Annual Report 2024

Delivering on sustainable product innovation

NILFISK

Management Report

MR Management Review

5 **2024 in brief**
6 Joint letter from the Chair and the CEO
8 At a glance
10 Equity story
11 Performance highlights
13 5-year consolidated financial highlights
14 Outlook 2025
14 Capital allocation policy

15 **Our strategy**
16 Strategic direction
18 Strategy progress report

23 **Our business**
24 Operating model
25 Customers
26 Solutions
29 Channels
30 Operations
32 R&D
34 Integrating sustainability

35 **Our financial results**
36 Business performance
42 Financial review
44 Q4 performance
45 Quarterly overview

46 **Our governance**
47 Corporate governance
51 Board of Directors
54 Nilfisk Leadership Team
56 Shareholder information
57 Responsible Tax
59 Risk management

SS Sustainability Statements

62 **General information**
63 Disclosing progress
64 Sustainability commitments
65 Sustainability governance
66 Double Materiality Assessment
67 Value chain
68 General basis for preparation
69 DMA Methodology
74 Material impacts, risks, and opportunities

78 **Environment**
79 E1 Climate change
87 E2 Pollution
91 E3 Water and marine resources
93 E5 Resource use and circular economy
97 EU Taxonomy

102 **Social**
103 S1 Own workforce
117 S2 Workers in the value chain
119 S4 Consumers and end-users

122 **Governance**
123 G1 Business conduct

127 **Additional information**
128 ESRS disclosure overview
130 Data points deriving from other EU legislation
131 Statement on sustainability due diligence

Financial Report

FS Financial Statements

133 **Consolidated financial statements**
134 Income statement
134 Statement of comprehensive income
135 Statement of financial position
136 Cash flow statement
137 Statement of changes in equity
138 Notes
182 Part of the management review

184 **Parent financial statements**
185 Income statement
185 Balance sheet
186 Statement of changes in equity
187 Notes
189 Accounting policies

190 **Statements & reports**
190 Management's statement
191 Independent auditor's report
194 Independent auditor's report ESG

About the report

We are pleased to present Nilfisk's Annual Report 2024, which is our first integrated report prepared in accordance with IFRS Accounting Standards and the Corporate Sustainability Reporting Directive (CSRD). Our commitment to transparency and accountability is reflected in our adherence to these recognized standards, ensuring that our financial reporting and sustainability disclosures provide a comprehensive and accurate representation of our performance.

Our Annual Report 2024 consists of the following sections:

- Management Review
- Sustainability Statements
- Financial Statements

We invite you to explore this report to gain insights into our strategic priorities, performance, and future outlook.

Incorporation by reference
Nilfisk has applied the ESRS principle of 'incorporation by reference' in the Management Review and Financial Statements to enhance readability. These references are clearly marked with a . Read more about incorporation by reference in the Sustainability Statements.

Other available reports
In our Remuneration Report you will find a transparent and comprehensive overview of the remuneration of our Executive Management Board, Nilfisk Leadership team, and Board of Directors.

Our Corporate Governance Report is Nilfisk's annual statement of compliance with the Recommendations for Corporate Governance as a company admitted to trading on a regulated market.

You will find more information about Nilfisk and available reports on Nilfisk.com.

Management Review

5 **2024 in brief**
6 Joint letter from the Chair and the CEO
8 At a glance
10 Equity story
11 Performance highlights
13 5-year consolidated financial highlights
14 Outlook for 2025
14 Capital allocation policy

15 **Our strategy**
16 Strategic direction
18 Strategy progress report

23 **Our business**
24 Operating model
25 Customers
26 Solutions
29 Channels
30 Operations
32 R&D
34 Integrating sustainability

35 **Our financial results**
36 Business performance
42 Financial review
44 Q4 performance
45 Quarterly overview

46 **Our governance**
47 Corporate governance
51 Board of Directors
54 Nilfisk Leadership Team
56 Shareholder information
57 Responsible Tax
59 Risk management

2024 in brief

In September 2024, Nilfisk US successfully went live with SAP, integrating key functions such as Sales, Service, Operations, and Finance. This significant investment enhances our data management capabilities, fostering improved collaboration and operational efficiency.

6 **Joint letter from the Chair and the CEO**

8 **At a glance**

10 **Equity story**

11 **Performance highlights**
11 Financial highlights
12 Sustainability highlights

13 **5-year consolidated financial highlights**

14 **Outlook 2025**

14 **Capital allocation policy**

LETTER

A year with new product innovation for our customers

The year began with good momentum, with growth tracking according to plan through the first half of 2024. However, a slowdown in demand in the Americas during the third quarter affected our Professional Business, prompting an adjustment of our full-year guidance in October. After a thorough review and assessment of the trajectory against the targets, we decided to withdraw long-term targets. In 2025, we will remain focused on delivering on our guidance for the year.

In 2024, we introduced cutting-edge products at major trade shows around the globe, presenting innovations that reflect our commitment to addressing customer needs. Meeting with customers and listening to them continues to drive our understanding of how we can create more value and strengthen partnerships.

As we close 2024, we reflect on a year of significant milestones and challenges. Across the business, we have made measurable progress, advancing strategic priorities in product innovation, and setting new benchmarks in sustainability.

This year, for the first time, we are reporting our financial and sustainability progress jointly in accordance with the new Corporate Sustainability Reporting Directive. While the more comprehensive work of combined reporting may be new to us, we have published sustainability reports since 2016, and we welcome this opportunity to enhance transparency and comparability across companies.

A year of variation in regional performance

The year revealed notable regional differences in performance. We saw strong performance in EMEA with growth across all segments. Key drivers included robust demand in several of our large and most important segments. We also saw major wins in markets like Germany, the UK, France, and Türkiye. This highlighted the region's strength and demonstrated our strong market position.

We experienced market headwinds in APAC like many other industrial companies, driven by macroeconomic challenges and geopolitical disruptions. On the back of that, our performance was lower than expected in 2024.

Jon Sintorn
CEO

Peter Nilsson
Chair

The Americas encountered a slowdown in demand, leading to volume declines. While price management positively impacted the first half, it was not enough to offset the overall decline. In September 2024, we rolled out our global ERP system in the US. The system strengthens our digital platform and opens improved ways of working.

> Meeting with customers and listening to them continues to drive our under-standing on how we can create more value and strengthen partnerships.
>
> **Jon Sintorn,** CEO

On October 9, our high-pressure washer business located in Fort Pierce, Florida, was hit by extreme weather because of Hurricane Milton. Luckily no people were injured and there was only structural damage to the building, but the clean-up and rebuild is still affecting this site.

While we saw variations in the performance across the regions, the two business units Consumer and Specialty recorded strong growth, reflecting the benefits of recent optimization efforts and a sharper focus on customer needs.

Supply chain transformation

Operational improvements were a cornerstone of our efforts in 2024. By lowering order backlogs and running production lines efficiently, we have enhanced delivery speed and reliability for our customers.

Through strategic initiatives – including insourcing critical production, optimizing machine customization, and expanding dual sourcing – we have strengthened supply chain resilience, reduced lead times, and reduced greenhouse gas emissions in our own operations and in the use phase. Continued investment in the implementation of automation in China has also positioned us for greater productivity and long-term stability.

Innovation for the future

In 2024, we further increased our R&D investments, allocating 38.4 million EUR to future innovations. The increased R&D investments that we have made over the previous couple of years yielded several positive results in 2024. We launched a range of new cleaning solutions designed to optimize every stage of the cleaning process, enhancing productivity and introducing energy efficiency features.

Notable introductions included the next-generation walk-behind scrubber-dryer, SC550, redefining efficiency, the autonomous SC25, and a new compact micro-scrubber, all of which address unmet market needs. These products have been warmly received by customers, and in 2025, we will continue this momentum with further product launches throughout the year.

We are also excited to welcome Eerikki Mäkinen, who joined the Nilfisk Leadership Team as Head of Products, Technology & Innovation in February 2025. Eerikki will build on Nilfisk's strong heritage of creating iconic products, driving innovation that meets customer needs.

Advancing sustainability

Sustainability remains integral to our strategy, driving value for both our customers and our business with substantial advancements in 2024. We decreased our absolute market-based Scope 1 and 2 greenhouse gas emissions by 22% compared to 2019, and Scope 3 greenhouse gas emissions intensity by 39% compared to 2021, sending us well on our way towards our near-term sustainability targets.

In 2024, we maintained a strong CDP Climate Change score of A- for the fifth consecutive year. In addition, we were given a CDP Water Security score of B-. Another important highlight is that we received an EcoVadis Gold Medal for the third consecutive year. Scoring 80 out of 100 points, Nilfisk is now placed in the 98th percentile of all the global companies rated by EcoVadis. It is our target to sustain a gold medal rating in the coming years.

Furthermore, direct sustainability inquiries from existing and potential customers are increasing, in particular requests for climate and environmental data.

Acknowledging contributions

Our customers build the foundation for everything we do, and we look forward to continuing our valued collaboration with you. Through close dialogue, we will drive innovation and create value together. Your feedback is truly invaluable, and we are excited to continue our partnership in the years to come.

We would also like to extend a thank you to our shareholders for your continued support in an evolving economic landscape. And last, but not least, thank you to all our employees for your dedication and continuous strive for excellence.

Moving forward, we will maintain our focus on execution and innovation to ensure a bright future for Nilfisk.

Jon Sintorn
CEO

Peter Nilsson
Chair

> June 17, 2024, marked the beginning of my tenure as CEO. I am excited about the opportunity to shape the future of Nilfisk together with our dedicated employees and valued customers. This has been a year of learning for Nilfisk, and I am confident in our ability to grasp the opportunities ahead and to navigate the challenges. To our employees, thank you for your professionalism, passion, and the unique Nilfisk spirit that powers us. Your dedication inspires me.
>
> **Jon Sintorn,** CEO

AT A GLANCE

Global presence

We are a world-leading global provider of professional cleaning products and services

Founded in 1906

It was in 1906 that Peder Andersen Fisker established Nilfisk, inspired by his love of knowledge and ambition to build a company that made the best electrical engines. Since then, we have been committed to delivering innovative cleaning solutions and growing our business to lead the industry.

