000 distributors at Nilfisk
 - Top 10 customers below 10% of revenues
- Differentiation through product reliability rather than price
 - Tennant has increased prices every year since 2007 but in 2010
- Fragmented supplier base
- Low tangible CapEx, typically 1.5-2.5% of revenues
- High ROCE: 17-21% post-tax ROCE at Tennant

...With Opportunities For Accelerating Organic Growth

- Emerging markets growth through
 - Economic growth and urbanization
 - Increased penetration of high-end cleaning equipment / automation
 - Increasing cleaning standards
- Autonomous cleaning promising dramatic value creation opportunity for customers
- Other exciting game-changing technologies eg. telematics
- Increasing customer focus on sustainability

...And A Strong Rationale For Consolidation

- Fragmented industry: top 4 players only account for c.45% of the market¹
- Local scale effects
- Global scale effects

Source: Company Reports, PrimeStone estimates

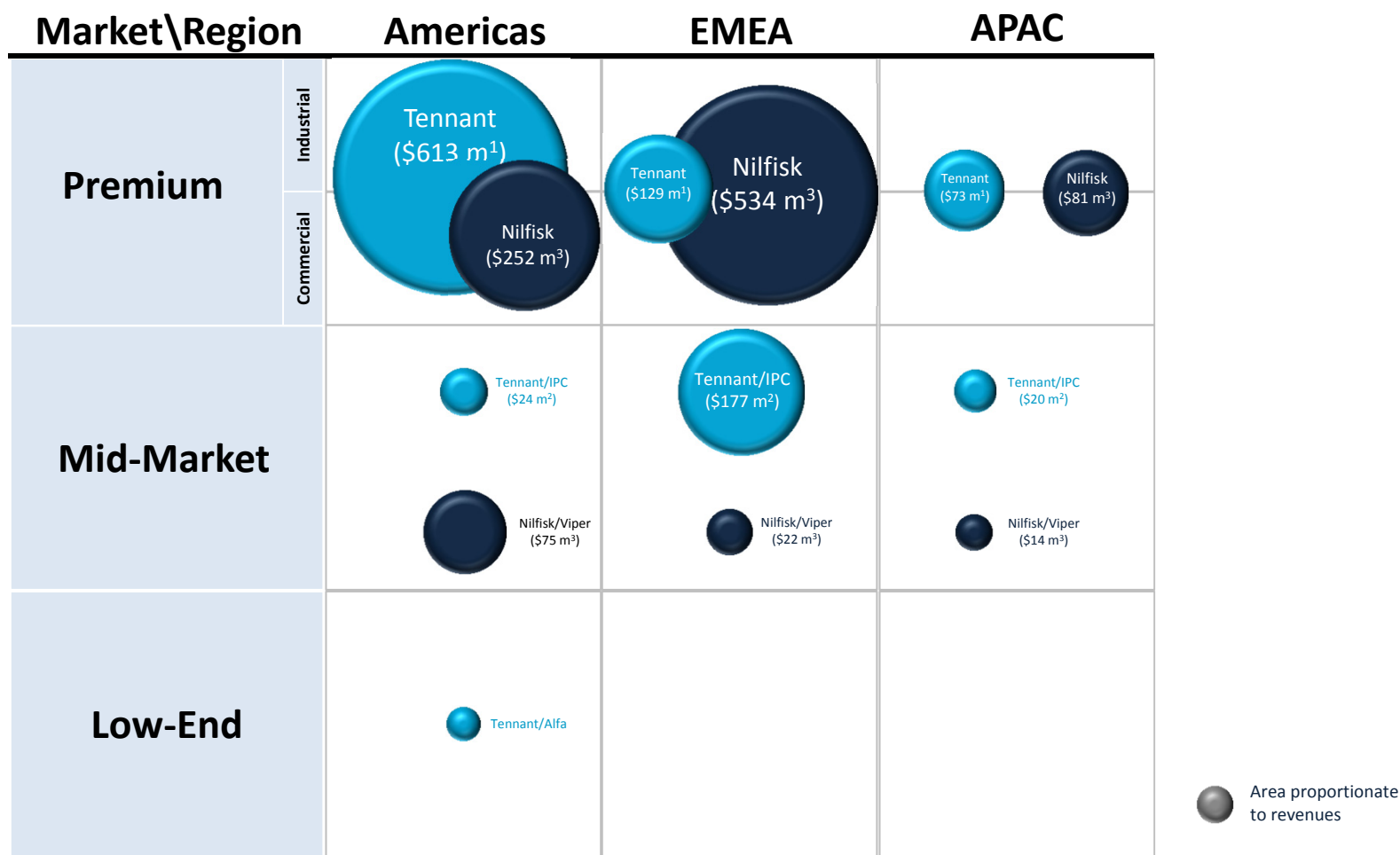
Note: 1 Based on market definition according to Nilfisk CMD presentation September 2017, Tennant revenues FY2016PF incl. full year impact of IPC and Florock, Nilfisk revenues FY2016, Kaercher revenues FY2015, Hako revenues FY2016

Significant Benefits Are Derived From Global And Local Scale

		At Stake Est. % Of Rev.
Global Scale	• Improved Bargaining Power With Suppliers	25-30%
	• Optimization Of Manufacturing Strategy And Footprint	15-20%
	• Increased Spending In And Higher Efficiency Of R&D	3-4%
	• Amortization Of Central G&A Expenses	2-3%
	• Improved Access To Capital Markets	-
<hr/>		
Local Scale	• Improved Reach And Ability To Service Customers Directly	Revenue Opportunity
	• Ability To Better Expand In Emerging Markets	Revenue Opportunity
	• Amortization Of Local Infrastructure, Salesforce And Customer Service	25-30%

Tennant And Nilfisk Are Highly Complementary Businesses

- Complementary geographic strengths and customer focus in the Americas
- Solid mid-market positions in different regions with IPC and Viper



Source: Company Reports, PrimeStone estimates

Note:

1 Tennant revenues FY2016 PF including full year effect for Florock acquisition (excluding IPC)

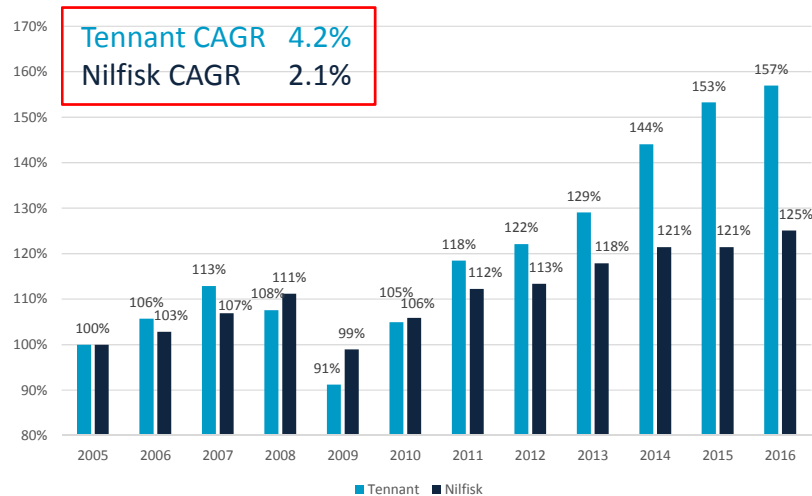
2 IPC revenues EUR 186 million converted at EUR/USD 1.1885

3 Nilfisk revenues FY2016 (excluding Specialty segments), premium/mid-market split according to CMD presentation September 2017, FX rate for currency conversion: EUR/USD: 1.1885

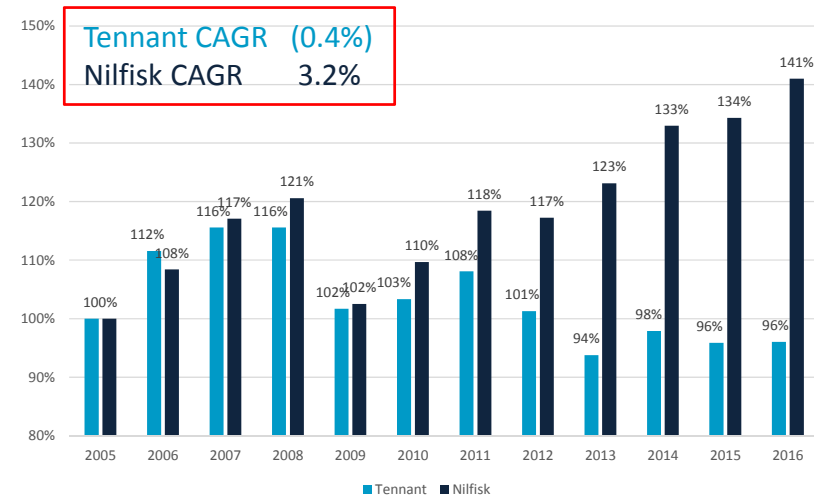
Local Scale Has Driven Significant Commercial Outperformance

- **Both Tennant and Nilfisk have delivered very strong long term commercial results in their home regions, highlighting the value of their**
 - Local market shares
 - In-house service offerings
 - Entrenched salesforce
- **Building a competitive in-house service offering and spare parts infrastructure requires strong local market share and improves the value proposition to customers for new equipment sales**

Americas Organic Growth Comparison¹



EMEA Organic Growth Comparison¹



Source: Company Reports

Note:

¹ Compounded organic growth as reported by the company

Tennant And Nilfisk Share The Same Vision, Values and Strategy



Vision

"We will lead our global industry in sustainable cleaning innovation that empowers our customers to create a cleaner, safer and healthier world"

"We enable sustainable cleaning worldwide to improve quality of life"

Focus On Customers And Innovation

"We are passionate about developing innovative and sustainable solutions that help our customers clean more spaces more effectively, addressing indoor and outdoor cleaning challenges."

"We wish to drive industry innovation by fundamentally changing the way we clean. In 2016, we introduced The Horizon Program, our long term innovation strategy, which focuses on developing intelligent cleaning offerings to make our customers' businesses smarter."

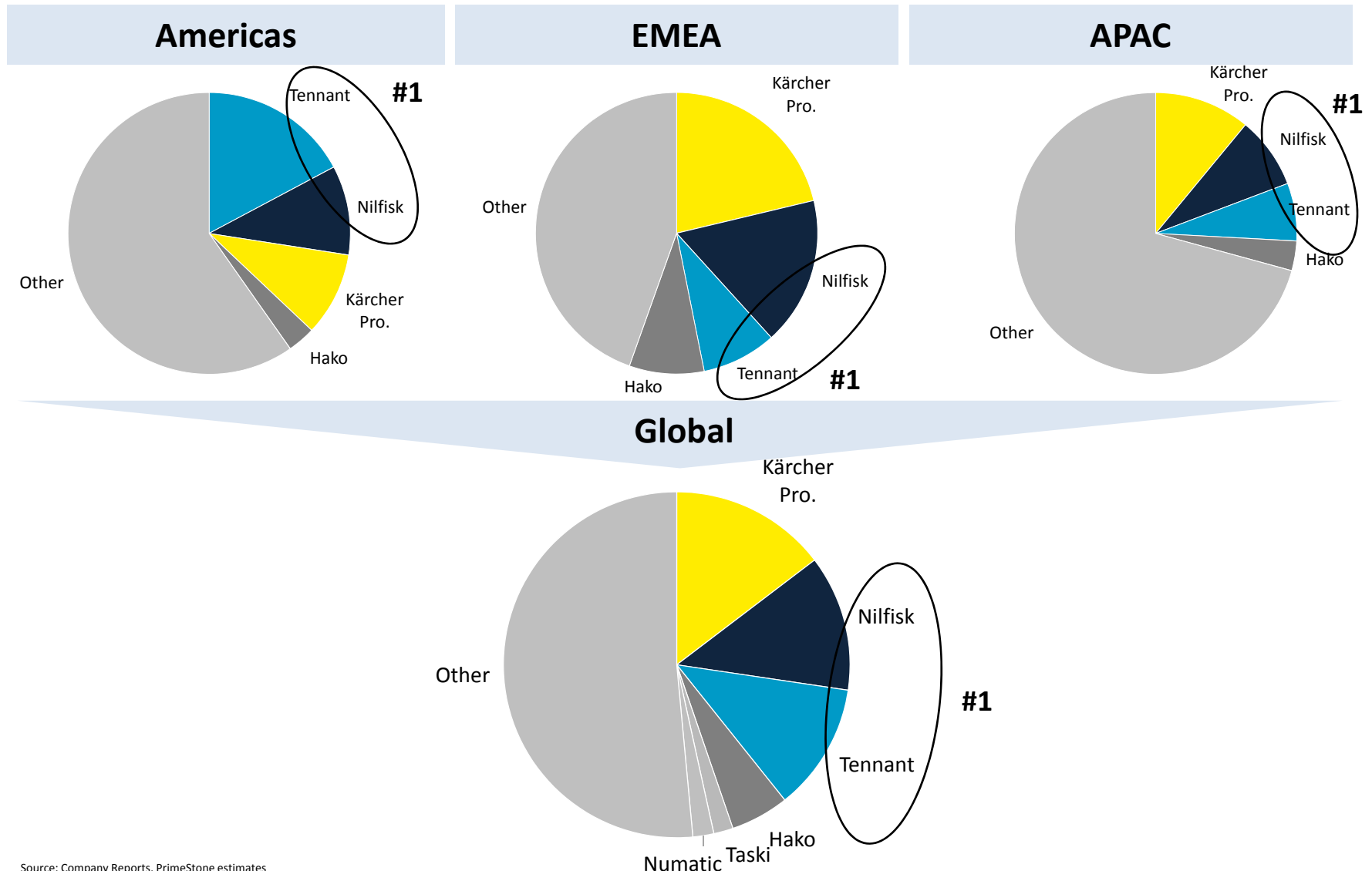
Strategy

- ✓ Spending 3-4% of revenues in R&D
- ✓ Expanding outside of historic market: EMEA and Emerging Markets
- ✓ Growing in mid-market with IPC
- ✓ Financial discipline and ambition for 12% Operating Profit margin

- ✓ Spending 3-4% of revenues in R&D
- ✓ Expanding outside of historic market: Americas and Emerging Markets
- ✓ Growing in mid-market with Viper
- ✓ Financial discipline and ambition for 13-15% EBITDA (c.10-12% Operating Profit margin)

Source: Company Reports, PrimeStone estimates

Tennant + Nilfisk Will Become The Leader In Every Region And Globally



Source: Company Reports, PrimeStone estimates

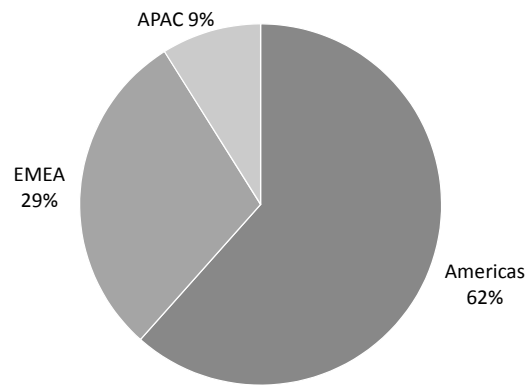
Note: Market estimates based on market definition according to Nilfisk CMD presentation dated September 2017, Tennant revenues FY2016PF incl. full year impact of IPC and Florock, Nilfisk revenues FY2016 (excl. Specialty Consumer), Kaercher revenues FY2015, Hako revenues FY2016, Numatic revenues FY2014

Post-Merger, Geographical Exposure Will Match The Market Opportunity

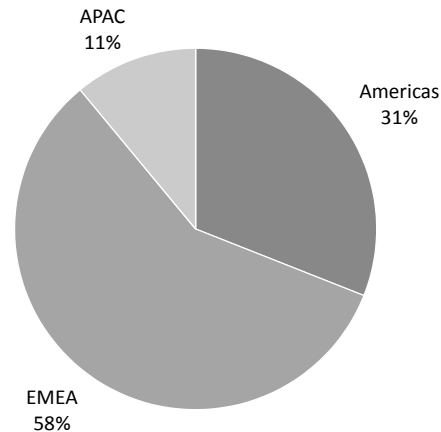
- The combined group will be balanced between the two largest cleaning equipment markets: Americas and Europe
- The enlarged company's exposure will almost mirror the global cleaning equipment market (split c.43% Americas, 41% EMEA and 16% APAC)



Revenues 2016PF¹

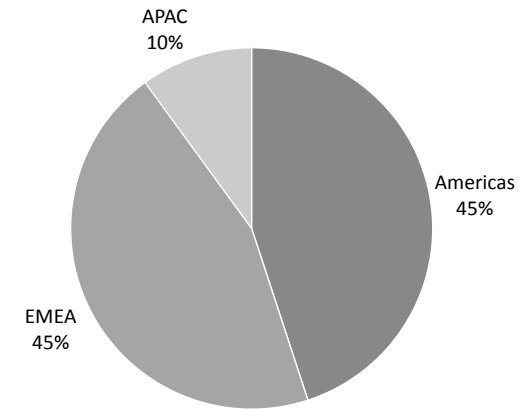


Revenues 2016²



Tennant + Nilfisk "NewCo" 1-2

Revenues 2016PF



Source: Company Reports, PrimeStone estimates

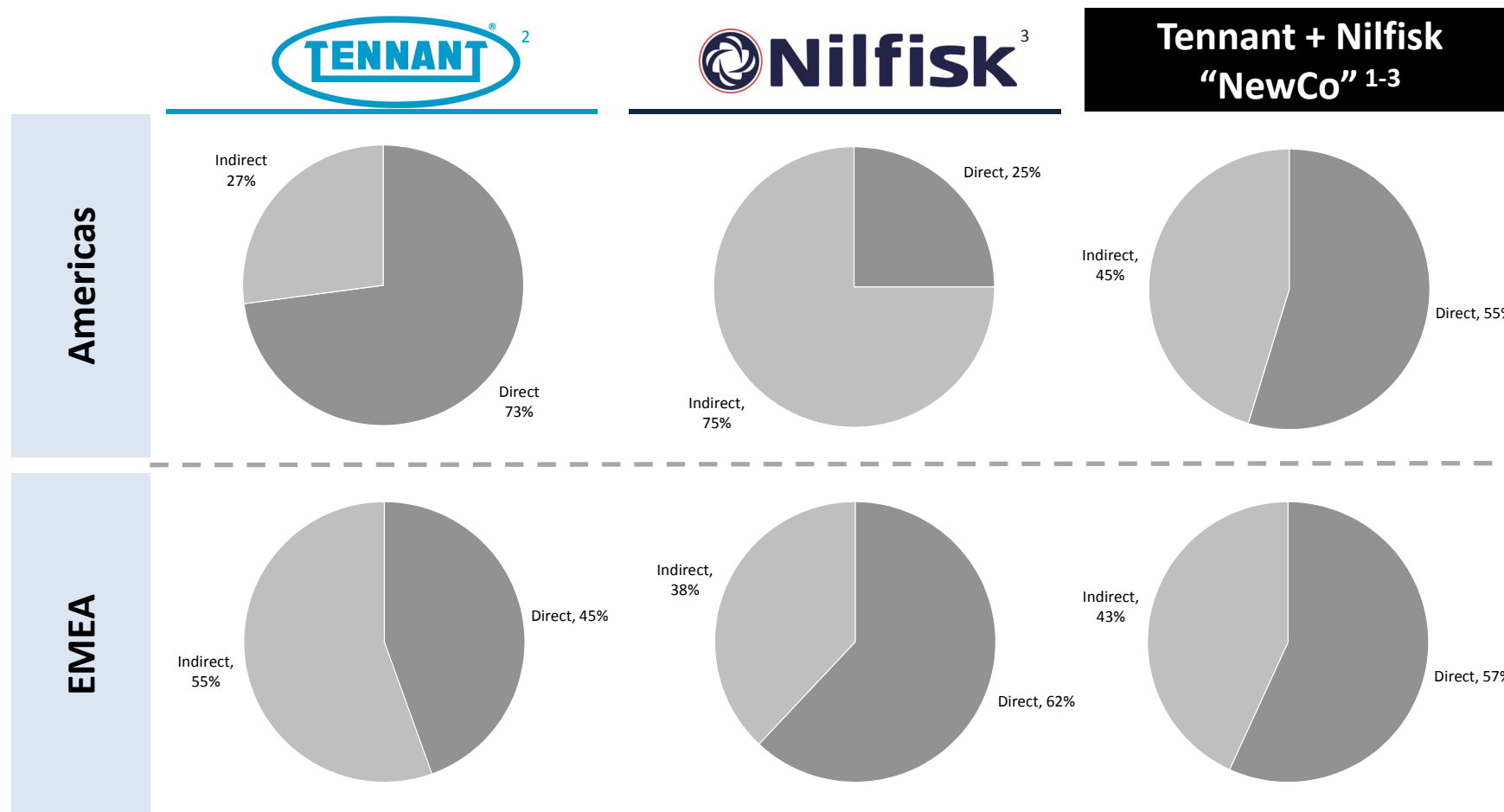
Note:

1 Tennant revenues FY2016PF including IPC revenues (EUR 186 million converted at EUR/USD 1.1885) and Florock full year impact

2 Nilfisk revenues FY2016, FX rate for currency conversion: EUR/USD: 1.1885

NewCo Will Benefit From Highly Complementary Routes To Market¹

- Tennant and Nilfisk today have different routes to market in the two main regions, suggesting room for substantial revenue synergies



Source: Company Reports, Management interviews, PrimeStone estimates

Note:

¹ Direct: Sales through Tennant/Nilfisk sales force; Indirect: Sales through distributors

² Tennant revenues FY2016PF including IPC revenues (EUR 186 million converted at EUR/USD 1.1885) and Florock full year impact

³ Nilfisk revenues FY2016 excluding Specialty Consumer segments, split confirmed by investor relations, FX rate for currency conversion: EUR/USD: 1.1885

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Key Transaction Assumptions

Transaction Overview

- Tennant to merge with Nilfisk in an all-stock transaction at current share price
 - Reflecting their similar businesses, market positions, leverage levels, and valuations
- Exchange ratio of 0.77 Tennant share per Nilfisk share resulting in an ownership of 46% of the Tennant shareholders in the merged entity
- Combined cost synergies of \$140 million, net of assumed revenue dis-synergies
 - No revenue synergies assumed at this stage
- Group debt refinancing at similar cost
 - Despite opportunity for better rating

Operating Assumptions

- Tennant standalone plan reflects
 - 3.0% organic revenue growth (vs. 3.1% average over the last 10 years)
 - Profitability improvement from current cost savings plan as well as IPC synergies
 - Various operating margin scenarios considered between 9% (slightly above the historical peak margins) and up to 12% (management's mid-term margin target¹)
- Nilfisk standalone plan reflects
 - 3.0% organic revenue growth, at the low-end of company guidance (3-5%)
 - Profitability improvement from Accelerate+ cost savings plan
 - Various operating margin scenarios considered between 9% (slightly above the historical peak margins) and up to 12% (implied high end of management's EBITDA margin target range of 13-15%²)
- Synergies to be realized by 2021
 - One-off cost of synergies implementation of 1x gross synergy target

Source: Company Reports, PrimeStone estimates

Note:

1 Company presentation dated August 2014 (InvestMnt conference), PrimeStone assumptions

2 Nilfisk CMD presentation September 2017

Pro-forma Combined Capitalization Table

	Tennant				Nilfisk				Tennant + Nilfisk			
	Multiple of 2016 ³				Multiple of 2016 ⁴				Multiple of 2016			
	\$m	EBITDA	EBITA	P/E	\$m	EBITDA	EBITA	P/E	\$m	EBITDA	EBITA	P/E
Net Debt ¹	333	2.8x	3.5x		359	2.8x	3.9x		692	2.8x	3.7x	
Share Price (\$) ²	63.0				48.7							
Shares Outstanding (m)	17.9				27.1							
Market Capitalization	1,125	9.4x	11.8x	21.5x	1,321	10.2x	14.5x	23.2x	2,446	9.8x	13.1x	22.4x
Enterprise Value	1,457	12.2x	15.3x		1,681	13.0x	18.4x		3,138	12.6x	16.8x	

Ratio Based on Current Valuations		%
Nilfisk Shares (m)	27.1	
Exchange Ratio	0.77x	
# Tennant Shares Issued to Nilfisk Shareholders (m)	21.0	54%
+ Tennant Shares (m)	17.9	46%

Note that we have assumed an issuance of Tennant shares for illustrative purposes only and without prejudging the most efficient deal mechanism and structure

Source: Company Reports, PrimeStone estimates

Note:

1 Net debt Q3 2017 for Tennant and Nilfisk, FX rate for currency conversion: EUR/USD: 1.1885

2 Nilfisk share price DKK 305.00, FX rate for currency conversion DKK/USD: 0.15971

3 Tennant EBITDA/EBITA/Net Income FY2016PF including IPC and Florock full year impact; adjusted for foreign currency changes as of November 2017

4 Nilfisk adjusted EBITDA/EBITA/Net Income FY2016 including capitalized R&D expenses; adjusted for foreign currency changes as of November 2017 ; FX rate for currency conversion: EUR/USD: 1.1885

Key Synergy Assumptions

- Synergies are assumed towards the lower end of savings benchmarks in bottom-up approach

Cost Category	Typical Savings When Doubling (% of Combined Spending) ¹	Rationale	PrimeStone Assumption (% of Combined Spending)	Comment
Raw Materials	2-6%	<ul style="list-style-type: none"> • 2% typical savings when buying lots of commodity products • Up to 8% for numerous components or engineered parts 	3%	<ul style="list-style-type: none"> • Low/Middle of range given mix of plastic, steel and engineered parts
Manufacturing / Other COGS	5-20+%	<ul style="list-style-type: none"> • 5% for labour intensive / assembly process (larger plants, fixed costs absorption) • Up to 20%+ for very automated production processes 	7%	<ul style="list-style-type: none"> • Low end retained given assembly nature • Significant benefit to be derived from manufacturing consolidation
Salesforce	10-25%	<ul style="list-style-type: none"> • 10% for national accounts / large clients • 20-25% for door to door salesforce through higher route density / duplicate coverage • Savings partially mitigated in the case of two separate brands 	12.5%	<ul style="list-style-type: none"> • Limited savings in National accounts • Moderate optimisation in existing salesforce to accelerate growth • Investments to cover migration from indirect to direct
Service Costs	20%	<ul style="list-style-type: none"> • Typically 20% through improved utilization of service force / route density 		<ul style="list-style-type: none"> • Optimisation of service coverage by existing in-house staff • Investments to cover migration from indirect to direct
Local G&A	15-35%	<ul style="list-style-type: none"> • 15%+ savings through local infrastructure savings 		<ul style="list-style-type: none"> • Significant local infrastructure overlap
Headquarters	20%+	<ul style="list-style-type: none"> • Typically 25% through larger scale 		<ul style="list-style-type: none"> • Headquarters savings
R&D	30%+	<ul style="list-style-type: none"> • Up to 35-40% in the case of high product overlap 	10%	<ul style="list-style-type: none"> • Very significant potential but limited savings assumed, in order to accelerate growth and continue to drive innovation

Source: Interviews with consulting firms – PrimeStone experience and estimates

Note:

¹ Savings realized on the total cost base in case of a doubling of size

We Believe Cost Synergies From The Merger Will Create Dramatic Value

\$m	Tennant ¹ FY16-PF	Nilfisk ² FY16	T+N FY16	Synergies		T+N With Synergies	Difference/ Accretion (%)
				\$m	(%)		
Revenues	1,048	1,222	2,270	(45)	(2.0)%	2,225	
Revenue dis-synergies impact				(26)		(26)	
Raw Materials Est. ³	326	357	682	(20)	3.0%	662	
Other COGS	267	351	617	(43)	7.0%	574	
Total COGS	592	707	1,299	(90)		1,210	
Gross Profit	456	515	971	44		1,015	927
Gross Margin	43.5%	42.2%	42.8%			45.6%	
SG&A & Other Costs	325	379	703	(88)	12.5%	615	
% Revenues	31.0%	31.0%	31.0%			27.7%	
R&D Costs	36	46	82	(8)	10.0%	73	
% Revenues	3.4%	3.7%	3.6%			3.3%	
EBITA	95	91	186	140		327	75.3%
Margin	9.1%	7.5%	8.2%			14.7%	
Interest & Other	(21)	(13)	(34)	n.q.		(34)	
Taxes	21	21	43			82	
Tax Rate	29.0%	27.0%	28.0%			28.0%	
Net Income	52	57	109			210	92.4%
Number of Shares	18	27				39	
EPS (\$)	2.94	2.10			+85%	5.42	

Source: Company Reports, PrimeStone estimates

Note:

1 Tennant financials FY2016PF including IPC (converted at EUR/USD 1.1885) and Florock full year impact; adjusted for foreign currency changes as of November 2017

2 Nilfisk financials FY2016; EBITA including capitalized R&D expenses; adjusted for foreign currency changes as of November 2017; FX rate for currency conversion: EUR/USD: 1.1885