Total revenue 2024

1,027.9 mEUR

EBITDA margin before special items

EBITDA margin before special items realized in line with the latest outlook announced on October 24, 2024

13.2%

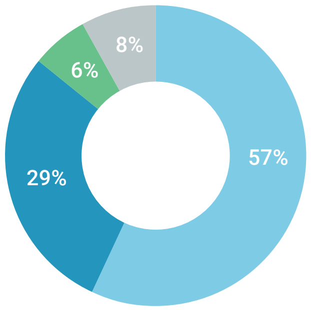
Employees

Approximately

4,800

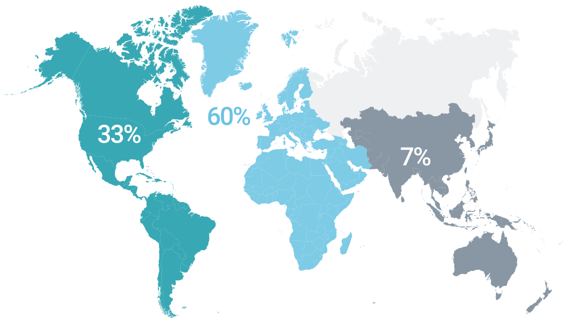
Revenue

Share of revenue 2024



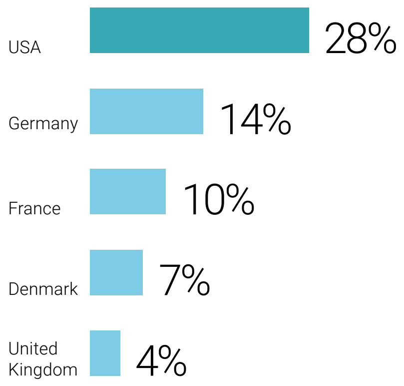
Regions

Share of revenue 2024



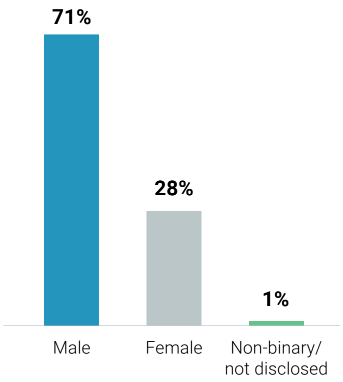
Key markets

Share of revenue 2024



Gender split

Distribution of employees



100+

Countries

Our products and services are sold in more than 100 countries across the globe.

40+

Sales companies

We have sales companies in more than 40 countries around the world.

98th percentile

Gold EcoVadis ranking

3rd consecutive year of EcoVadis Gold. Nilfisk placed in the 98th percentile of all companies reporting to EcoVadis.

39%

Reduction in emissions intensity

Scope 3 greenhouse gas emissions from the use of sold products per unit of gross profit, based on 2021.

AT A GLANCE

The customers we serve

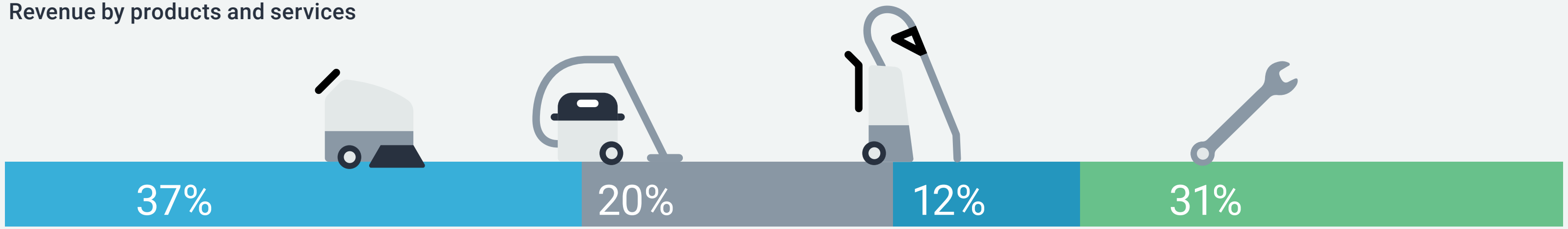
The need for cleaning is universal, and the effect of clean is valuable to our customers everywhere. Nilfisk serves customers around the world, targeting strategic customer segments and key applications.

- Agriculture
- Automotive
- Building & Construction
- Contract cleaners
- Education
- Food & Beverage
- Healthcare
- Consumer
- Hospitality
- Iron & Metal
- Manufacturing
- Offices & Public buildings
- Pharma
- Retail
- Warehousing & Logistics

Our solutions

With a product portfolio spanning from advanced industrial vacuum solutions to high-pressure washers and floorcare equipment, Nilfisk has a unique range in terms of breadth and depth.

Revenue by products and services



Floorcare

Scrubber dryers, sweepers, combination machines, carpet extractors, burnishers.

Vacuum cleaners

Commercial vacuum cleaners, wet & dry vacuum cleaners, industrial solutions, vacuum cleaners for the consumer market.

High-pressure washers

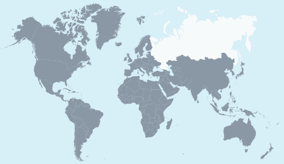
Professional pressure washers that use hot/cold water, stationary pressure washers, gasoline/diesel driven pressure washers, high-pressure washers for the consumer market.

Aftermarket

Service, parts, accessories, and consumables across all four business segments: Professional, Service, Specialty, and Consumer.

Our equity story

Strong market position supported by megatrends

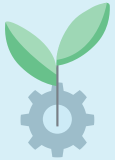


Established over 100 years ago, Nilfisk is a top-three global provider of professional cleaning products and services. Our products are sold in more than 100 countries, and we serve a broad range of customers in various industries and segments. Nilfisk operates in a growing market driven by an increase in living standards globally and increasing cleaning requirements, both of which drive demand for machine cleaning.

Value creation through further growth in Service

Future growth in Service is expected to come from building and expanding upon close customer relationships, as well as growing Nilfisk's network of quality technicians to supply a broad service offering in key markets. Nilfisk is committed to investing further in Service, which is a strong growth driver and contributes positively to the EBITDA margin. Nilfisk's Service Business provides strong cash flow with recurring revenues and measurable progress.

Technology led innovation with sustainability at the core



Nilfisk is committed to developing innovative products by leveraging valuable customer insights and create meaningful value. This approach strengthens our partnerships and ensures we align with our customers' priorities. Driven by technology-led research and development, Nilfisk's next generation of products sets new standards in performance while optimizing resource efficiency. Our focus remains on fostering growth through sustainable product innovation, delivering solutions that empower our customers to succeed.

Leading product portfolio and global presence

Nilfisk provides premium products across addressable markets, including a full range of Professional Floorcare, High-Pressure Washers, and VACS, alongside a Consumer offering. Nilfisk makes continuous investments in product development to support product vitality and deliver a strong and modern offering to customers. Regional supply chains decrease external dependency and allow Nilfisk to balance risks posed by heightened global uncertainty.

Delivery of profitable growth and improved financial health

Through strong cash flow generation and disciplined capital allocation policies, Nilfisk has improved EBITDA and free cash flow generation in recent years. This growth has enabled targeted reinvestment into R&D – including a new product pipeline – as well as efforts to increase the continued growth in Service. Since 2021, net interest-bearing debt has also been reduced, increasing financial resilience for Nilfisk.

Resilient business model to drive sustainable capital allocation

Nilfisk's capital structure is constructed to ensure the financial flexibility required to execute on its business strategy. Going forward, the main objective is a continued reduction of net interest-bearing debt and further strengthening of the balance sheet. When financial gearing is sustainably within the target range between 1.5x and 2.0x, distributions by way of dividends or through the repurchase of shares are expected at around one-third of profit after tax.

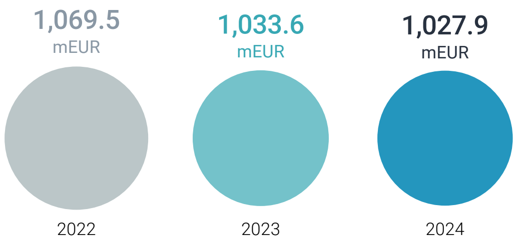
Financial highlights 2024

In 2024 Nilfisk delivered organic growth of 1.2% and increased margins by 0.4 percentage point. The performance was impacted by the slowdown in demand in the Americas and the macroeconomic challenges in APAC. Organic revenue growth and EBITDA margin before special items were in line with the latest outlook announced on October 24, 2024.

1,027.9 mEUR

Revenue

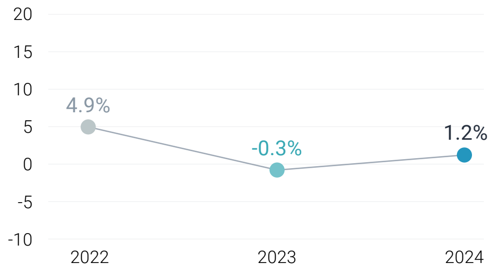
Revenue decreased by 0.6% compared to 2023, driven by the slowdown in demand in the Americas, alongside the macroeconomic challenges in APAC. This was partially offset by strong growth in EMEA and diligent price management across the business supported revenue.



1.2%

Organic growth

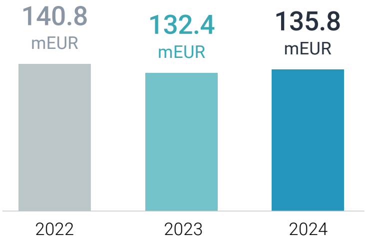
Organic growth for the total business was 1.2%. Consumer delivered very strong organic growth of 19.7%. Specialty and Service delivered organic growth of 4.9% and 0.6% respectively. Professional reported negative organic growth of 0.9%, impacted by the slowdown in demand in the Americas.



135.8 mEUR

EBITDA before special items (bsi)

EBITDA bsi was higher by 3.4 mEUR. This was supported by a gross margin improvement driven by price management and operational efficiencies. A favorable product mix benefited EBITDA bsi, which offset lower volumes and higher overhead costs.



13.2%

EBITDA margin before special items (bsi)

The EBITDA margin bsi came to 13.2%, an increase of 0.4 percentage point. The increase in gross margin offset the impact from the decline in revenue and the higher overhead cost.

2022	2023	2024
13.2%	12.8%	13.2%

35.4 mEUR

Profit for the year

Profit for the year amounted to 35.4 mEUR, in line with the prior year. The EBITDA bsi improvement was partly offset by higher financial items, while special items were lower than in 2023.

2022	2023	2024
40.6 mEUR	35.3 mEUR	35.4 mEUR

7.7 mEUR

Free cash flow

Free cash flow was 7.7 mEUR. Operating cash flow declined to 51.9 mEUR during 2024. Cash flow was negatively impacted by changes in working capital, as inventory grew to support the launch of new products.

2022	2023	2024
54.5 mEUR	115.2 mEUR	7.7 mEUR

270.1 mEUR

Net interest-bearing debt (NIBD)

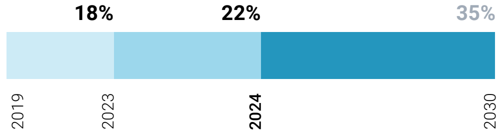
NIBD reached 270.1 mEUR, an increase of 17.9 mEUR, driven by an expansion in working capital. The gearing increased to 2.0x and remained within the target range of 1.5-2.0x.

2022	2023	2024
324.7 mEUR	252.2 mEUR	270.1 mEUR

Sustainability highlights

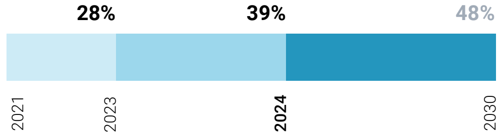
22%

Reduction in Scope 1 and 2 greenhouse gas emissions
Target of 35% emissions reduction by 2030, from 2019 base year. 22% absolute emissions reduction achieved in 2024.



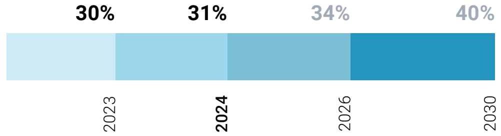
39%

Reduction in Scope 3 greenhouse gas emissions intensity
Target of 48% emissions intensity reduction by 2030, from 2021 base year. 39% emissions intensity reduction achieved in 2024.



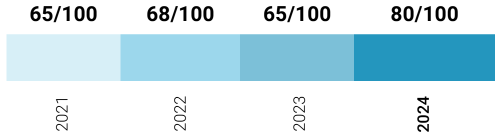
31%

Women in top management
In 2024, Nilfisk had a representation of 31% women in top management, which is comprised of the Nilfisk Leadership Team and their direct reports. The target is to have 34% of the underrepresented gender in top management by 2026 and equal representation by 2030 (minimum 40/60).



80/100

Points by EcoVadis
In 2024, Nilfisk was awarded an EcoVadis Gold Medal, scoring 80 out of 100 points, demonstrating an advanced sustainability management system. The annual target is to maintain Gold.



Scope 1 emissions are directly created by owned or controlled sources, including facilities and vehicle fleet.
Scope 2 emissions are from purchased sources such as electricity, steam, and heating.
Scope 3 emissions are all other indirect upstream and downstream emissions that occur in the value chain. Nilfisk's Scope 3 target aims at reducing greenhouse gas emissions from category 11 'use of sold products'.

Sustainability ratings and frameworks

Nilfisk is committed to offering transparency on our performance regarding environment, social, and governance.

In 2010, Nilfisk committed to the 10 principles of the UN Global Compact and has approved Science-Based Targets for all three scopes since January 2022.

Today, we disclose performance through several internationally-recognized providers of sustainability ratings.

In 2024, Nilfisk received an EcoVadis Gold medal for the third consecutive year and upheld a strong CDP Climate Change score of A- for the fifth consecutive year. In addition, the Institutional Shareholder Services Group (ISS) gave Nilfisk an ESG score of C+, identifying Nilfisk as an ISS 'industry prime' company.

Read more about our sustainability ratings and frameworks on page 63.

5-year consolidated financial highlights

EUR million	2024	2023	2022	2021	2020
Income statement					
Revenue	1,027.9	1,033.6	1,069.5	994.9	832.9
EBITDA before special items[1]	135.8	132.4	140.8	144.3	100.5
EBITDA[1]	129.4	123.1	133.3	139.9	90.6
Operating profit before special items[1]	71.9	71.1	79.5	84.1	32.9
Operating profit[1]	65.5	61.2	69.6	79.7	22.1
Special items, net	-6.4	-9.9	-9.9	-4.4	-10.8
Financial items, net	-22.2	-14.7	-17.0	-11.6	-14.7
Profit (loss) for the year	35.4	35.3	40.6	51.0	-2.6
Cash flow					
Cash flow from operating activities	51.9	143.0	82.0	74.7	89.5
Cash flow from investing activities	-44.2	-27.8	-27.5	-16.2	-16.0
– hereof investments in property, plant and equipment	-13.9	-8.6	-10.5	-5.8	-5.4
– hereof investments in intangible assets	-32.2	-22.4	-15.9	-11.7	-11.6
Free cash flow excluding acquisitions and divestments	7.7	115.2	54.5	58.5	73.5
Statement of financial position					
Total assets	894.7	814.0	863.4	841.2	763.5
Group equity	319.4	275.0	260.7	207.7	134.8
Working capital	179.0	139.6	202.1	175.7	131.6
Net interest-bearing debt	270.1	252.2	324.7	338.5	382.0
Capital employed	589.5	527.2	585.4	546.2	516.8
Financial ratios and employees					
Organic growth	1.2%	-0.3%	4.9%	20.7%	-11.5%
Gross margin[1]	42.2%	40.9%	39.5%	40.5%	41.6%
EBITDA margin before special items[1]	13.2%	12.8%	13.2%	14.5%	12.1%
EBITDA margin[1]	12.6%	11.9%	12.5%	14.1%	10.9%
Operating profit margin before special items[1]	7.0%	6.9%	7.4%	8.5%	4.0%
Operating profit margin[1]	6.4%	5.9%	6.5%	8.0%	2.7%
Financial gearing[1]	2.0	1.9	2.3	2.3	3.8
Overhead costs ratio[1]	35.2%	34.0%	32.0%	32.0%	37.7%
CAPEX ratio	4.5%	3.0%	2.5%	1.8%	2.0%
Working capital ratio[1]	16.9%	17.8%	21.6%	15.4%	18.8%
Return on Capital Employed (RoCE)[1]	12.8%	12.7%	13.4%	15.8%	5.9%
Basic earnings per share (EUR)	1.31	1.30	1.50	1.88	-0.10
Diluted earnings per share (EUR)	1.31	1.30	1.50	1.88	-0.10
Number of full-time employees, end of period	4,787	4,698	4,655	4,887	4,339

Read more details in the section Financial definitions on page 182.

[1] In 2020, amortization/impairment of acquisition-related intangibles is no longer presented in a separate line in the income statement. In addition, share of profit from associates is presented in a separate line under operating profit in the income statement.

Outlook for 2025

Organic revenue growth is expected to be between 1% and 3% and the EBITDA margin before special items is expected to be in the range of 13.0% to 14.0%.

This is expected to be driven by continued positive momentum in EMEA, supported by the launch of new products in the second half of 2024. A normalized order book in the Americas is expected to influence the Professional and Service Businesses, while the outlook for Consumer and Specialty remains strong. Potential trade barriers present additional uncertainty for Nilfisk.

The financial outlook for 2025 is based on several assumptions including:

- Stable market conditions in EMEA
- Neutral development in the US versus 2024
- The APAC region returning to moderate growth
- Limited impact from tariffs

Organic revenue growth

1% — 3%

EBITDA margin before special items

13.0% — 14.0%

Forward-looking statements

Statements made about the future in this report reflect the Executive Management Board's current expectations with regard to future events and financial results. Statements about the future are by their nature subject to uncertainty, and the results achieved may therefore differ from expectations, due to economic and financial market developments, legislative and regulatory changes in markets that the Nilfisk Group operates in, development in product demand, competitive conditions, energy and raw material prices, and other risk factors.

Nilfisk Holding A/S disclaims any liability to update or adjust statements about the future or the possible reasons for differences between actual and anticipated results except where required by legislation or other regulations.

Capital allocation policy

At the end of December 2024, Nilfisk's capital structure was comprised of approximately 36% equity and 64% debt. This capital structure provides the financial flexibility required to execute the company's strategy, with excess cash to be allocated across the following areas:

Funding Research & Development
Nilfisk will continue to invest a low single-digit percentage of revenue in 2025 into innovation. This will be primarily directed towards the development of new products and technologies. Nilfisk will also continue to invest in IT systems that increase productivity, as well as production capacity optimization initiatives.

Further deleveraging
Nilfisk will continue to allocate free cash flow towards the reduction of net interest-bearing debt. Since the beginning of 2021, Nilfisk has generated 235.9 mEUR of free cash flow, which has resulted in a 111.9 mEUR reduction in net interest-bearing debt. Deleveraging and further balance sheet strengthening continues to be a high priority for Nilfisk in 2025 and beyond.

Basis for distributions
Nilfisk's target for financial gearing – defined as net interest-bearing debt to EBITDA before special items – is between 1.5x and 2.0x. This excludes financing of any potential M&A. When the gearing is sustainably within the target range, distributions by way of dividends or share buybacks are expected at around one third of profit after tax.

Our strategy

16 **Strategic direction**
16 Strategic progress in 2024
17 Strategic direction towards long-term sustainable growth

18 **Strategy progress report**
19 Working strategically with sustainability
20 Strategic priorities
21 Optimization opportunities

VP300 R is the first product Nilfisk has launched using recycled plastics. The VP300 R, released early 2024, is made from 30% post-consumer recycled (PCR) plastic, reducing landfill waste. Recycled plastics is a dimension of sustainability and underscores our commitment to leading with sustainable products.

Strategic progress in 2024

At the beginning of 2022, Nilfisk launched Business Plan 2026. During 2024, the third year of the business plan, progress was made in some areas, while other areas encountered challenges. In particular, the goal to 'Grow in large-scale markets' has faced challenges due to a demand slowdown in the US. This led to Nilfisk removing two of the three financial targets in Business Plan 2026: revenue of 1.2 to 1.3 bnEUR and the EBITDA bsi margin above 16%.

Nilfisk maintains the strategic framework of Business Plan 2026 as a roadmap for delivering on our strategic direction.

Nilfisk strategy direction
The strategy is centered around six strategic levers, three strategic priorities, and three optimization opportunities. These are the three strategic priorities that have been identified as critical to securing long-term growth:

- Develop service-as-a-business
- Grow in large-scale markets
- Lead with innovation and sustainable products.

In addition, three existing growth platforms have been identified as optimization opportunities:

- Expand EMEA leadership position
- Enhance supply chain robustness
- Unleash growth of Specialty Business.

Both the strategic priorities and the optimization opportunities offer the potential to strengthen our leading position in the professional cleaning equipment industry and ensure higher value creation.

Read more about our 2024 progress within the strategic levers on the following pages.