3 Tennant raw material & component spending in line with company information and competitors (50-60% of COGS); Nilfisk raw material & component spending according to company information (EUR~300 million)

The Level of Expected Synergies Is Consistent With Tennant's Past Targets

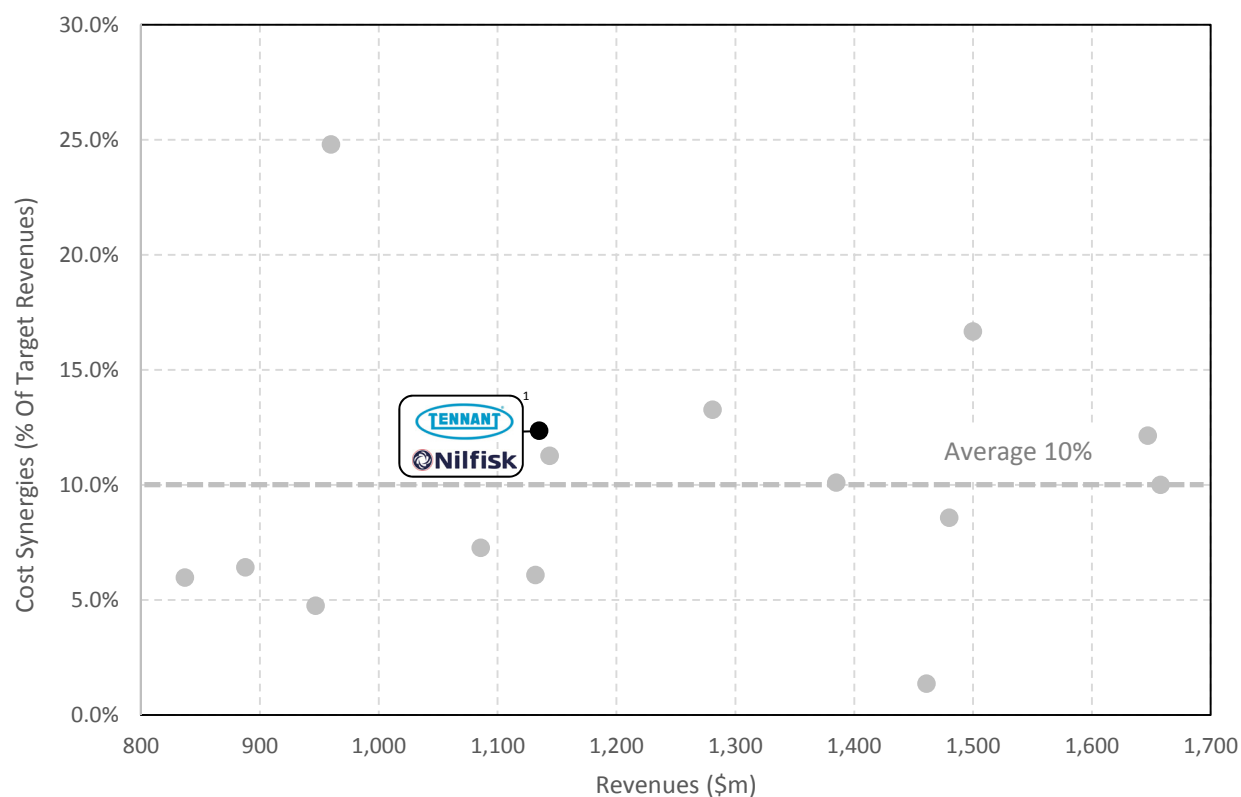
Management Target vs. PrimeStone Assumptions

\$m	Tennant 2014 Target for FY2017	PrimeStone Merger Case
Revenues	1,000	2,225
<i>Organic Growth (%)</i>	5-9%	3.0%
<i>Gross Margin (%)</i>	42-43%	45.6%
S&A Expense (%)	27-28%	27.7%
R&D (%)	3-4%	3.3%
<i>EBITA Margin (%)</i>	12.0%	14.7%

Source: Company presentation dated August 2014 (InvestMNT conference), PrimeStone assumptions

The Level of Expected Synergies Is Also Consistent With Benchmarks

Announced Synergies For Diversified Industrial Transactions 2010-2016



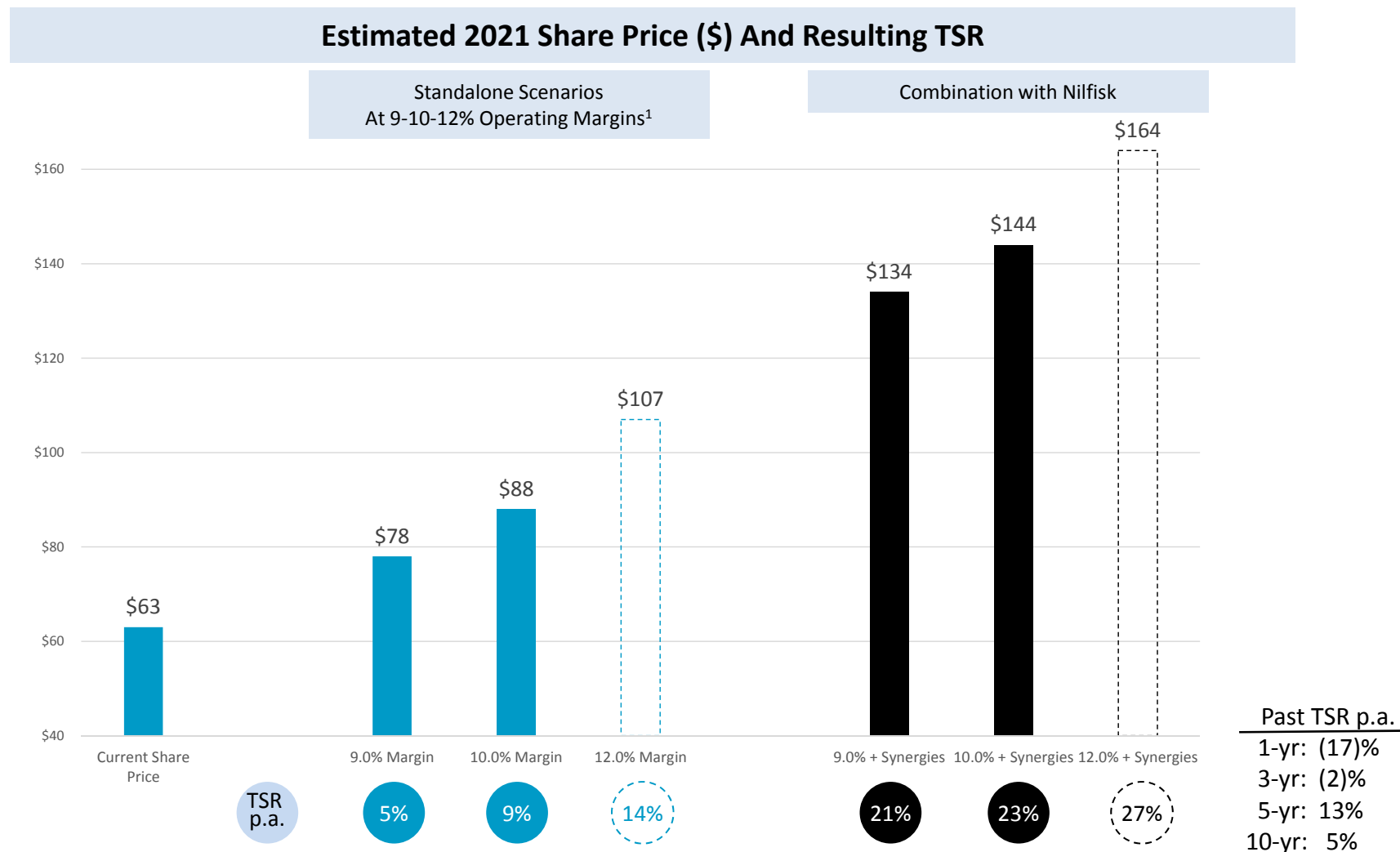
Source: Credit Suisse - PrimeStone Analysis

Notes:

1 Average of Tennant and Nilfisk assuming \$ 140 million of synergies; Tennant revenues FY2016PF including IPC revenues and Florock full year impact; Nilfisk revenues FY2016, currency changes as of November 2017; FX rate for currency conversion: EUR/USD: 1.1885

2021 Implied Share Price

- We believe the value creation will be far in excess and far more certain than in any standalone plan



Source: Company Reports, Bloomberg, PrimeStone estimates

Note: PrimeStone share price estimated based on 20x P/E multiple, which is below current levels. Share price estimates assume no dividend paid over the period

1 9-10-12% operating margins applied to both Tennant and Nilfisk as described on slide "Key Transaction Assumptions"

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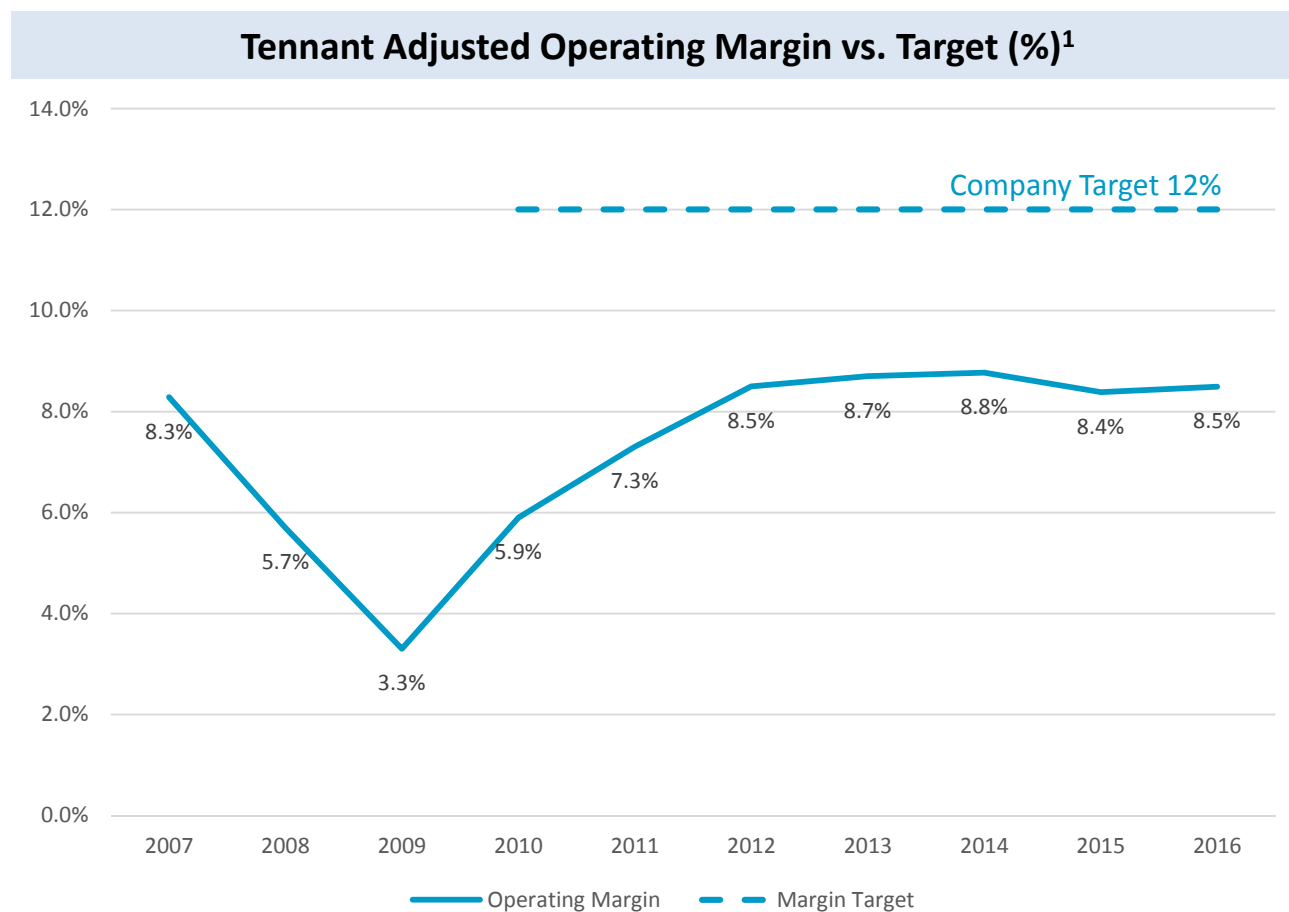
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Appendix

Operating Margin Progress Has Stalled After The Post Crisis Recovery

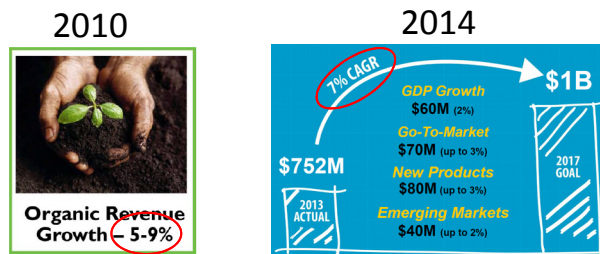


Source: Company Reports, PrimeStone estimates
Note: 1 Non-GAAP Adjusted Operating Margin according to Tennant reporting

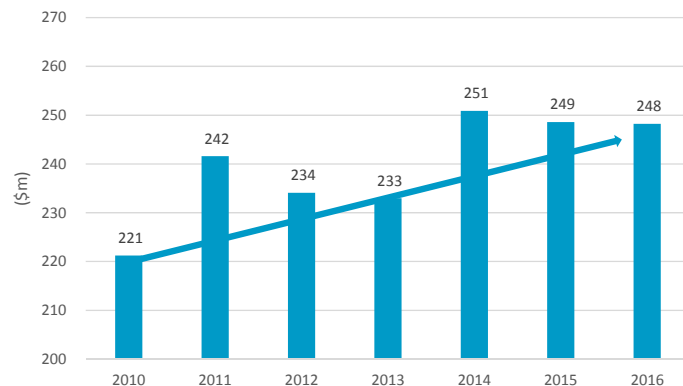
Growth Targets Have Not Materialized Despite Investment in S&A

- Management set growth targets and increased S&A spending to achieve those but this investment generated limited payback
- Organic growth has been well below targets

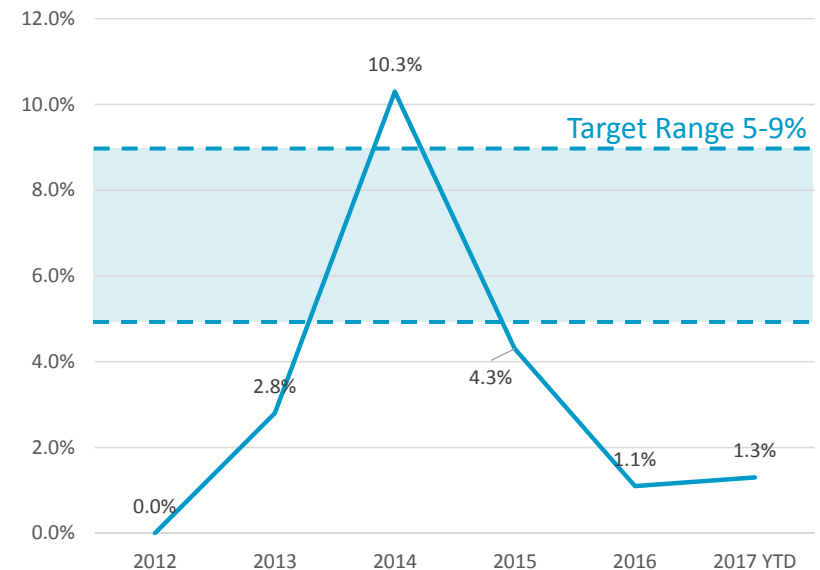
Exciting Organic Growth Targets And..