Strategic direction towards long-term sustainable growth

Nilfisk value proposition

Lifecycle services
Optimizing customer value creation

Customer-centric innovation
Ensuring technology-enabled value creation

Sustainability commitment
Creating value for all stakeholders

Strategic priorities

Develop **service-as-a-business**

Grow in **large-scale markets**

Lead with **innovation and sustainable products**

Optimization opportunities

Expand **EMEA leadership position**

Enhance **supply chain robustness**

Unleash growth of **Specialty Business**

Ways of working

Execution culture
- Strategy deployment and managing projects
- Nilfisk Operating System

Digitally enabled
- IT backbone
- Digital applications and customer interface

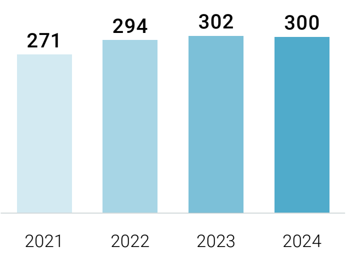
Empowered people
- Mobilizing the organization
- Growth mindset

ESRS data points incorporated by reference in this section: ESRS 2, SBM-1 40e

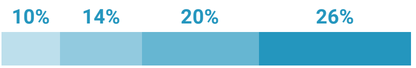
Strategic progress report

Develop service-as-a-business

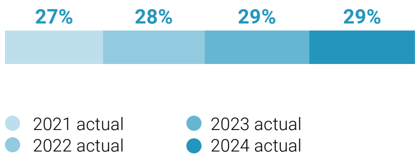
Service Business revenue
mEUR



Contract attachment rate

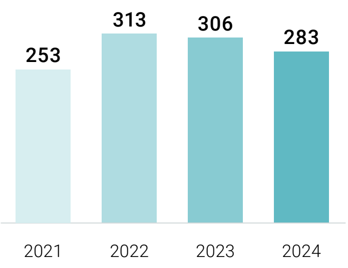


Service Business share of revenue



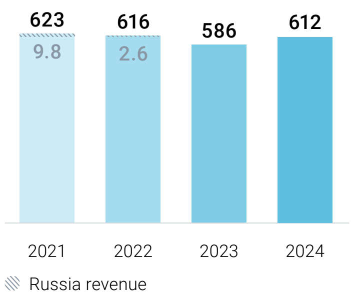
Grow in large-scale markets

Revenue in the US
mEUR



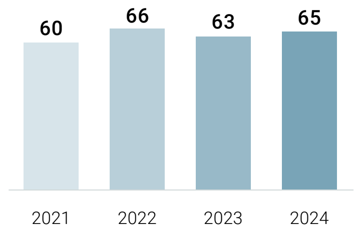
Expand EMEA leadership position

Revenue in EMEA
mEUR



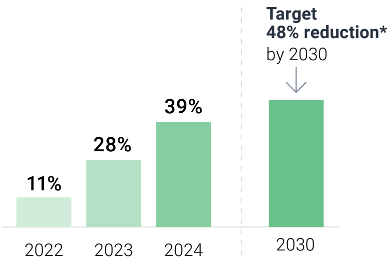
Unleash growth of Specialty Business

Revenue in Specialty Business
mEUR



Lead with innovation and sustainable products

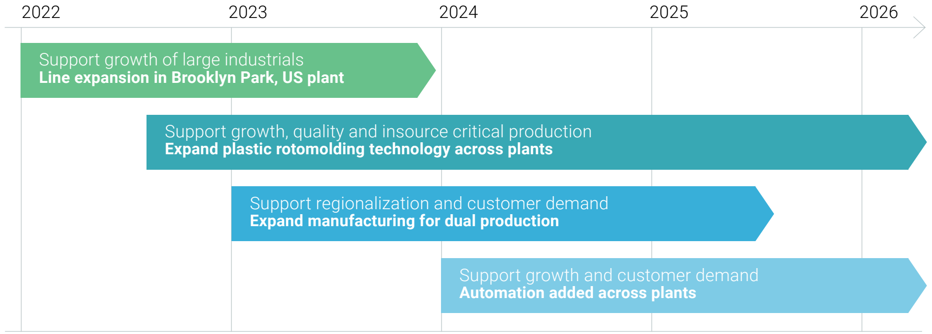
Reductions in Scope 3 emissions intensity



** Kg CO_2 eq/ EUR gross profit, based on use of sold products (Category 11) from a 2021 base year.*

Enhance supply chain robustness

Enhance supply chain robustness plan is well under way towards delivery:



Working strategically with sustainability

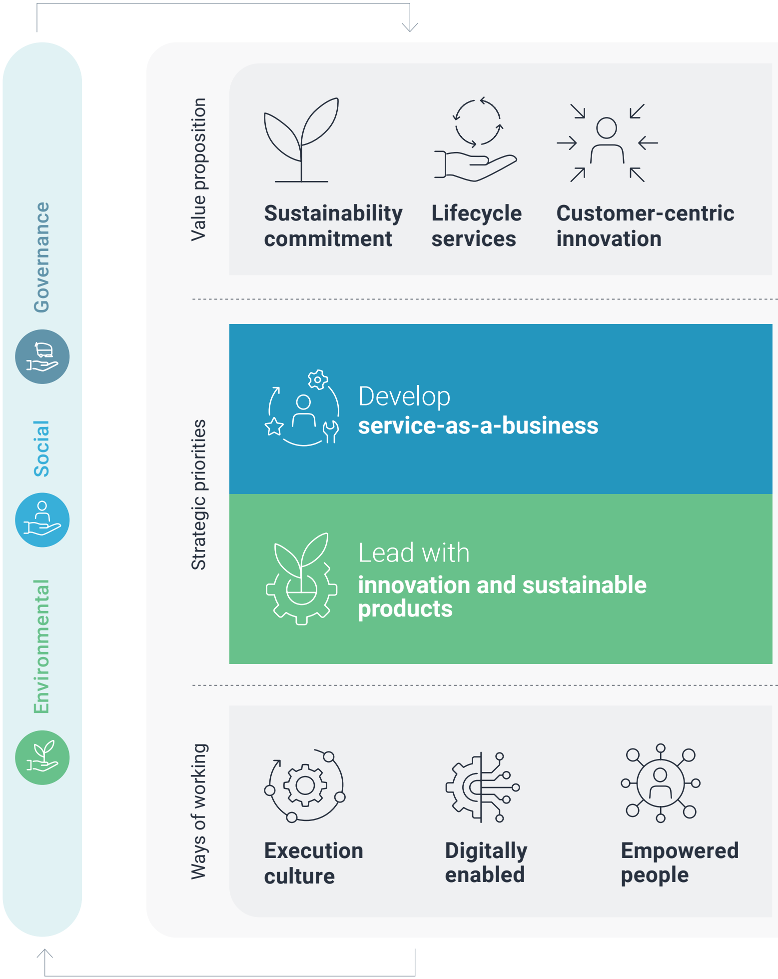
Building a sustainable future for generations to come requires embedding sustainability throughout our company. This principle is a fundamental part of Nilfisk's strategy. Our sustainability commitment is anchored in three mutually reinforcing levers: the Nilfisk value proposition and the two strategic priorities, to develop service-as-a business and to lead with sustainable products.

During 2024, Nilfisk continued to upgrade our sustainability capabilities through internal and external recruitments, updated roles and responsibilities, increased frequency of management reporting, and a strengthened focus on training. As the organizational maturity levels increase, we will focus on further advancing functional and regional accountability to deliver on the sustainability commitments.

A reiterative process that develops our strategy and business

We use the Double Materiality Assessment (DMA) as a strategic tool to align and calibrate our actions with our overall strategy. The DMA evaluates topics affecting our financial performance and how our activities impact these topics. We expand our commitments and targets through the DMA process, which drives business development and impact.

We continuously update our strategy and ways of working based on DMA outcomes. Read more in the Sustainability Statements section, starting on page 61.



Nilfisk's value proposition is based on three fundamental pillars: Sustainability commitment, Lifecycle services, and Customer-centric innovation. These serve as guiding principles for Nilfisk's innovation of products and services to ensure that the company creates value for all stakeholders, including customers, employees, investors and local communities.

Service-as-a-business is a key strategic priority for Nilfisk. This entails a move towards increasing the offering of services throughout the lifecycle of products. The goal is to extend the technical and economic life of Nilfisk products by offering comprehensive solutions to customers. This includes service plans that ensure timely service, value-adding upgrades, and customized leasing and rental solutions. Extending the lifetime of products helps conserve energy and resources and reduce waste.

Our ambition is to lead with innovation and sustainable products. We will continue to provide upgrades to our current offering of products, introducing new technologies, materials, features, and digital functionalities. New products or platforms will be designed to be significantly more energy- and resource-efficient than previous versions. Through modularity, we will be able to broaden our offering while controlling costs, improving serviceability, and reducing complexity. This will allow for resource-optimized, scalable growth that contributes to our sustainability commitments.

We believe that empowered people thrive in an enabling culture and we continuously work towards fostering a growth mindset, collaboration, and sustainability. To achieve this, we have built an execution culture based on value drivers and initiatives that are systematically and digitally tracked and managed. To enhance customer-centricity, execution agility, and results ownership, we have empowered our employees by delegating responsibility, thereby mobilizing the entire organization and instilling a culture that supports effective execution. Together, these three elements – execution culture, digital enablement, and empowered people – form a powerful engine driving our ways of working and long-term sustainable growth.

ESRS data points incorporated by reference in this section: ESRS 2, SBM-1 40e-g

Strategic priorities

Develop service-as-a-business

In 2024, Nilfisk continued to strengthen its Field Service operations as a key driver of long-term growth, focusing on solidifying its position in EMEA to accommodate the customers' needs. This region, with its strong technician network and established service processes, serves as the foundation for global expansion.

Customer satisfaction improved significantly in 2024 with a Service-transactional Net Promoter Score (tNPS) rising from 65 to 75.

In the Field Service area of the business, the EMEA and APAC led with growth while the Americas region declined. The PAC (Parts, Accessories, and Consumables) business declined in all three regions in 2024.

In 2024 the Service Business delivered a 26% service contract attachment rate at point of sale. Technician capacity grew by 7%, improving service responsiveness and first-time-fix rates.

Customers were introduced to Nilfisk My Fleet, an online platform for viewing and managing connected cleaning machines. With seamless access via mobile app and web platform, fleet managers can control machines and receive productivity insights anywhere, at anytime.

Grow in large-scale markets

A core priority of Nilfisk's strategic direction is growth in large-scale markets, with an initial focus on the US – the world's largest market for professional cleaning equipment, which accounts for approximately 35% of global demand.

In 2024, a slowdown in demand led to a performance below expectations in the Americas. However, Nilfisk remains committed to delivering long-term growth in the region going forward.

As part of the digital enablement initiative, Nilfisk implemented the Global SAP Template, a unified enterprise resource planning system. This platform integrates Sales, Service, Operations, and Finance across the US, Mexico, and most of EMEA, improving data management and collaboration. This system enhances operational efficiency and positions Nilfisk for scalable growth in large markets.

These efforts demonstrate Nilfisk's commitment to strengthening its market presence while building a robust foundation for sustainable expansion.

Lead with innovation and sustainable products

In 2024, we launched innovative product solutions that increase productivity, meet heightened cleaning standards, and address labor challenges in the professional cleaning industry.

The SC25 machine was launched in the spring and fills a gap in the market for smaller autonomous machines. The smaller scrubber-dryer has been well-received by customers and was being delivered to customers in large quantities by end of the year. Another new innovation was launched in November, the Nilfisk Dryft. A replacement for the traditional mop, the Dryft cleans small spaces fast and efficiently.

We also launched our first next generation product in 2024. These new products save energy, optimize ergonomics, and use recycled materials. Nilfisk remains committed to its Scope 3 target of a 48% emissions intensity reduction by 2030, a target that will be reached partly through the delivery of new more energy efficient products.

The SC550, Nilfisk's next-generation walk-behind scrubber-dryer, redefines efficiency with intuitive controls, adaptable design for various user needs, and significant resource savings, compared to previous machines, 27% less energy, and 60% less detergent. The SC550 is also designed to include 30% post-consumer plastic which will be implemented during 2025.

Nilfisk continues to prioritize and invest in new products, targeting 25% energy efficiency savings and the use of recycled plastic, with product launches planned in 2025 and onwards.

ESRS data points incorporated by reference in this section: ESRS 2, SBM-1 40e-g, 42b

Optimization opportunities

Expand EMEA leadership position

In 2024, Nilfisk achieved significant milestones in the EMEA region, with strategic investments fueling growth across key markets. We reaped the benefits of a new operating model and leadership structure, and sharpened our go-to-market strategy. Among several positive developments, we have secured significant deals in the UK, Ireland, East Europe and South Europe, and built a stronger foundation for continued success in our focus segments.

We saw a continuing upward growth trend throughout the year and despite market headwinds in some parts of Europe, our relentless focus on providing the relevant product offerings and services to contract cleaners, retail chains, institutions and industrial customers has delivered results.

Investments made in recent years to expand service capabilities, along with improvements in delivery capabilities, secured a positive year. Our ability to meet customer needs has been recognized by progress in customer satisfaction scores and improved loyalty. With our accelerated focus on meeting customer vertical needs, we are confident in sustaining growth.

Enhance supply chain robustness

Global supply chain challenges and geopolitical developments require strong risk management and resilient supply chains. Nilfisk has taken on this challenge, and as of 2024, our supply chain robustness plan is ahead of schedule. We have already finalized several improvements and optimization initiatives. Our production lines are now running efficiently, and the order backlog has been reduced to normal levels.

With a series of supply chain transformation projects globally, Nilfisk has optimized its control of the full value chain by insourcing critical production, increasing the share of direct shipments to customers, and optimizing machine customization processes.

Through dual sourcing, delivery performance has increased, and Nilfisk has significantly reduced disruptions in production and has shortened lead times.

To further support growth and customer demand, we have invested in productivity improvements, including adding automation at our production site in China. In Hungary and Mexico, we have invested heavily in productivity projects and footprint projects, giving us significantly improved output efficiency, leading to lowering of manufacturing costs. This supported our gross margin expansion in 2024.

Unleash growth of Specialty Business

When it comes to the Industrial Vacuum Solutions (IVS) business, the implementation of Nilfisk's strategic direction consists of two key phases: rebuild and expand. During the first half of 2024, we completed the transformational rebuild phase, focused on rebuilding and creating a robust business unit setup that spans the entire value chain, with an emphasis on customer-focused innovation, product excellence, and strong delivery.

In the second half of 2024, our focus shifted to expansion, achieving significant geographical growth in key markets such as the US, Germany, France, and the UK. We successfully launched four new products mid-year with a quick time-to-market and an operational framework designed for agility.

Our strategic efforts are already delivering results. The US market tracked well, driven by investments in specialist sales teams initiated in January 2023, with tangible outcomes visible in 2024. The order book at the end of 2024, was substantially higher than in 2023, profitability remained solid, and supply chain disruptions were no longer a concern. Notably, we have reduced the average time-to-market for new products launched this year to less than 12 months, enabling faster response to customer needs.

CASE

Designing ergonomic cleaning equipment for a healthier work environment

Nilfisk puts the users of our machines in the center of the design process, developing cleaning equipment that adjusts to different human needs. This ergonomic approach helps businesses create a healthier work environment, reducing work-related injuries and subsequent absences.

Operating a cleaning machine for hours every day can lead to musculoskeletal disorders, typically affecting the back, shoulders, and neck.

That's why Nilfisk has put the people using the cleaning equipment at the heart of our design and innovation processes. We no longer only focus on the effectiveness of the cleaning machines, but also consider how the machines impact the diverse range of users who often take turns using the same cleaning machine.

Our new walk-behind scrubber dryer, the SC550, presented at Interclean trade show in May, prioritizes ergonomic flexibility. Nilfisk has crafted a machine that adjusts to the different heights of cleaning operators, offsetting the physical stresses placed on staff while operating the machinery. The machine tailors itself to each specific person through personalized logins, reducing the risk of fatigue and muscle-related problems.

Our tailored, people-focused design helps employers and contractors provide a healthier work environment, which in turn helps businesses overcome the challenge of critical staff shortages. It helps avoid prolonged absences or staff departures due to poor working conditions.

Targeting our end users' needs is pivotal for Nilfisk's innovation and design. We are always creating additional value for customers through a customer-centric mindset.

By designing ergonomically correct next-generation machines that enhance end-user comfort, Nilfisk helps individuals maintain a healthy work life. This ultimately supports companies by maintaining a strong and injury-free workforce that can help create a cleaner and safer environment for all.

ESRS data points incorporated by reference in this section: ESRS 2, SBM-1 42b

Our business

24 **Operating model**

25 **Customers**

26 **Solutions**
26 Innovating with the customer in mind
27 What we do
28 Next generation products

29 **Channels**

30 **Operations**

32 **R&D**

34 **Integrating sustainability**

Nilfisk took part in several large-scale trade shows during 2024, displaying our new products to the markets. From Interclean in Amsterdam to China International Import Expo and ISSA Show North America, Nilfisk displayed our latest innovative products.

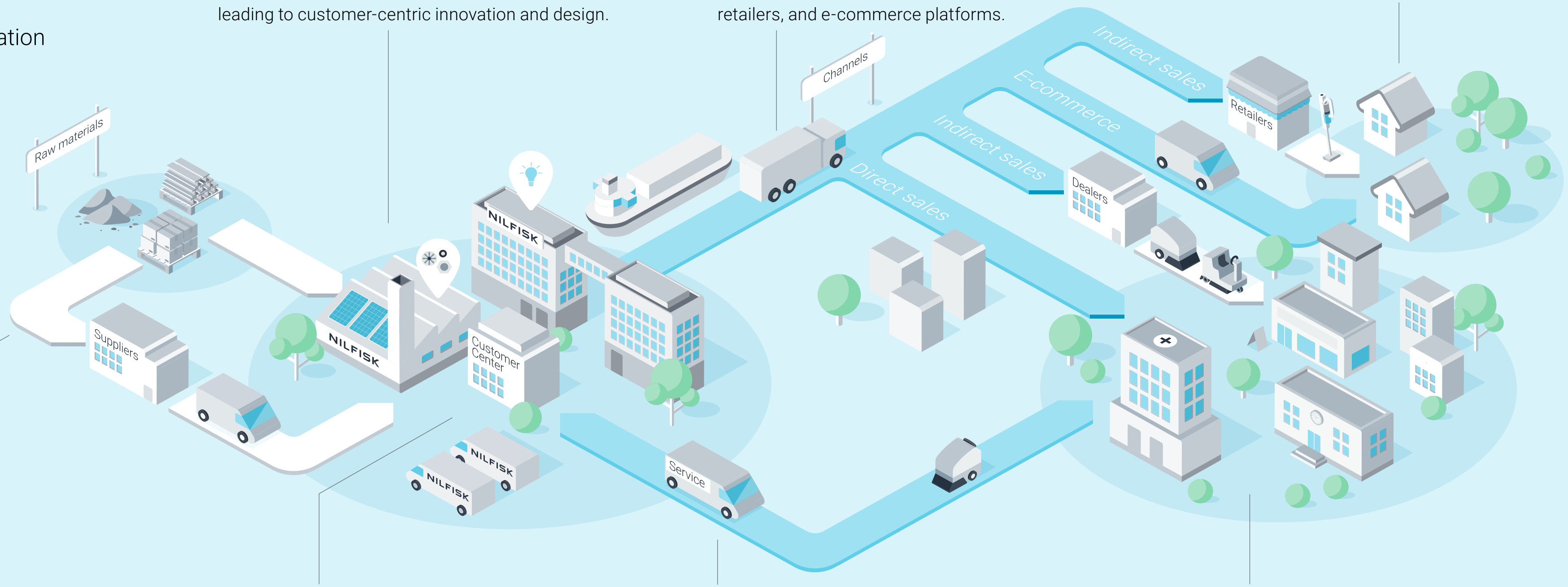
How Nilfisk operates

Enabling more sustainable cleaning solutions from upstream to downstream. For a more detailed illustration on sustainability-related topics, see section on our value chain page 67.

Business activities
Grounded in internationally-recognized sustainability principles, Nilfisk transforms end-user needs into solutions, leading to customer-centric innovation and design.

Sales channels
Channels across more than 100 countries include direct sales, indirect sales through dealers and retailers, and e-commerce platforms.

Consumers
Consumers are served with a range of vacuum cleaners and high-pressure washers.



Resource inflow
Nilfisk purchases raw materials, components for machines, parts, accessories, and consumables. Through good governance practices, Nilfisk seeks to mitigate negative social and environmental impact.

Customer touchpoints
Touchpoints include Customer Care and Field Service technicians.

Service and takeback
Nilfisk offers customers comprehensive lifecycle service solutions to prolong product lifetime by increasing serviceability. Once the products have reached the end of life, Nilfisk offers select takeback.

Professional customers
Professional customers range from large global companies buying fleets to smaller businesses buying single products.

ESRS data points incorporated by reference in this section: ESRS 2, SBM-1 42, 42c, AR 14a

Covering fleets to single machine customers

Our customers range from large global customers buying fleets of machines to smaller businesses and consumers buying a single piece of cleaning equipment. We work with our customers in four business verticals covering 15 application segments.