...Commensurate S&A Spending...



...But Limited Pay Back



Source: Company reports

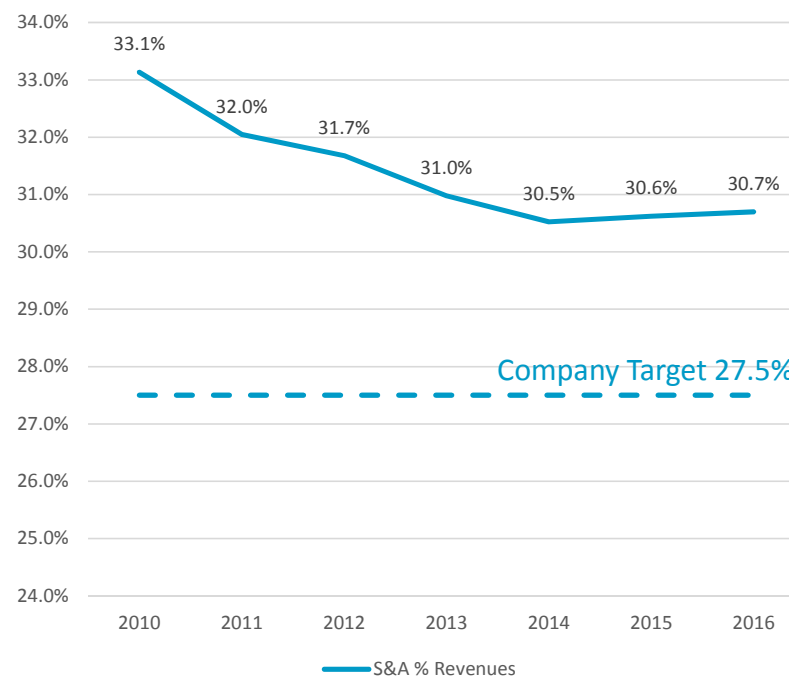
S&A Target Miss Accounts For Most Of The Profitability Gap

- Selling and administrative expenses account for the large majority of the underperformance vs. company targets
- Since 2013 they have increased almost in line with revenues and remained c.300bps above target

Detailed Margin Targets

\$m	2010	2010 Target for FY2013		2014 Target for FY2017	
		Target	Achieved	Target	Achieved ¹
Revenues	668	818	752	1,000	809
Gross Margin (%)	42.7%	42-43%	43.3%	42-43%	43.5%
S&A Expense (%)	33.1%	27-28%	31.0%	27-28%	30.7%
R&D (%)	3.9%	3-4%	4.1%	3-4%	4.3%
Non-GAAP Adjustments	0.2%		0.4%		-
EBITA Margin (%)	5.9%	12.0%	8.7%	12.0%	8.5%

S&A Expenses As % of Revenues



Source: Company Reports, PrimeStone estimates

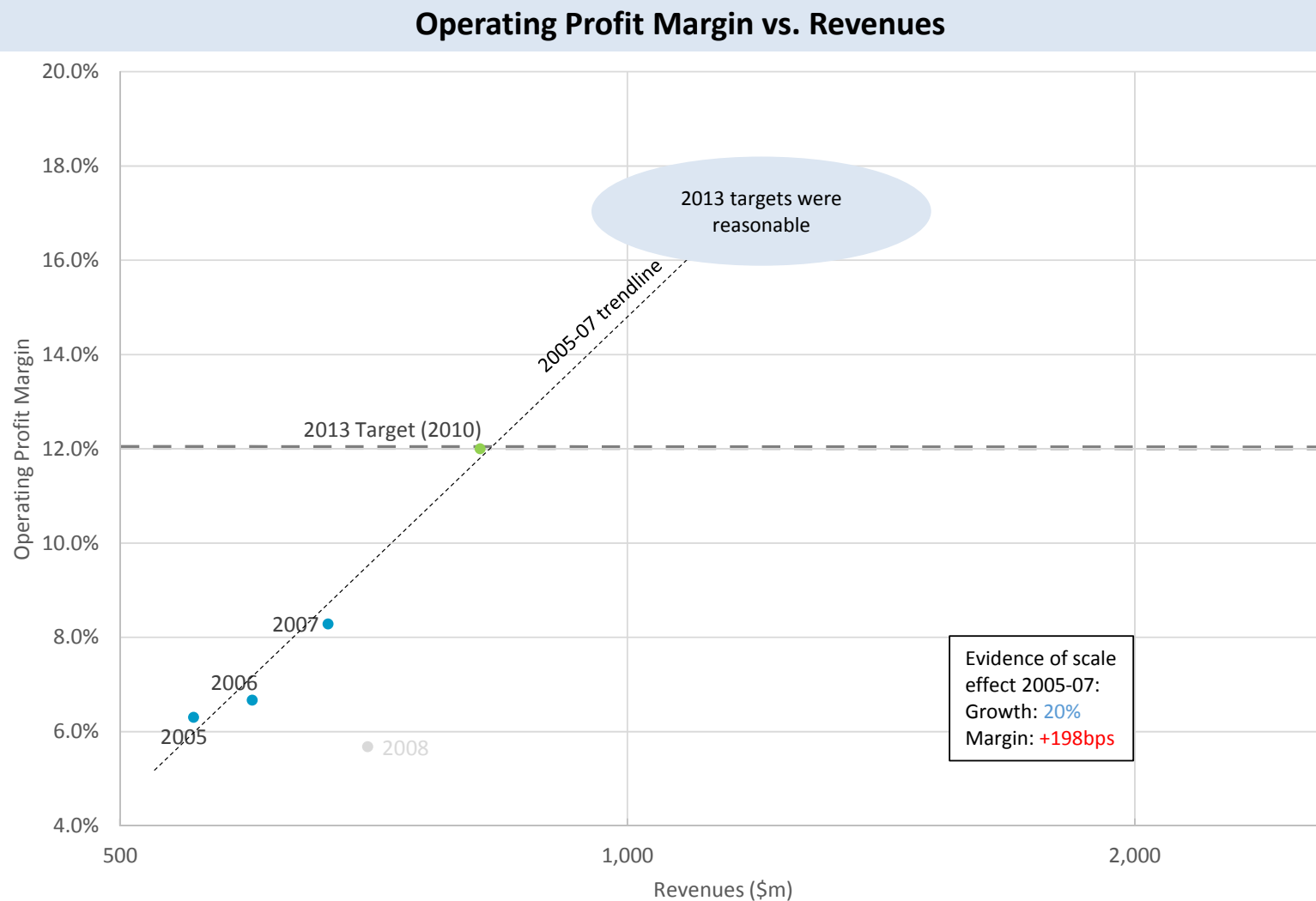
Note: 1 FY2016 results presented for profitability comparison. 2017 operating margin is very unlikely to exceed FY2016 level according to PrimeStone estimates based on company reporting through Q3 2017.

FY2017 revenue guidance of \$960-990m includes a significant contribution from the IPC acquisition

What Are The Possible Root Causes Of Underperformance ?

Possible Root Causes	Possible Remedies	Comments
Ineffectiveness of S&A spending	Drastic cost reduction effort	Limited impact from current plan
Lack of scale outside North America (EMEA and APAC)	Gain dramatic scale through M&A	IPC a good first step but far from sufficient
Structural industry feature		

Management Targets Set in 2010 Seemed Reasonable

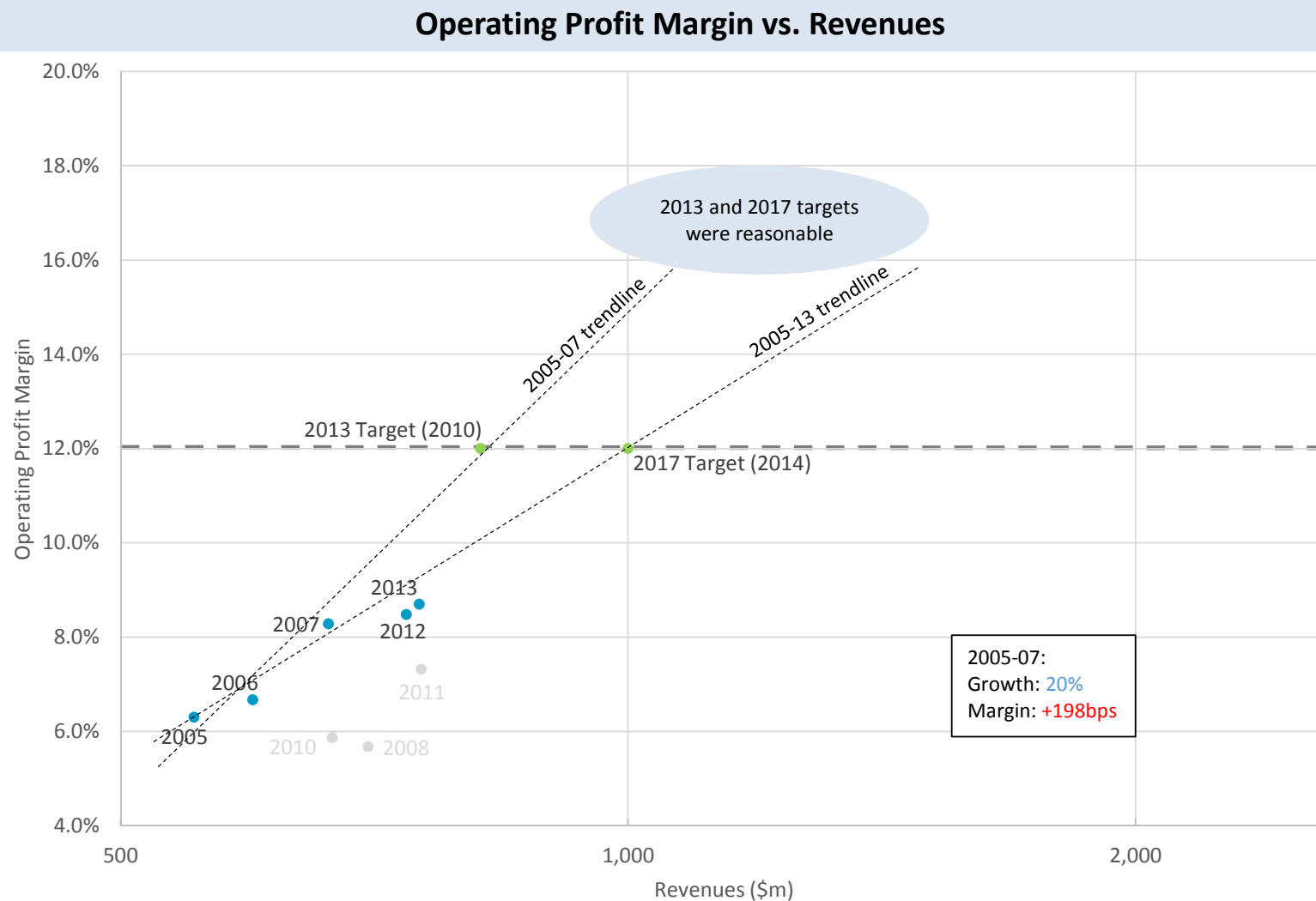


Source: Company Reports - PrimeStone Analysis

Notes:

1 Trendlines exclude the great financial recession and immediate rebound

Management Targets Set in 2014 Seemed Reasonable As Well

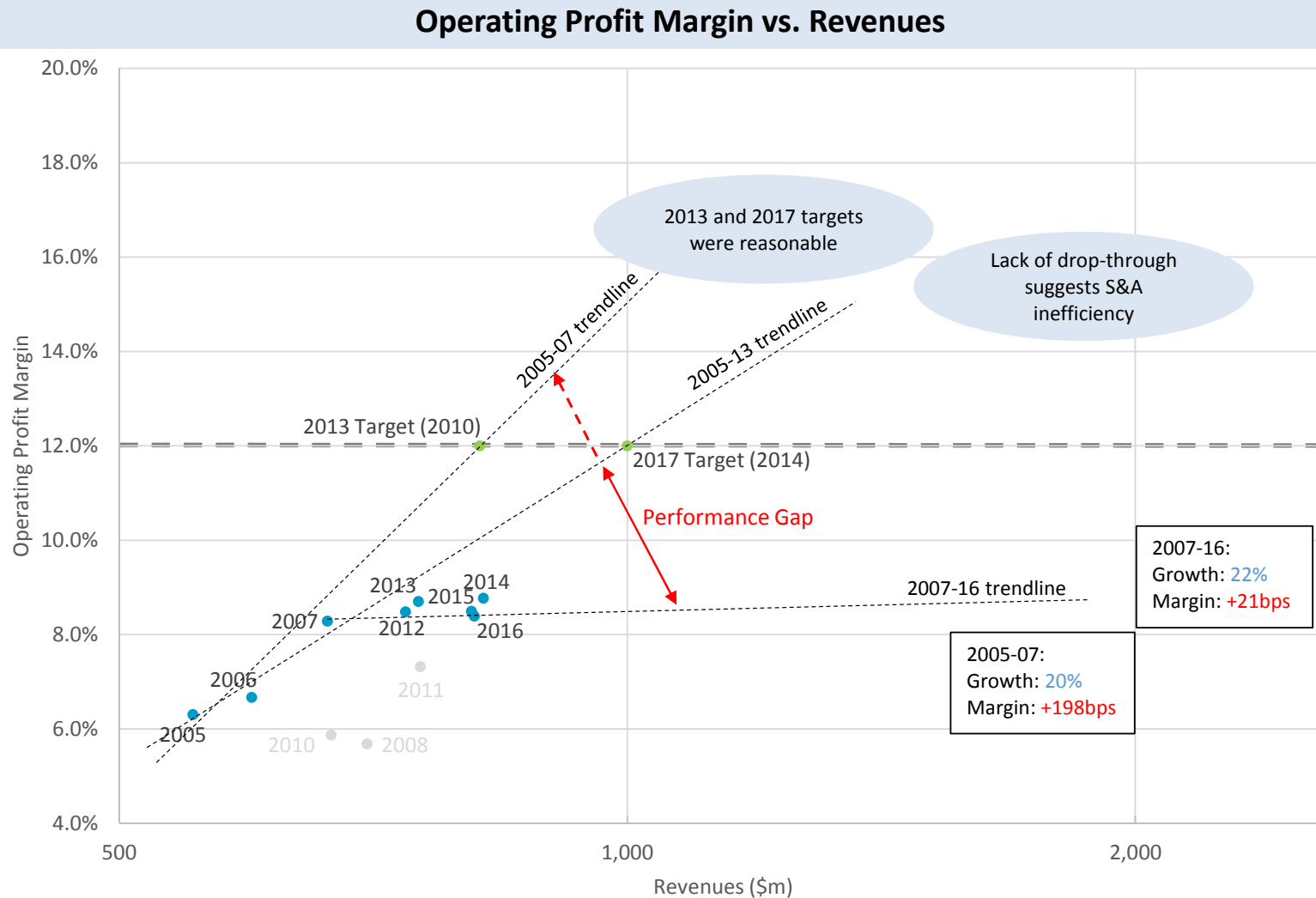


Source: Company Reports - PrimeStone Analysis

Notes:

1 Trendlines exclude the great financial recession and immediate rebound

Post-2010, Targets Were Missed As Growth-S&A Relationship Broke

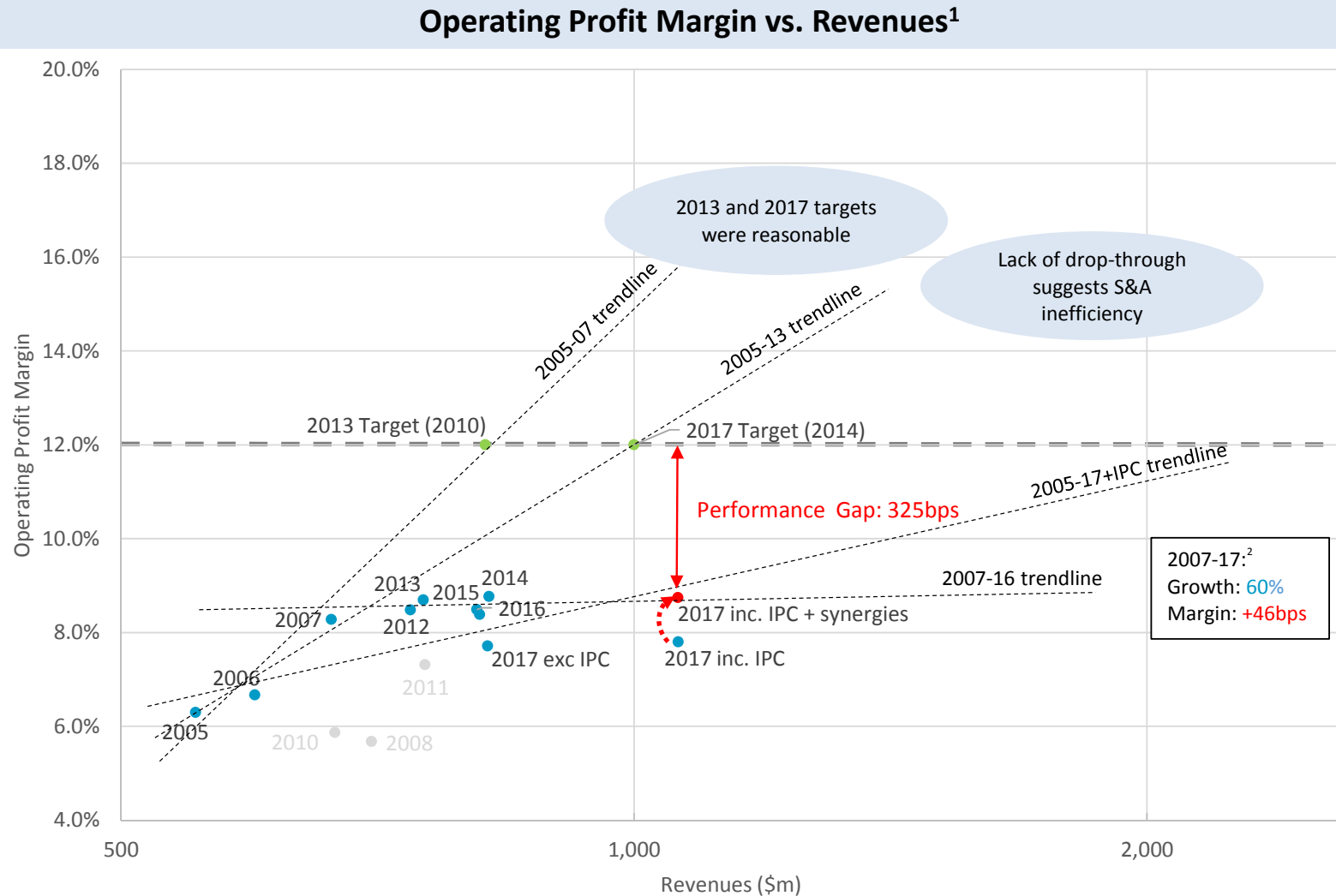


Source: Company Reports - PrimeStone Analysis

Notes:

1 Trendlines exclude the great financial recession and immediate rebound

Even The Full Cost Synergies From IPC Do Not Help Close The Gap



Source: Company Reports - PrimeStone Analysis

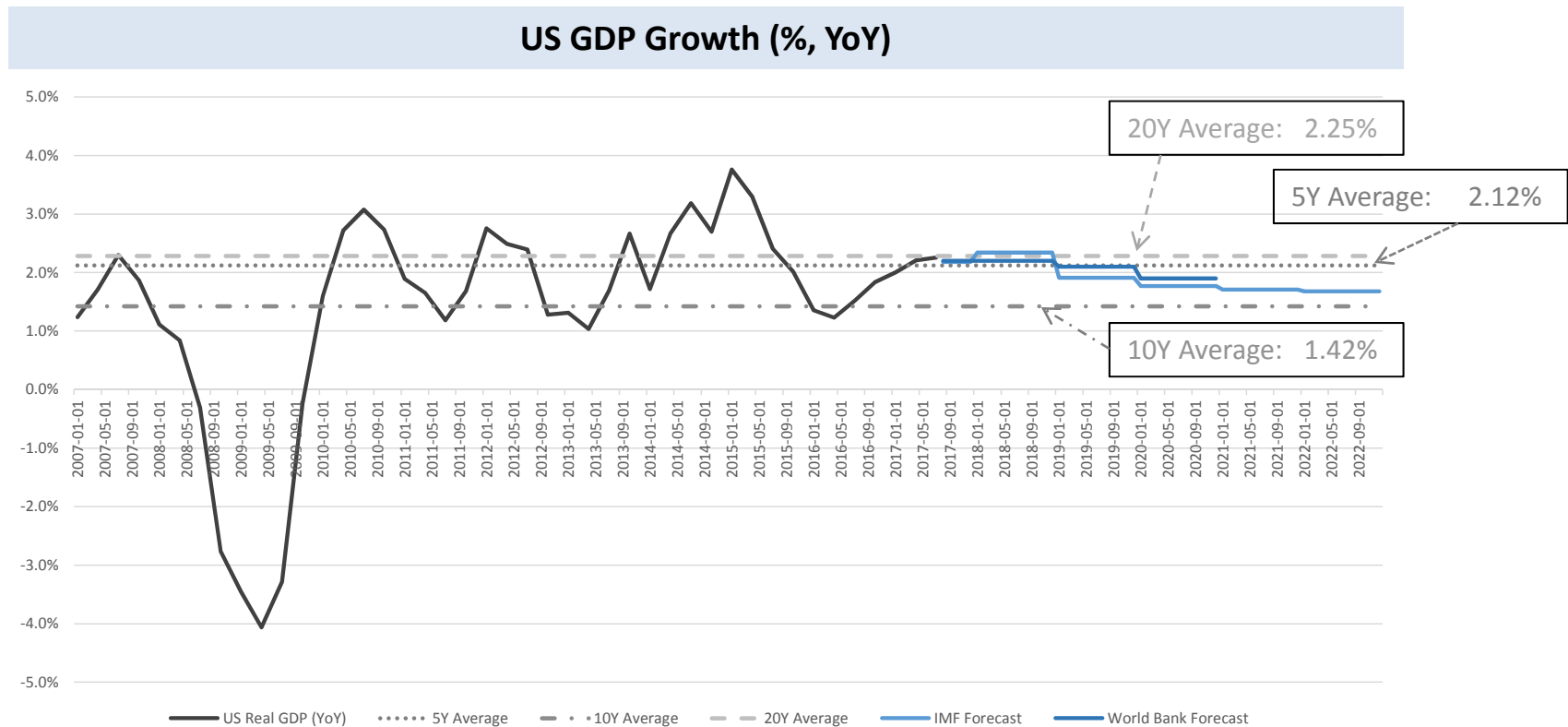
Notes:

1 Trendlines exclude the great financial recession and immediate rebound

2 2017 incl. IPC and \$10 million of synergies

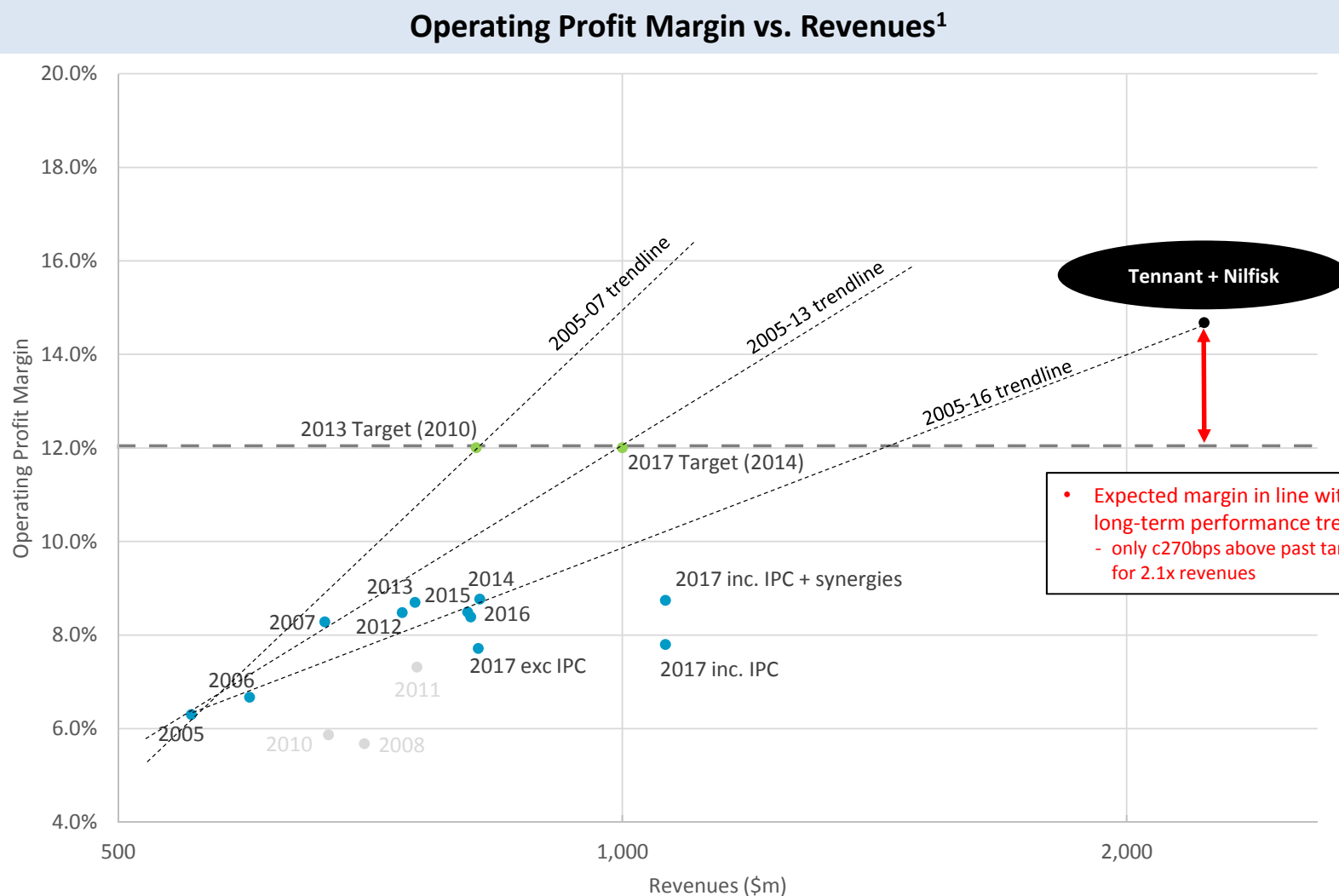
Management Cannot Rely On The Economy Accelerating Much Further

- US Real GDP Growth in the last 5 years averaged 2.1%, close to its 20-year average of 2.3%
- The IMF and the World Bank do not forecast major improvement in the near future



If Tennant is to create substantial shareholder value, management needs to act boldly

We Believe The Proposed Merger Will Lead To A Step Change In Margin



Source: Company Reports - PrimeStone Analysis

Notes:

1 Trendlines exclude the great financial recession and immediate rebound

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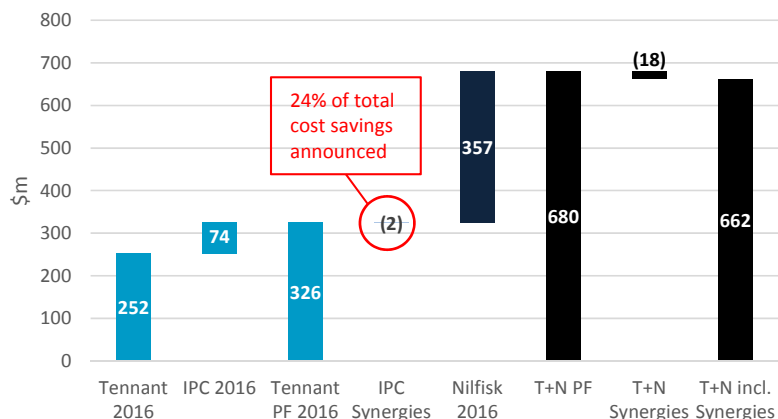
Appendix