Contract Cleaners and Institutions

This vertical includes Contract Cleaners and Institutions, such as Education, Office & Public Buildings, Retail, Healthcare, and Hospitality. Optimizing cleaning task efficiency is key, as customers in these segments are facing labor shortages alongside heightened standards for high-quality cleaning results, often in public-facing environments.

Contract cleaners
Education
Offices & Public buildings
Retail
Healthcare
Hospitality

Industry

The industry vertical covers areas like Manufacturing, Warehousing and Logistics, Food & Beverage, Iron & Metal, and Pharma. For customers in these industries, cleaning is a key element in ensuring efficient and safe production workflows, proper maintenance of production equipment, and compliance with quality standards and regulations.

Manufacturing
Warehousing & Logistics
Food & Beverage
Iron & Metal
Pharma

Agriculture, Building & Construction, Automotive

Robust and high-performing cleaning solutions play an important role in securing safe work conditions in dirty, dusty, and harsh environments, such as Agriculture, Building & Construction, and Automotive. In addition, it is key to these customers that their essential equipment is maintained regularly for optimal use.

Agriculture
Building & Construction
Automotive

Consumer

In addition to our professional customer base, Nilfisk also offers consumers a range of high-pressure washers and vacuum cleaners.

Consumer

ESRS data points incorporated by reference in this section: ESRS 2, SBM-1 40aii, 42, AR 14b

Innovating with the customer in mind

Nilfisk develops, manufactures, and sells a comprehensive portfolio of cleaning solutions and services targeting the premium and mid-range markets for professional cleaning, complemented by cleaning solutions tailored to households.

At Nilfisk, innovation and product development start with our value proposition to provide lifecycle services, ensure customer-centric innovation, and fulfill our sustainability commitment. In combination with deep customer insights, this value proposition is the guiding principle for the development of products and services via close cross-functional collaboration between R&D, Product Management, external technology partners, and customers.

Product development for most of our products is managed from three competence centers, one in each of our regions EMEA, Americas, and APAC. R&D is in a total of six locations across Denmark, Italy, the US, and China. In 2024, approximately 3.7% of total revenue was spent on R&D, an increase from the average level of approximately 2.9% for the years 2021 to 2023.

Nilfisk has a unique product range in terms of breadth and depth versus peers in the industry. Our product portfolio spans from advanced industrial vacuum solutions, to pressure washers and floorcare equipment, to simpler yet effective household vacuum solutions. These products and our services are designed to ensure customer value through high durability, enhanced productivity, and a strong focus on sustainability and safety.

In 2024, Nilfisk launched a range of new products, including the walk-behind scrubber dryer SC550, the compact autonomous solution SC25, and the Nilfisk Dryft. Furthermore, we introduced new high-pressure washers in our professional segment, several new IVS machines, and the VP300 R vacuum cleaner in post-consumer recycled plastic.

ESRS data points incorporated by reference in this section: ESRS 2, SBM-1 40aii, 42a-b

What we do

Floorcare

Nilfisk's largest product line is floorcare, spanning a wide range of scrubber dryers from small walk-behinds to large ride-ons and autonomous solutions. It also includes sweepers, combination machines, carpet extractors, and burnishers. Our products enable our users to deliver a great customer experience and to provide good working conditions and a safe environment for end users in compliance with health and safety regulations.

With continued labor shortages in the cleaning sector, Nilfisk sees a growing need for autonomous solutions in floorcare alongside traditional cleaning solutions in order to offer a complete suite of solutions for our customers.

Vacuum cleaners

Nilfisk offers a wide range of vacuum cleaners for commercial customers and households. Our products range from small commercial cannisters and upright and backpack vacs to professional wet & dry and safety vacs to large industrial systems. Each product is designed to ensure clean, attractive spaces in homes, hospitality, offices, and transportation, as well as safe and clean working conditions in construction, manufacturing, and food production by removing hazardous and explosive dust and fumes.

Pressure washers

Nilfisk offers an extensive range of consumer and professional pressure washer products, both stationary and mobile, and for either cold or hot water. This wide range ensures that home and gardening needs are easily handled, and that farming, building, transportation, and industrial equipment is always in great condition, ready for use. Our products are known for their compliance with strict health and safety regulations for farming and food production.

Service

Easy and quick access to professional service is a key value proposition for our customers, especially when they are looking for productivity gains. With the help of our service technicians, customers can maximize the efficiency of their cleaning operations across the entire equipment lifecycle.

Nilfisk offers a comprehensive range of service solutions. With our strategic focus on building service-as-a-business, both existing and new customers are offered service contracts when relevant for the chosen equipment. The service contracts provide a combination of preventive maintenance, needed repairs including parts and labor, and consumables to ensure optimal performance.

About 750 Nilfisk Field Service Technicians and an additional 300 authorized third-party technicians work within Nilfisk Service Solutions to deliver service, maintenance, and advice. Third-party technicians are certified by Nilfisk to ensure consistent service quality across our global network. Nilfisk Service Business has the largest coverage in EMEA regions via our own Field Service Technicians, while third-party technicians are used more frequently in Americas and APAC.

In addition to our range of service solutions, Nilfisk offers spare parts, accessories, and consumables (PAC) for all product groups.

Digital Solutions

Nilfisk is also developing new customer-centric and scalable digital solutions that harness the potential of data collection and mining to transform professional cleaning. By gathering and analyzing data, these solutions convert information into actionable insights that empower customers to optimize cleaning processes, enhance operational efficiency, and gain a competitive edge. These insights are presented through the Nilfisk Connectivity Portal designed to help customers drive real business value.

Beyond the customer-facing benefits, data-driven insights hold significant potential internally, offering opportunities to improve service delivery, guide product development, boost sales efficiency, and support growth. This approach reflects Nilfisk's commitment to pioneering a smarter, data-focused future for the cleaning industry, benefiting both customers and internal operations.

ESRS data points incorporated by reference in this section: ESRS 2, SBM-1 40ai, AR 14a

Next generation products

Nilfisk's next generation of products is focused on a deep understanding of our customer and end user needs, resulting in a range of cleaning solutions that are more simple, intuitive, adaptable, and more sustainable than previously.

As exemplified by the new SC550 floor scrubber-dryer that launched in 2024, we have created a product that sets a new usability benchmark in the cleaning industry. The machine can physically and digitally adapt to different users, languages, and profiles. Guided by colored user interaction touch points, the end user can adjust both the height and angle of the interface, reducing the risk of fatigue and injury while increasing productivity.

Additionally, the SC550 demonstrates multiple dimensions that support our sustainability ambitions. With an emphasis on applying new technologies, we have designed a machine that can accommodate up to 30% post-consumer plastics and is 27% more energy efficient compared to older generation machines such as the SC500. Incorporating circular practices, the machine is also prepared for refurbishment, remanufacturing, and component recycling to minimize waste. Furthermore, the SC550 is easy to maintain, service and repair, which will prolong the lifetime of the machine.

The new user interface includes pre-calibrated cleaning settings that carefully control the use of water, detergents, and electricity while ensuring the right quality of cleaning performance. In combination these numerous customer benefits contribute to reducing the total cost of ownership.

From 2025 onwards, Nilfisk will introduce more next-generation products, reflecting our commitment to customers and the planet.

ESRS data points incorporated by reference in this section: ESRS 2, SBM-1 42b

Serving our customers through various channels and touchpoints

With a global sales force and well-established sales channels, Nilfisk has developed valuable customer relationships and partnerships all over the world, supporting our targeted go-to-market approach.

More than 1,500 full-time employees work in Nilfisk sales force and service functions across more than 40 countries in our three regions: EMEA, Americas, and APAC. These employees support both direct sales and service to customers as well as working through our dealer channels. Nilfisk's teams focus on delivering the highest levels of customer satisfaction and ensuring that doing business with Nilfisk is as simple as possible.

Direct sales
Building relationships with customers while offering personal attention and quality service are key parameters for our national sales teams. Dedicated national key account management including inside sales means our sales force can provide customers with the most relevant information along with offers for standardized packages of machines and cleaning solutions. Nilfisk takes a strategic partnership approach to our largest accounts, offering internationally-coordinated key account management. We offer individually selected packages of equipment as well as financial solutions and we take pride in providing services tailored to our customers' needs.

Indirect sales
Some geographies and customer types are served by validated distributors. Through an extensive network of dealers, retailers, and selected distributors, Nilfisk's products and solutions are sold in more than 100 countries. Indirect sales providers range from large national exclusive dealers to smaller vendors selling a variety of cleaning products and brands. These selected distributors help us achieve solid market access, a wide customer base, and an intimate understanding of the local markets, in many cases building on existing relationships with specific businesses and customer segments.

Customer Service
Nilfisk Customer Care teams are in contact with customers all over the world every day, helping customers with solutions to problems related to cleaning equipment or processes. They leverage the latest technologies within voice, mail, and digital communication. Nilfisk focuses on delivering the highest level of customer satisfaction and ensuring that doing business with Nilfisk is as simple as possible. Customer satisfaction (measured by Relationship Net Promoter Score (RNPS)) rose in 2024. Customers reported satisfaction with our products and the professionalism of our salespeople, Customer Care teams, and Field Service Technicians.

Field Service
Nilfisk's field service organization is a cornerstone of our customer success strategy, supported by over 820 factory-trained and certified technicians worldwide. Our field service technicians repair, refurbish, and recycle machine components. This aligns with Nilfisk's ESG goals and environmental commitment by prolonging the products' lifespan. In 2024, we expanded service capacity by 7%, further improving our service response times and enhancing service delivery to better meet our customers' needs. Our field service experience fosters customer loyalty, and we are dedicated to being a trusted partner, ensuring our customers can operate efficiently and sustainably.

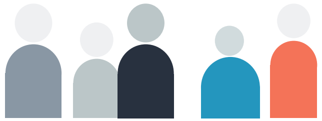
E-commerce
Nilfisk serves professional customers and consumers via e-commerce platforms, providing enhanced flexibility for customers to order whenever it suits them. Nilfisk sells consumer products via web shops in several markets directly to end users, as well as cleaning equipment to professional customers via a B2B platform.

This year, Nilfisk continued strengthening its e-commerce offering to the professional segment, which will come to fruition in early 2025, when Nilfisk launches a new B2B e-commerce platform. In addition to providing access to a full range of machines, the new e-commerce platform will also offer service agreements, parts, accessories, and consumables.

The goal is to ensure an improved and streamlined online buying experience for both consumers and professional customers while simplifying and globalizing digital sales processes.

1,500

full-time employees
work in Nilfisk's sales force and sales support function across the world



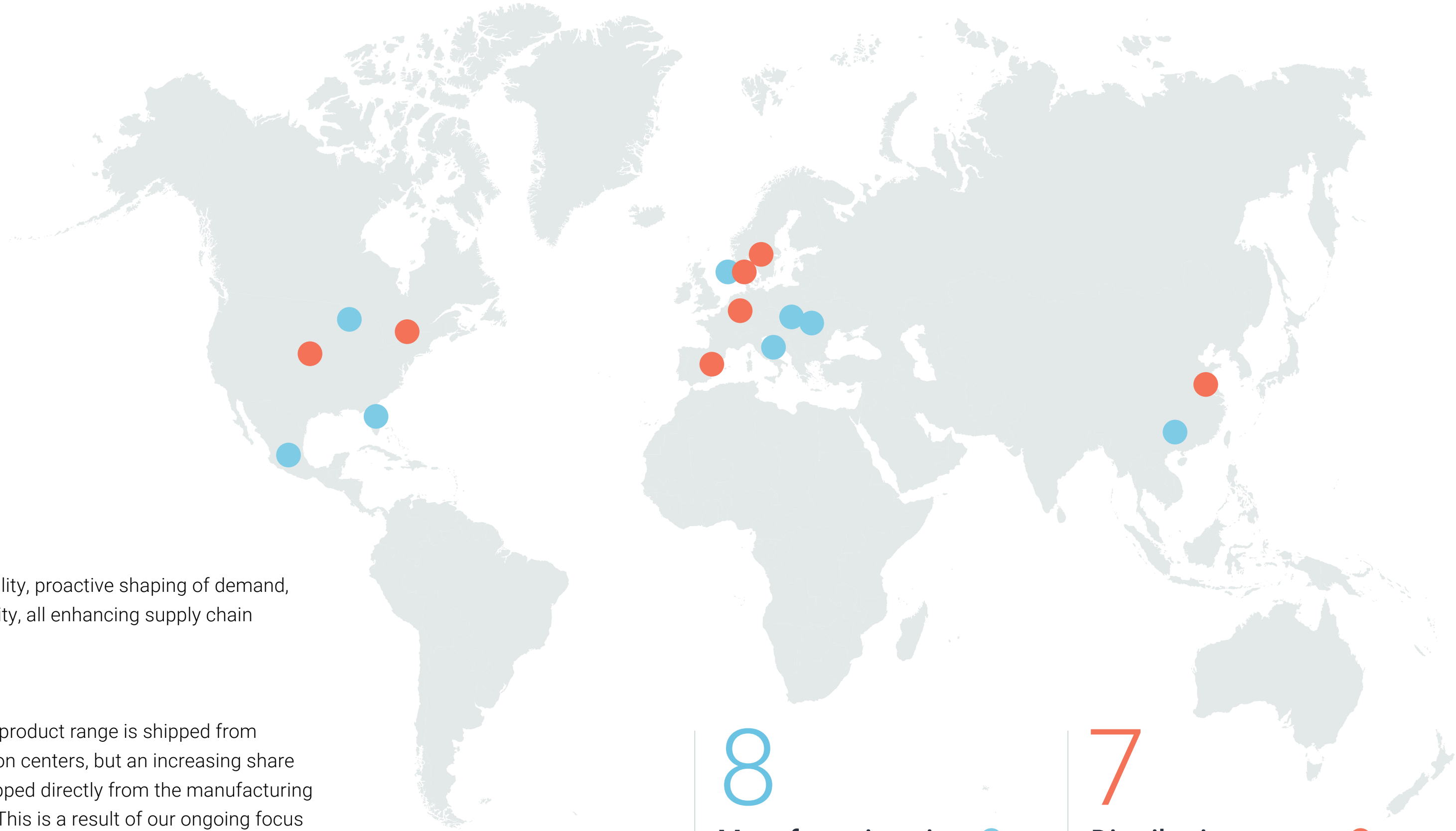
40+

countries in three regions
Our three regions are: EMEA, Americas, and APAC region

ESRS data points incorporated by reference in this section: ESRS 2, SBM-1 40aii, 42, AR 14b

Operations

Operations drives planning, sourcing, logistics, manufacturing, and quality to ensure that the three regions – EMEA, APAC, and Americas – are supported with completed products and parts.



Operations and manufacturing

Nilfisk's manufacturing setup is based on assembling components purchased from external suppliers or made in-house. Assembly is done at Nilfisk's eight manufacturing sites located on three continents. As part of the strategic direction optimization, efforts to enhance supply chain robustness have resulted in the manufacturing setup changing towards a more local-for-local setup. This entails sourcing of parts and components closer to manufacturing sites, limiting transportation time, as well as reducing Scope 1 and 2 emissions. Regional supply chains also decrease external dependency and allow Nilfisk to balance risks posed by heightened global uncertainty.

Cost-effective sourcing of components, alongside a comprehensive sales and operations planning process leading to efficient manufacturing and distribution, are important value creation factors for Nilfisk. This enables timely decisions, scalability, proactive shaping of demand, and financial predictability, all enhancing supply chain robustness.

Distribution

The majority of Nilfisk's product range is shipped from Nilfisk's seven distribution centers, but an increasing share of products is being shipped directly from the manufacturing sites to our customers. This is a result of our ongoing focus on improving the customer experience, reducing carbon emissions and lead-time, and continuously striving for better solutions and lower costs.

Nilfisk uses sea freight for intercontinental logistics and trucks for road logistics, seeking the most sustainable logistics solution.

- ● ISO 9001 certifications
- ● ISO 14001 certifications
- ● ISO 45001 certifications
- ● ISO 50001 certifications

8

Manufacturing sites

- Brooklyn Park (MN, US) ● ●
- Fort Pierce (FL, US) ●
- Querétaro (Mexico) ● ● ●
- Sziget (Hungary) ● ● ●
- Nagykanizsa (Hungary) ● ● ● ●
- Aalborg (Denmark)
- Zocca (Italy) ● ● ●
- Dongguan (China) ● ● ●

7

Distribution centers

- Springdale (AR, US) ●
- Morgantown (PA, US)
- Ghent (Belgium) ●
- Tarragona (Spain)
- Trollhättan (Sweden)
- Horsens (Denmark)
- Shanghai (China)

ESRS data points incorporated by reference in this section: ESRS 2, SBM-1 42

CASE

Securing the supply chain with a dual sourcing strategy

By implementing a dual sourcing strategy, Nilfisk ensures a robust supply chain that enhances delivery performance, optimizes robustness in production output, and minimizes overall risk. This strategy is a key component of our strategic direction.

In recent years, geopolitical turmoil has caused global supply chain challenges. The COVID-19 pandemic disrupted global trade when production slowed down or came to a halt and countries locked down. When the war in Ukraine broke out, companies suddenly withdrew from all activities related to Russia. And in 2023, attacks on container ships in the Red Sea forced international shipping reroute to south of Africa.

Nilfisk has always worked on improving and securing its supply chain, but with these global challenges the importance of an efficient and robust supply chain was underscored.

Over the past year Nilfisk has launched near-shoring projects in Mexico and China. By relocating production and sourcing of raw materials and components closer to key markets, Nilfisk enhances operational flexibility, improves capacity to meet regional demands, and reduces lead times and logistical risks. Near-shoring also mitigates transportation delays and trade fluctuations. These two projects alone involve 250 parts for the Americas and more than 1,000 parts for the Asia-Pacific region.

Furthermore, Nilfisk has executed tool duplication projects for the manufacturing of light iVac-products, making sure to always have several suppliers of the most crucial tools used for production. This initiative ensures seamless production of more than 30 critical product items. With this proactive step, Nilfisk minimizes downtime risks related to tool shortages or wear, ensuring continuous production flow to meet the constant market demand.

To reduce lead times and lower risks tied to international logistics, Nilfisk has established a regional base of Parts, Accessories, and Consumables suppliers in Europe. This minimizes the risks of depending on single-sourced supplies.

The strategic focus on sourcing locally also reduces pollution from transportation, which matches Nilfisk's commitment to sustainability.

These are just some of Nilfisk's ongoing investments in supplier robustness to ensure operational stability and long-term market competitiveness.

ESRS data points incorporated by reference in this section: ESRS 2, SBM-1 42, AR14b