Benefits Of Global Scale

- 1 Improved Bargaining Power With Suppliers**
- 2 Optimization Of The Manufacturing Strategy And Footprint**
- 3 Increased Spending In And Higher Efficiency Of R&D**
- 4 Amortization Of Central G&A Expenses**
- 5 Improved Access To Capital Markets**

1 Improved Bargaining Power With Suppliers

Raw Material & Component Spending¹⁻⁴



Raw Material Cost Per Unit Index¹⁻⁴

	Raw Material Expense (\$m)	Change (%)	Price per Unit	Change (per Unit)
Tennant 2016	252		100.00	
Tennant + IPC	326	+29%		
IPC Raw Material Synergies ⁴	2.4			
Tennant + IPC incl. Synergies	323		99.26	(0.74)
Nilfisk	357			
Tennant + Nilfisk	680	+170%	95.72	(4.28)
Potential T+N Synergies	29			

Source: Company Reports, PrimeStone estimates

Notes:

1 Assuming 55% of Tennant's COGS related to raw materials & components and applying the same ratio to IPC

2 IPC: EUR186 million revenues, gross margin estimated at 39.5% reconciled from Q3 2017 results

3 Nilfisk raw material & component spending estimated at EUR 300 million FY2016, FX rate for currency conversion: EUR/USD: 1.1885

4 Analysis based on IPC's expected synergies of \$10 million of which 30% are expected to come from procurement (according to Q3 2017 transcript and CFO call), 80% of which are assumed to be related to raw materials & components

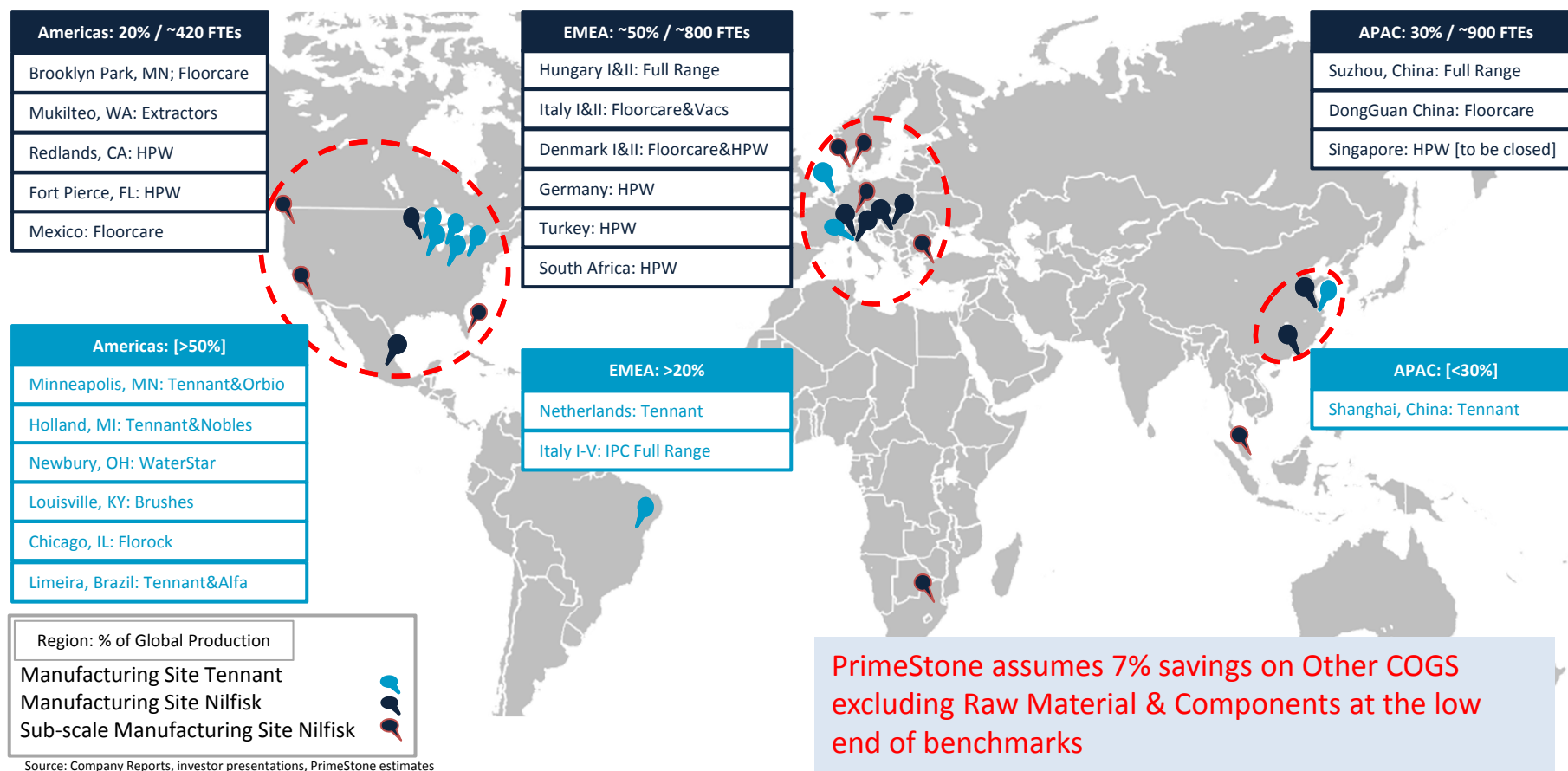
Comments

- Procurement usually delivers significant synergies
 - 30% of IPC synergies (\$10 million run-rate) are related to procurement and sourcing⁴
- For Tennant and Nilfisk total spend on raw materials and components would double to c.\$680 million p.a.
- IPC raw material cost savings imply 0.74 % savings per unit if total raw material spending is increased by 29%
- Applying the IPC ratio to the 170% increase in raw material spending in a combination with Nilfisk would indicate a potential of \$29 million in expense reduction

PrimeStone only assumes a more conservative 3% cost reduction equivalent to \$20 million including IPC synergies

2 Optimization Of The Manufacturing Strategy And Footprint

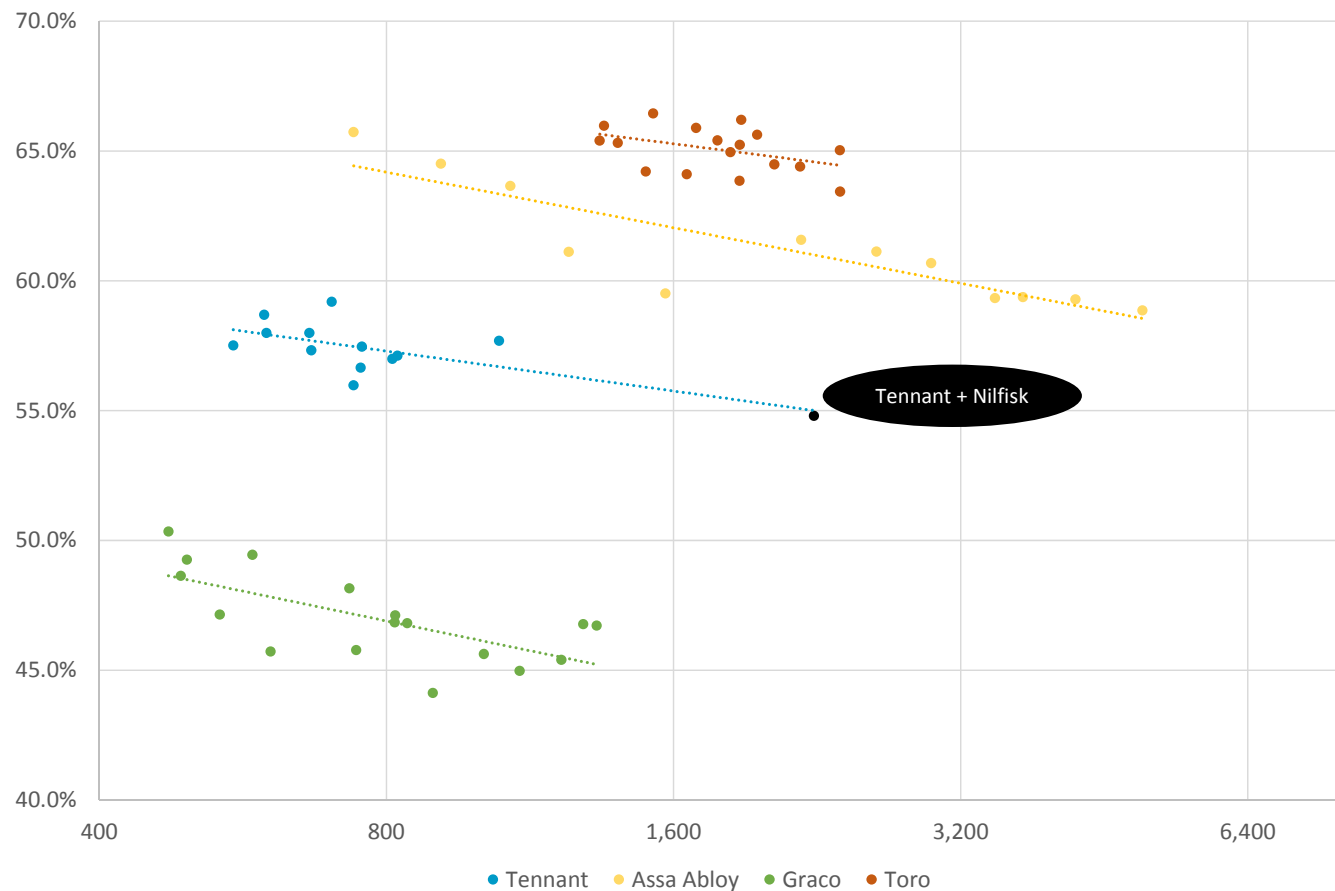
- Combined production footprint offers significant streamlining potential
- Total of 30 manufacturing sites (13 Tennant, 17 Nilfisk) - numerous sub-scale sites (at least 5 at Nilfisk)
- Underutilized production capacities in main sites (with an opportunity to increase the number of shifts)
- Opportunity to consolidate facilities when scale is important (e.g. vacuum cleaners)
- Opportunity to manufacture closer to customers when proximity is important (e.g. floorcare)



1-2 Total COGS Synergy Potential

- The total COGS synergy potential appears consistent with the scale benefits experienced by selected peers

Plot of Historical COGS As % Of Revenues vs. Revenues (\$m)



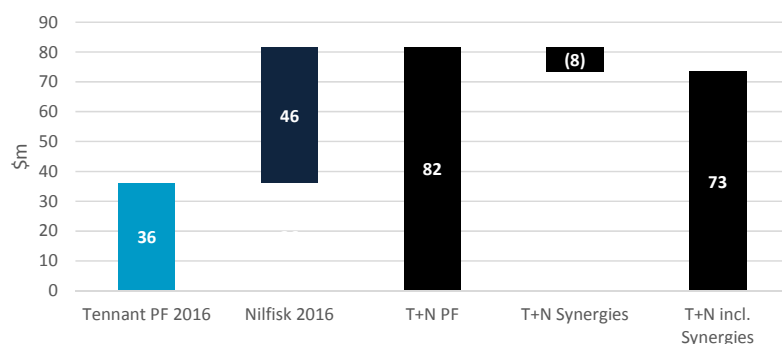
Source: Company Reports, PrimeStone estimates

Note:

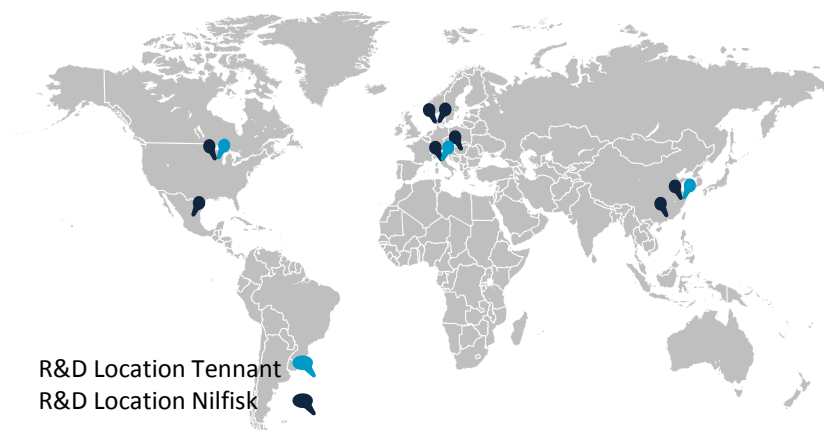
Each dot represents one financial year of reported revenues in USD (converted at average exchange rate) and COGS as a percent of revenues

3 Increased Spending In And Higher Efficiency Of R&D

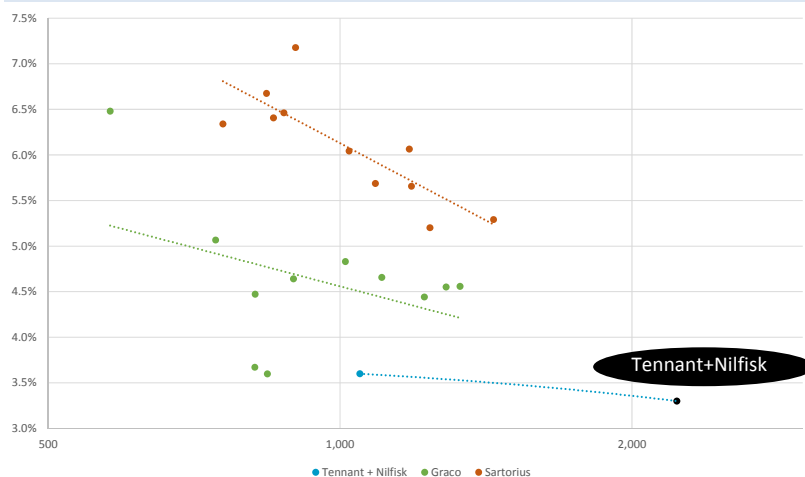
R&D Spending¹⁻²



R&D Locations³



R&D Spending vs. Revenues



Source: Company Reports, investor presentations, PrimeStone estimates

Note:

1 Tennant \$m R&D expense including IPC, assuming

2 Nilfisk R&D expense including capitalized R&D, FX rate for currency conversion: EUR/USD: 1.1885

3 Nilfisk R&D locations according to CMD presentation September 2017; Tennant R&D locations according to PrimeStone research

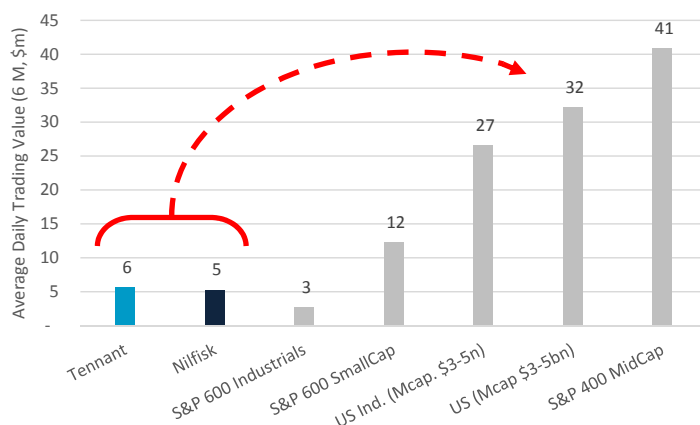
Comments

- Synergy potential would be significant due to the similar product developments being pursued
- Capital intensive research such as robotics or telematics would benefit from the combined R&D power
- Selective complementary research areas for both companies could be leveraged (e.g. robotics, ionized water)
- Doubling in size typically provides no benefit for commodity products to 20-40% cost saving for R&D intensive businesses
- Timeline of full realization depends on product roadmaps and could take 3-4 years

PrimeStone assumes only 10% reduction or \$8m, reducing R&D to 3.3% of combined revenues, well within the current target range of both companies (3-4%)

5 Improved Access To Capital Markets

Average Daily Trading Value (6 Month, \$m)



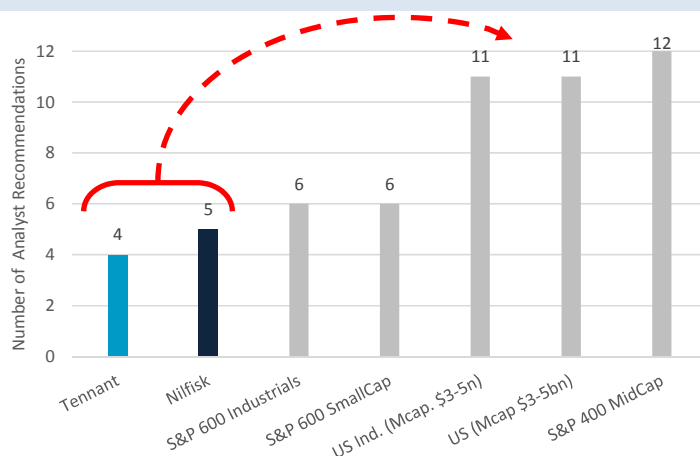
Credit Profile Enhancement

“Tennant's B1 CFR reflects the company's relatively moderate revenue scale, business segment concentration and cyclical nature of its earnings counterbalanced by the company's strong market position in the U.S. and leading position abroad, debt/EBITDA [...].

The acquisition of IPC is viewed as a credit positive as it enhances Tennant's revenue scale, broadens its geographic reach and is anticipated to contribute favorably to the company's margins and cash flow profile”

Jadijhe (Gigi) Adamo, Moody's Corporate Finance Group (7 April 2017)

Number of Analyst Recommendations



Source: Bloomberg, PrimeStone estimates

Notes:

1 Nilfisk average daily trading value in \$million excluding the first 5 trading days (12-18 October 2017)

2 Industrial companies traded on US stock exchange and domiciled in the U.S.A. with a market capitalisation between \$3-5 billion (as of November 2017)

3 Companies traded on a US stock exchange and domiciled in the U.S.A. with a market capitalisation between \$3-5 billion (as of November 2017)

Comments

- The merger will lead to substantially increased liquidity and potential inclusion into S&P MidCap 400 Index
- Equity research coverage should improve materially
- The investor base will become more international
- The combined entity could enjoy credit-enhancing benefits through increased scale and geographical diversification
 - Lower cost of capital through better credit profile/rating
 - Higher financial flexibility and improved covenant structure

PrimeStone assumes no benefit at this stage

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Benefits Of Local Scale

1 Improved Reach And Ability To Service Customers Directly

- Local Scale, A Driver Of Significant Commercial Outperformance
- Density Of Local Sale Force and Service Network A Key Success Factor
- Expanded Network To Improve Reach And Service

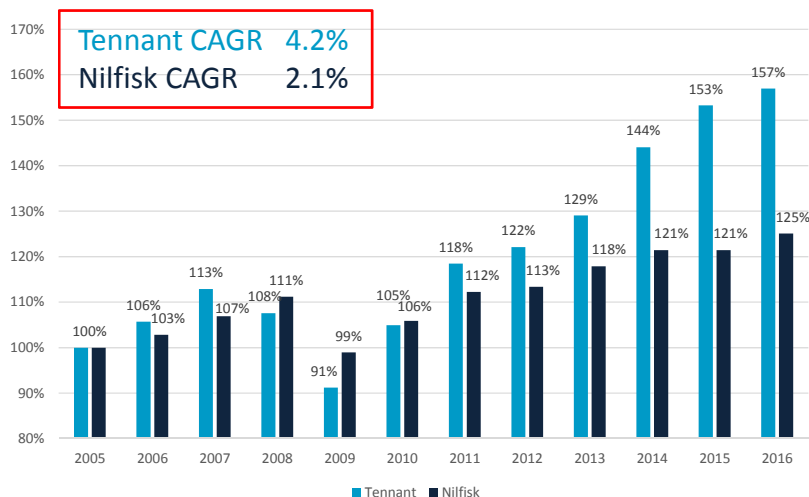
2 Ability To Expand Faster In Emerging Markets

3 Amortization Of Local Infrastructure, Salesforce And Customer Service

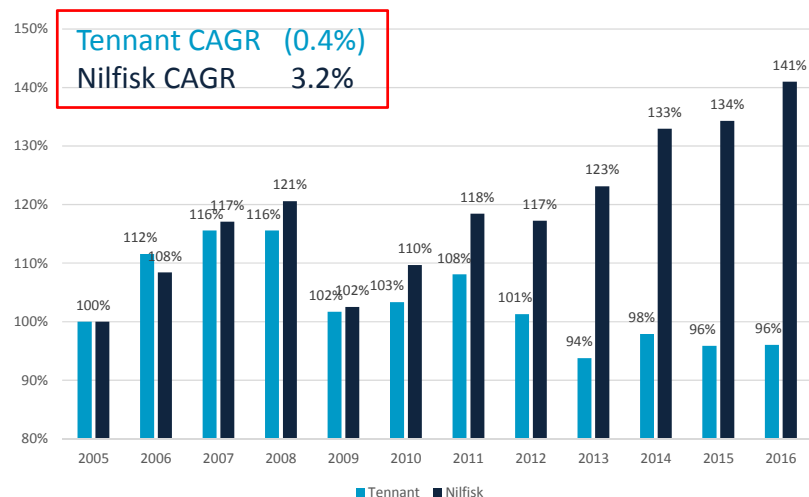
1 Local Scale, A Driver Of Significant Commercial Outperformance

- **Both Tennant and Nilfisk have delivered very strong long term commercial results in their home regions, highlighting the value of their**
 - Local market shares
 - In-house service offerings
 - Entrenched salesforce
- **Building a competitive in-house service offering and spare parts infrastructure requires strong local market share and improves the value proposition to customers for new equipment sales**

Americas Organic Growth Comparison¹



EMEA Organic Growth Comparison¹



Source: Company Reports

Note:

¹ Compounded organic growth as reported by the company

1 Density Of Local Sales Force And Service Network A Key Success Factor

“It is very difficult for Kaercher or Nilfisk to compete with Tennant in the US, they have to rely on their local dealers for the service offering. Tennant is facing similar problems in Europe.”

Former Senior Kaercher Employee, >5 years of senior experience in the industry

“Nilfisk hired a lot of sales people in the US, but they are very reliant on distributors to fulfil the service requirements of direct customers”

Former Senior Tennant Employee, >6 years of senior experience in the industry

“Tennant has never been very strong in Europe, they were losing sales in EMEA due to lack of footprint and cultural differences”

Former Senior Nilfisk Employee, >15 years of senior experience in the industry

“Kaercher has acquired smaller distributors in the US and gained market share over the last years.”

Former Kaercher Employee, >4 years of experience in the industry

“Kaercher has been extremely aggressive to gain market share since 2011, poaching many sales & service people globally from other competitors”

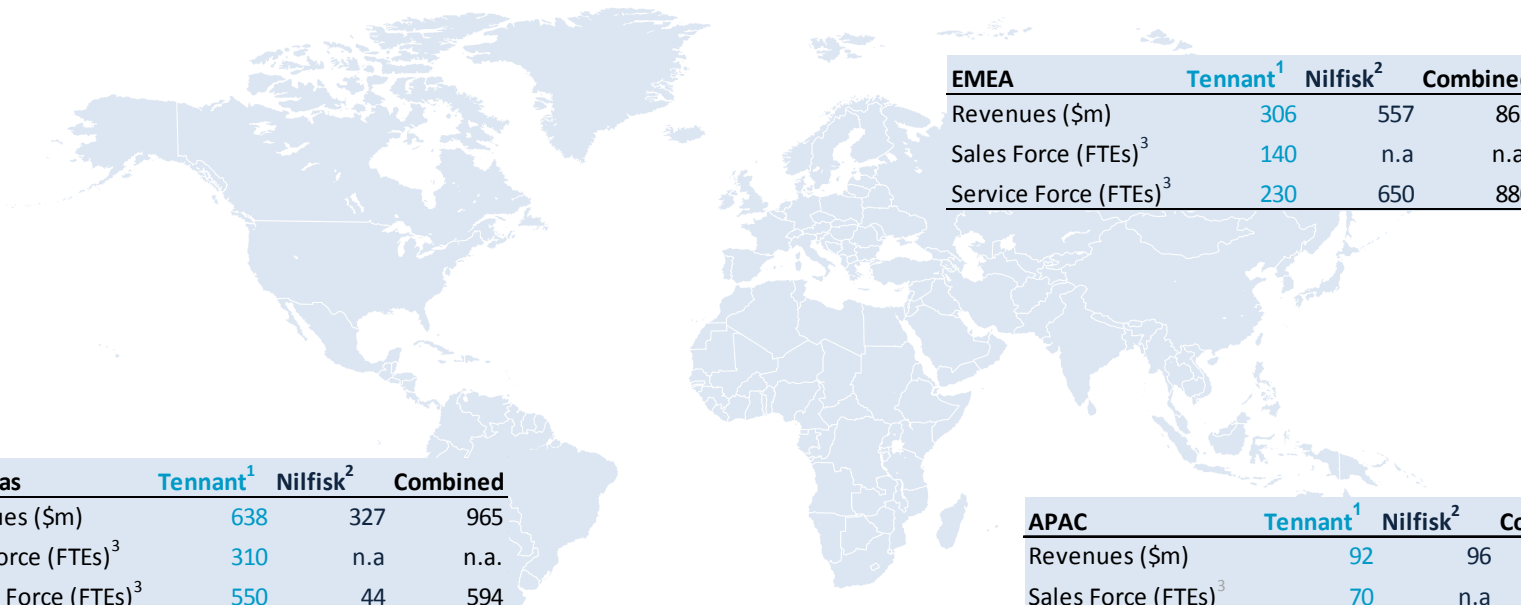
Former Senior Nilfisk Employee, >15 years of senior experience in the industry

“Future opportunities are more related to geographic expansion of direct sales & service rather than product related”

Former Senior Tennant Employee, >10 years of senior experience in the industry

1 Expanded Network To Improve Reach And Service

- **Tennant will be able to leverage Nilfisk's strong direct sales & service network in EMEA and vice versa**
- **Global direct service network will double to ~1.600 direct service employees⁴ in a combined entity with a very strong coverage of the US and Europe**
- **Scale will enable to set-up dedicated service organizations for Industrial and Commercial customers with tailored service offerings**
 - Opportunity to improve service quality level and productivity (as per Tennant's initiative in Americas)
- **Scale will also help increase the service attachment rate for in-house service**
 - Opportunity to expand revenues with highly profitable spare parts



EMEA	Tennant ¹	Nilfisk ²	Combined
Revenues (\$m)	306	557	862
Sales Force (FTEs) ³	140	n.a	n.a.
Service Force (FTEs) ³	230	650	880

Americas	Tennant ¹	Nilfisk ²	Combined
Revenues (\$m)	638	327	965
Sales Force (FTEs) ³	310	n.a	n.a.
Service Force (FTEs) ³	550	44	594

APAC	Tennant ¹	Nilfisk ²	Combined
Revenues (\$m)	92	96	188
Sales Force (FTEs) ³	70	n.a	n.a.
Service Force (FTEs) ³	50	39	89

Source: Company Reports, PrimeStone estimates

Notes:

1 Tenant revenue figures 2016 pro-forma including IPC/Florock

2 Nilfisk revenue figures exclude Specialty Professional and Specialty Consumer segments

3 Tennant sales force and service force according to investor presentation, Nilfisk sales force and service force are PrimeStone estimates

4 Excluding potential redundancies

1 Overall, Revenue Opportunities In Americas & EMEA Offset Volumes At Risk

	Estimated Revenue Impact (\$m)	Estimated Operating Profit Impact (\$m)	Comments
Shift From Indirect To Direct Sales	25-35	10-20	<ul style="list-style-type: none"> 2016PF combined \$838 million indirect revenues in EMEA and Americas^{1,2} Assuming Tennant could increase direct sales in EMEA to 53% (mid-point between Nilfisk standalone and Tennant) Assuming Nilfisk could increase direct sales in Americas to 50% (mid-point between Tennant standalone and Nilfisk) On average 25% gross margin at distributor level applied on additional direct revenues (\$110-120 million)
Expansion Of Service & Spare Part Sales In EMEA And Americas	Positive	Positive	<ul style="list-style-type: none"> 2016PF combined \$965 million revenues in Americas with the potential to increase Aftermarket attachment rates³ 2016PF combined \$862 million revenues in EMEA with the potential to increase Aftermarket attachment rates³ Leverage Tennant's strong service network in the US and vice versa in Europe Substantially higher margin on service and spare parts business
Impact Of Specialized Salesforce	Positive	Positive	<ul style="list-style-type: none"> Dedicated salesforce for each market vertical to improve understanding of customer needs Positive impact on customer conversion rates
Impact Of Product Innovation Lead	Positive	Positive	<ul style="list-style-type: none"> Increase in total R&D budget would keep competitors at distance in terms of innovations Premium pricing for innovative products Follow-up on service & maintenance through telematics
Customer Overlap	-40-50	-17-22	<ul style="list-style-type: none"> Nilfisk "national accounts" in the US roughly \$54 million Assuming 40-45% of Nilfisk US national accounts will be lost (~\$22-24 million) and doubling the amount to account for potential overlaps in other regions Negative operating profit impact based on 2016PF combined gross margin of 43% applied to lost revenues High switching cost for customers with large fleets (highlighted in HBS Tennant case study) would probably reduce potential negative revenue impact
Net Effect	Positive	Positive	<ul style="list-style-type: none"> Positive impact expected to outweigh negative effects from customer overlap Expected IPC revenue synergies of \$3 million as a precedent

PrimeStone only takes into account the potential negative revenue synergies and disregards any positive impact at this stage

Source: Company Reports, investor presentations, Harvard Business School Tennant Case Study August 2011, PrimeStone estimates
Note:

1 Tennant 2016 PF (incl. IPC) and Nilfisk 2016 Americas revenues of which 75% indirect; FX rate for currency conversion: EUR/USD: 1.1885

2 Assuming 75% of Tennant 2016 EMEA revenues direct, in addition to IPC revenues of which 20% direct and Nilfisk 2016 EMEA revenues of which 55% direct; FX rate for currency conversion: EUR/USD: 1.1885

3 Tennant 2016 PF including IPC, Nilfisk excluding Specialty segments; FX rate for currency conversion: EUR/USD: 1.1885

2 Ability To Expand Faster In Emerging Markets

Country Coverage with Direct Subsidiary

Country Coverage	Tennant	Nilfisk ^{1,2}	NewCo
APAC Revenues (FY2016, \$m)	92	96	188
China	✓	✓	✓
India	✓	✓	✓
Malaysia		✓	✓
Peru		✓	✓
Thailand	✓	✓	✓
Vietnam		✓	✓
LatAm Revenues (FY2016, \$m)³	25-35	40-50	65-85
Argentina		✓	✓
Brazil	✓	✓	✓
Chile		✓	✓
Mexico	✓	✓	✓
Uruguay	✓		✓
Eastern Europe Revenues (FY2016, \$m)	n.a.	n.a.	n.a.
Romania		✓	✓
Russia		✓	✓
Slovakia		✓	✓
Turkey		✓	✓
Total Countries Covered (incl. Export)	>80	>100	>100

Comments

- Tennant and Nilfisk currently only have limited exposure to Emerging markets
 - Nilfisk's top 5 emerging markets account for 6% of group revenues
- We estimate that the majority of LatAm and APAC countries are currently served indirectly by both companies
- A selective direct sales & service approach in the most promising/sizeable countries could become feasible
- Higher scale and raised profile would help attract and retain better talent in local markets, a critical contributor to success

Source: Company Annual Reports 2016, PrimeStone estimates

Notes:

1 Nilfisk revenue figures exclude Specialty Professional and Specialty Consumer segments

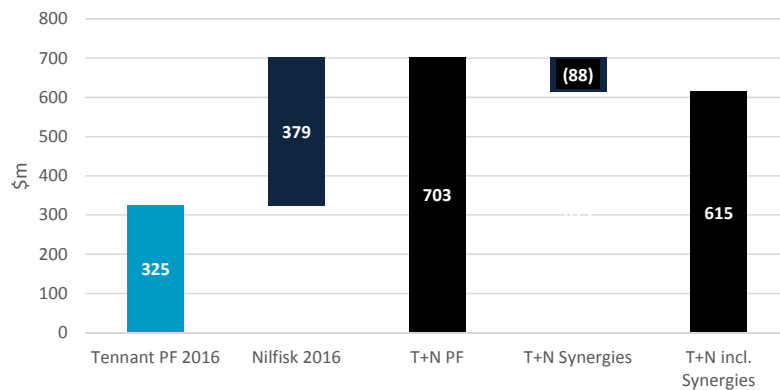
2 FX rate for currency conversion: EUR/USD: 1.1885

3 LatAm revenues PrimeStone estimate

PrimeStone assumes no benefit at this stage

3 Amortization Of Local Infrastructure, Salesforce And Customer Service

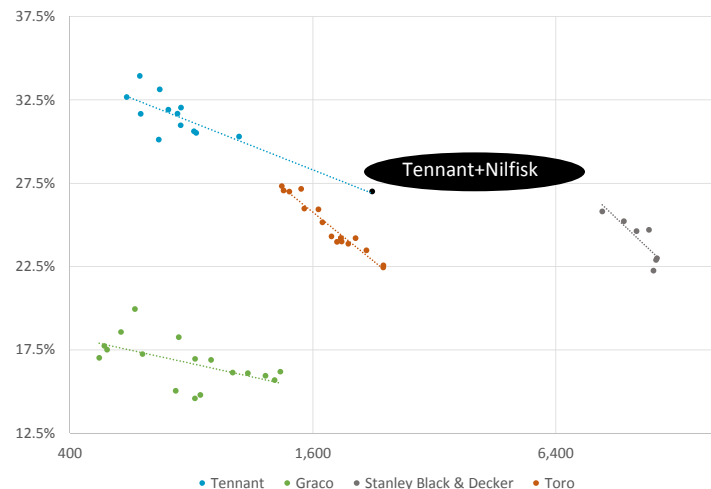
S&A Spending¹⁻²



Comments

- Increased sales force presence will improve effectiveness, notably through specialization by end-markets where scale permits
- Scale will improve sales force and customer service utilization allowing for significant savings
- Local administrative costs will be rationalized
 - Consolidation of overlaps
- Overall, the local scale benefits achieved through synergies should be comparable to those realised historically by peers

S&A As % of Revenues vs. Revenues (\$m)



Source: Company Reports, investor presentations, PrimeStone estimates

Note:

1 Tennant FY2016PF including IPC (converted at EUR/USD 1.1885) and Florock full year impact; adjusted for foreign currency changes as of November 2017

2 Nilfisk financials FY2016; adjusted for foreign currency changes as of November 2017 ; FX rate for currency conversion: EUR/USD: 1.1885

PrimeStone assumes a reduction of only 12.5% so as to foster organic growth, resulting in S&A of 27.7% of revenues, in line with Tennant's mid-term target (27-28%)

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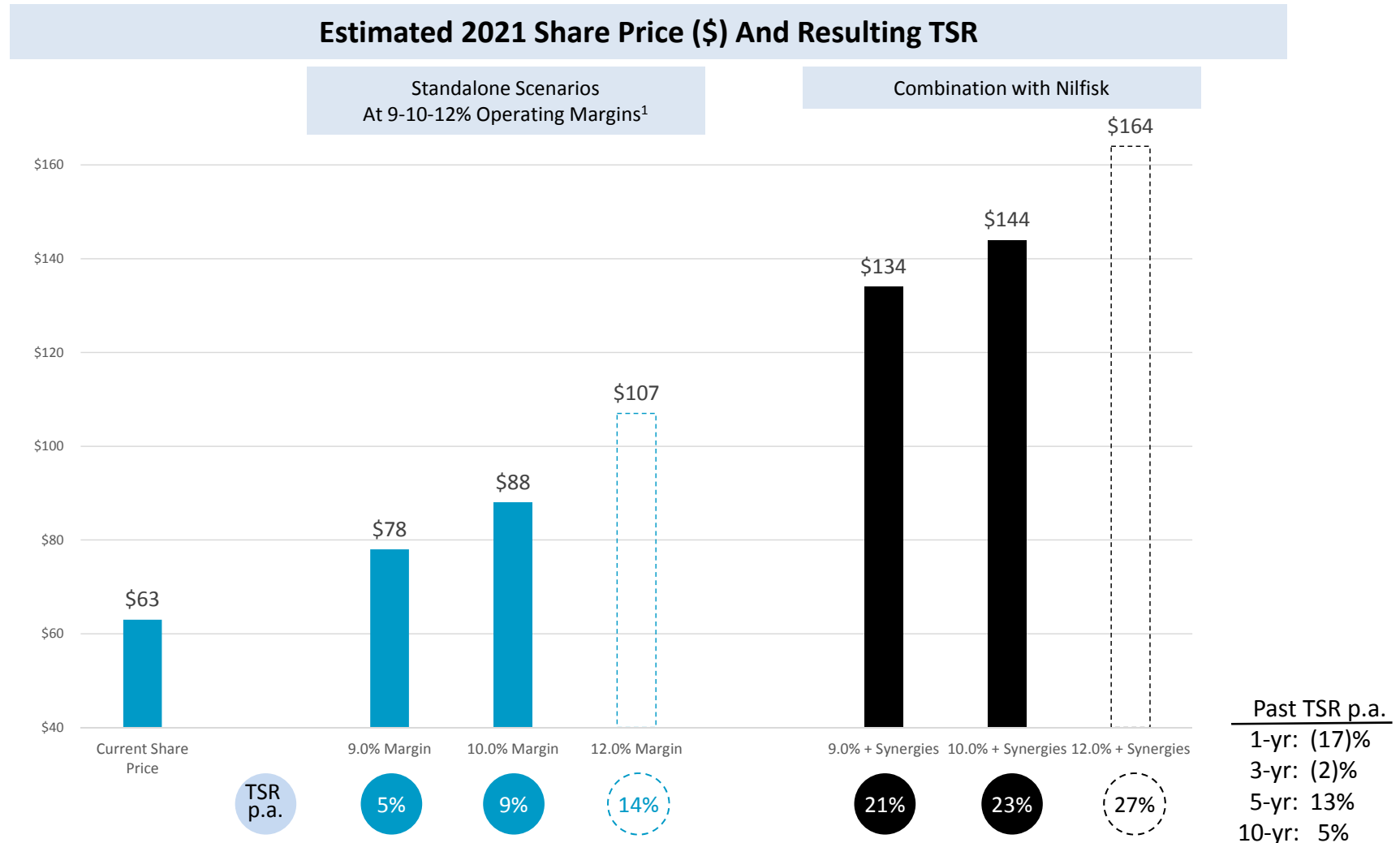
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2021 Implied Share Price

- We believe the value creation will be far in excess and far more certain than in any standalone plan

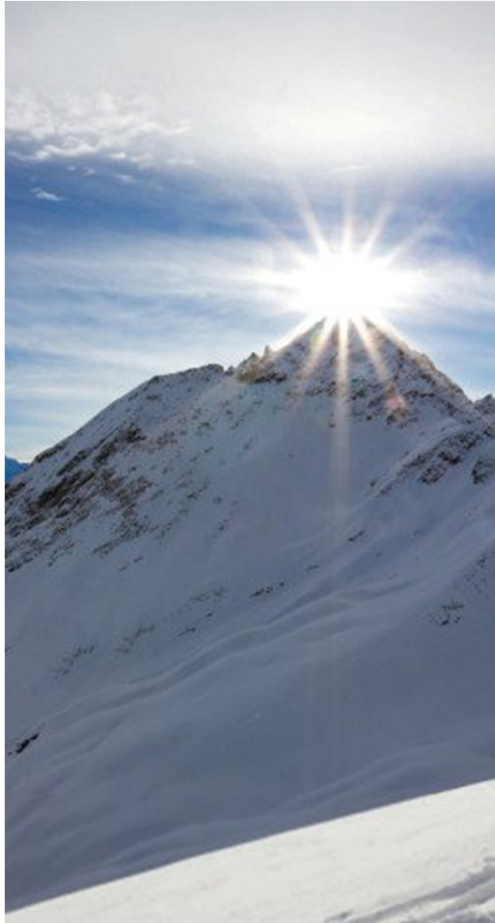


Source: Company Reports, Bloomberg, PrimeStone estimates

Note: PrimeStone share price estimated based on 20x P/E multiple, which is below current levels. Share price estimates assume no dividend paid over the period

1 9-10-12% operating margins applied to both Tennant and Nilfisk as described on slide "Key Transaction Assumptions"

Wrap Up Comments



- We are long term believers in both Tennant and Nilfisk
- The proposed business combination will create a world-class leader able to achieve industry-leading performance that cannot be achieved on a standalone basis
- **This is a unique opportunity to create extraordinary returns for all shareholders**
- As long term value added investors in both companies with two decades of deal-making experience as principals, we are happy to act as a sounding board and partners in this endeavor
- We will help build shareholder support for the appropriate solution
- We look forward to our continuing constructive dialogue

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Case Study: Kaba + Dorma = dormakaba

PrimeStone invested in 2014 in Swiss commercial security equipment company Kaba (DOKA SW)

- CH1bn revenues, c.12% operating profit margin
- EV of CHF1.7bn

The commercial security equipment industry has similar characteristics to that of Tennant and Nilfisk

- ✓ GDP-type growth
- ✓ Mix of revenues between direct and indirect (through distributors/installers)
- ✓ Manufacturing process involving much assembly
- ✓ Service and Aftermarket accounting for c.1/3 of revenues
- ✓ Gross margins around 40-45% of revenues
- ✓ R&D around 3-4% of revenues
- ✓ Similar benefits from both global and local scale

Kaba was a good company in an attractive industry with a track record of flat margins. In mid-2015, it announced a merger with privately-owned German company Dorma, which had a similar size and past performance

- Announced cost synergies reached 6-7% of both Kaba and Dorma revenues
- EBITDA target was set at 18%, equivalent to above 15% EBIT or an increase of 40-50% from the pre-synergy level
- The company embarked into a full post-merger integration exercise with outside support...
- ...having set the right management incentives in place (see PrimeStone presentation at Dec 2015 Ira Sohn conference)

The merger acted as a catalyst and provided management with a unique opportunity to create value through

- Purchasing and manufacturing footprint rationalization
- SG&A optimization
- New Go-to-Market strategy
- Increased R&D firepower
- Set-up and professionalization of pricing and M&A teams

Case Study: Kaba + Dorma = dormakaba

Three years after PrimeStone's initial investment, dormakaba is well on track to deliver on its targets

- It has improved profitability by c250bps already
- It has reiterated its margin target on the back of synergies at the higher end of expectations

Late 2016, dormakaba announced the acquisition of Stanley Black & Decker Mechanical Locks business

- Gaining further scale in the US
- Reaching CHF2.6bn in total revenues up 1.6x on 2014

Since October 2014, the share price has almost doubled, the Total Shareholder Return has been 140% or 32% annually (vs. 7% for the Swiss SPI Index).

- In contrast with the 2007-Oct 2014 TSR of only 5% p.a.



PrimeStone is still a shareholder of dormakaba

Case Study: Kaba + Dorma = dormakaba

The merger allowed Kaba and Dorma to roughly double in size and thus improve profitability along the path previously experienced by industry leader Assa Abloy