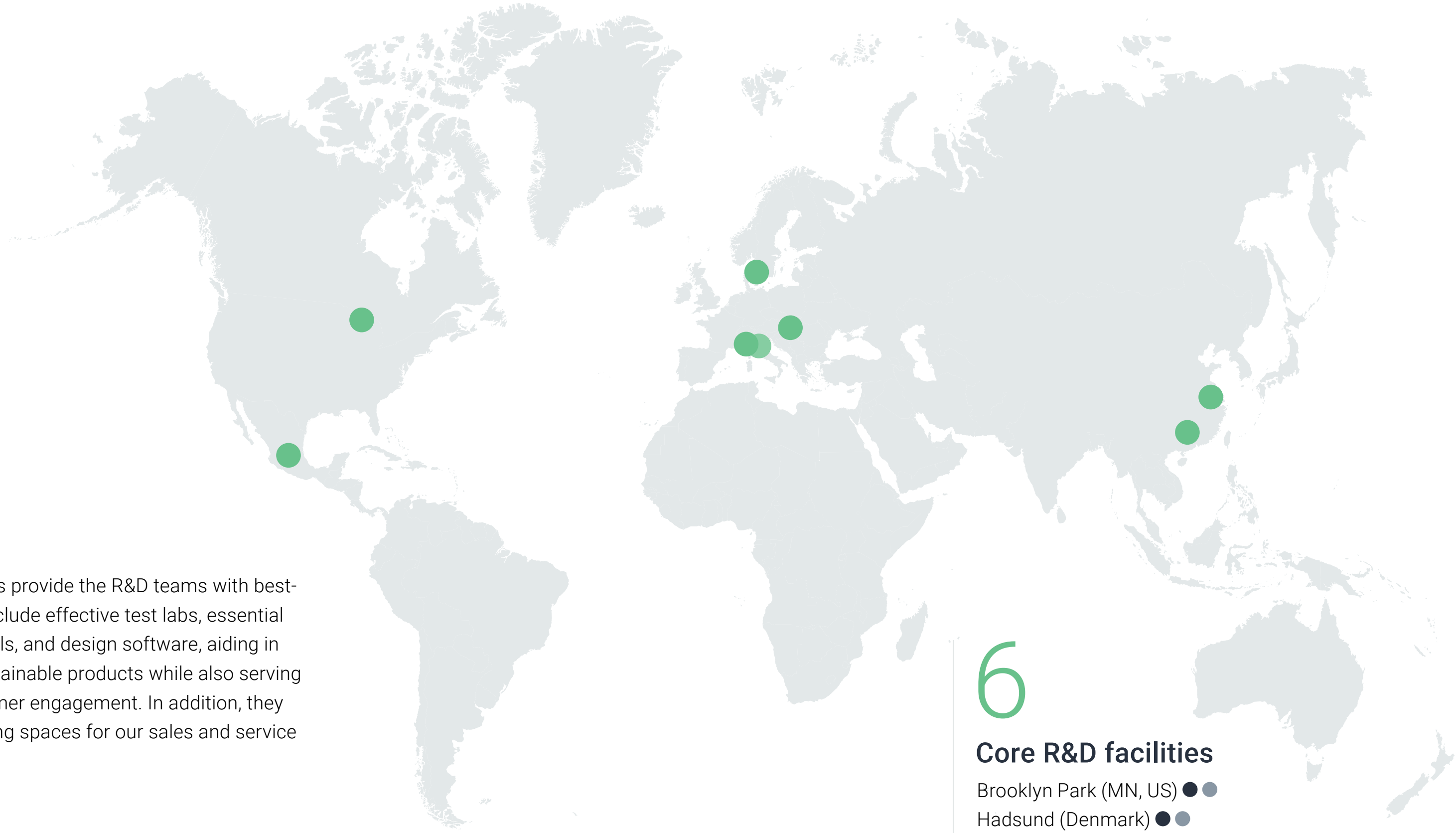
R&D

Innovation is deeply rooted in Nilfisk's DNA and is key to our future. Our R&D setup transforms specialized insights into roadmaps for the development of cleaning products and solutions.

Nilfisk has concentrated R&D resources and capabilities in six competence centers strategically positioned across our regions and supported by two satellite R&D facilities for continued development work. The collective strength of our engineers is rooted in their deep insights into specialized domains, enabling the centers to serve as a hub for the development of both mechanical and autonomous cleaning machines as well as new solutions.

Our R&D work covers a full range of applications such as floorcare, vacuum cleaners, pressure washers, industrial vacuum solutions, and consumer products. Beyond tangible products, R&D also actively contributes to the development of technology, enterprise modules, modular software, and architectures, enriching our product ecosystem and shaping the innovation roadmap.

The competence centers provide the R&D teams with best-in-class facilities that include effective test labs, essential equipment, practical tools, and design software, aiding in the development of sustainable products while also serving as focal point for customer engagement. In addition, they provide dedicated training spaces for our sales and service teams.



6

Core R&D facilities

Brooklyn Park (MN, US) ● ●
Hadsund (Denmark) ● ●
Zocca (Italy) ● ● ●
Piacenza (Italy) ●
Dongguan (China) ●
Suzhou (China) ●

Satellite R&D facilities:
Sziget (Hungary) ● ● ●
Querétaro (Mexico) ● ● ●

● ISO 9001 certifications
● ISO 14001 certifications
● ISO 45001 certifications

ESRS data points incorporated by reference in this section: ESRS 2, SBM-1 42

Relentless innovation is crucial for the future success of Nilfisk. Since 2021, Nilfisk has increased its investments into Research and Development. Spend has been allocated to developing new innovation and refreshing our core product offering.

Increased R&D investments over the past years has yielded results, with several new product launches in the second half of 2024. Early results and customer feedback has been positive, with new innovation contributing positively to our performance in EMEA in 2024.

With a full innovation funnel from elevated R&D in recent years, Nilfisk is well positioned to continue to address our customers' needs with new and relevant products in the years ahead.

Investments in R&D 2020-2024

	2020	2021	2022	2023	2024	Total
EUR million	23.1	25.6	30.8	33.1	38.4	**151.0**
R&D ratio (% of revenue)	2.8%	2.6%	2.9%	3.2%	3.7%	

Integrating sustainability into our business

At Nilfisk, sustainability is embedded throughout our company, and leading the industry with sustainable products is a key strategic priority.

Nilfisk has been at the forefront of developing high-performing cleaning equipment for 119 years, consistently recognized for the exceptional quality and longevity of our products. Our machines are designed to last and are easy to service and maintain, and can even be refurbished when they are no longer functional. This vision, originally established by Peder Andersen Fisker in 1906, remains integral to our DNA and is an important aspect of our sustainability commitment and value proposition.

Sustainability is a value driver

Sustainability is increasingly important to our customers, investors, employees, and other stakeholders and is an integrated part of our company strategy and planning. In 2024, an insights study we conducted showed us that sustainability is among the top four value drivers for our customers regarding cleaning.

By developing innovative, sustainable cleaning solutions for our customers and providing data transparency, we empower informed decisions and create meaningful impact that adds value for all our stakeholders.

Leading with innovation and sustainable products

Our heritage and strategic direction are rooted in designing safe, efficient, and durable products driven by customer-centric innovation. By integrating sustainability into our product development, we aim to lead with sustainable solutions, explore service-based business models, and strengthen our market position.

Our innovation strategy focuses on creating new products and upgrading existing ones with sustainability at the core. Complementing this, our lifecycle services extend product lifespans, enhancing both serviceability and environmental impact.

We take a lifecycle approach to product sustainability, addressing every stage – from design and material sourcing to manufacturing, distribution, use, reuse, and responsible end-of-life management.

Sustainability linked in the organization

Nilfisk is connecting sustainability financially through a sustainability-linked loan agreement and corporate bonus schemes. The interest margin on one of our credit facilities and our short- and long-term incentive programs are tied to Nilfisk's annual progress towards our sustainability commitments. Based on these initiatives, we are paving the way for Nilfisk's development into a sustainability-enabled organization.

Disclosing progress

In 2010, we committed to the 10 principles of the UN Global Compact, and our commitment remains firm.

Aligned with the CSRD, the principle of double materiality is the foundation for how Nilfisk prioritizes and executes on sustainability initiatives, including how we contribute to the UN Sustainable Development Goals (SDGs).

We have had approved Science-Based Targets (SBTi) for Scope 1, 2, and 3 since January 2022 and take pride in being one of the first companies in the cleaning industry to adopt a science-based and transparent approach to sustainability.

Furthermore, we disclose our impacts through several internationally recognized sustainability frameworks such as CDP, EcoVadis, and Sedex.

Based on these efforts, we believe that we have paved the way for Nilfisk's ongoing development as a truly sustainability-enabled organization.

Our financial results

36 **Business performance**
37 Professional Business
38 Service Business
39 Specialty Business
40 Consumer Business
41 Regions

42 **Financial review**

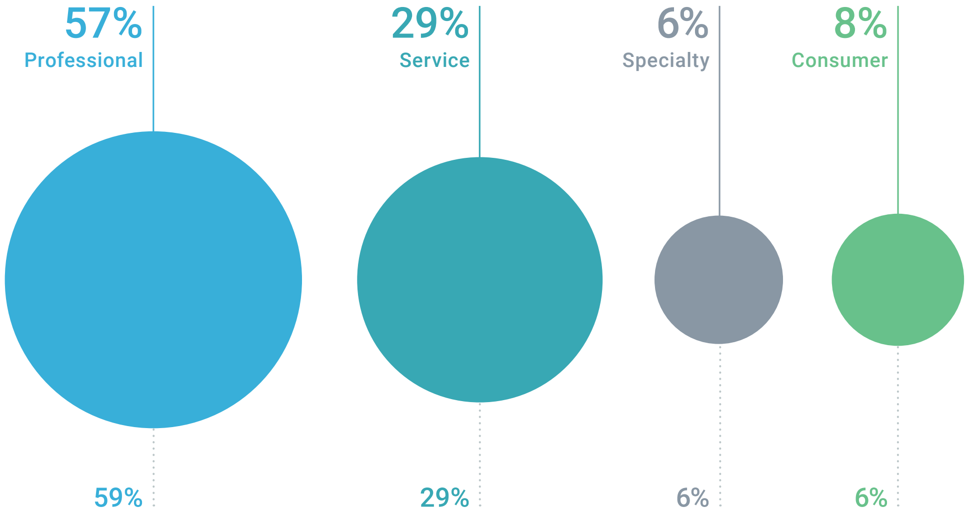
44 **Q4 performance**

45 **Quarterly overview**

In 2024, Nilfisk expanded the production lines of our factories in Dongguan, China and Querétaro, Mexico. The expansion has moved production nearer to local markets to help reduce backlogs, cut transportation and product costs, as well as delivery times.

Business performance

Revenue share 2024



Revenue share 2023

Revenue and organic growth by operating segments

EUR million	Revenue 2024	Revenue 2023	Organic growth 2024	Impact of foreign exchange rates	Total growth
Professional	585.8	603.6	-0.9%	-2.0%	-2.9%
Service	299.8	302.4	0.6%	-1.5%	-0.9%
Specialty	65.0	62.6	4.9%	-1.1%	3.8%
Consumer	77.3	65.0	19.7%	-0.8%	18.9%
Total	**1,027.9**	**1,033.6**	**1.2%**	**-1.8%**	**-0.6%**

2024 in brief

1,027.9 mEUR
Revenue
Total revenue was 0.6% lower than in 2023, driven by the slowdown in demand in Americas, macro-economic challenges in APAC and negative currency impact. Price management across the business supported revenue.

1.2%
Organic growth
Strong organic growth in Consumer and Specialty and limited organic growth in Service was partially offset by negative organic growth in Professional.

135.8 mEUR
EBITDA before special items
corresponding to an EBITDA margin before special items of 13.2%.

129.4 mEUR
EBITDA
corresponding to an EBITDA margin of 12.6%.

6.4 mEUR
Special items
mainly related to restructuring costs and costs incurred for strategic improvement projects.

65.5 mEUR
Operating profit
corresponding to an operating profit margin of 6.4%.

51.9 mEUR
Operating cash flow
down by 91.1 mEUR compared to the prior year. Free cash flow came to 7.7 mEUR, a decrease of 107.5 mEUR from higher working capital.

179.0 mEUR
Working capital
corresponding to a working capital ratio of 16.9% measured on a rolling 12-month basis.

ESRS data points incorporated by reference in this section: ESRS 2, SBM-1 40aii, b, AR 14

Professional Business

In 2024, the Professional Business faced headwinds in Americas and APAC, while EMEA delivered positive organic growth compared to 2023.

Total revenue amounted to 585.8 mEUR compared to 603.6 mEUR in 2023, corresponding to reported growth of -2.9%. The effect of foreign exchange rates was -2.0%, consequently, organic growth for the full year came to -0.9%.

Private Label saw strong organic growth and impacted Professional Business positively. Floorcare delivered flattish growth while VAC and HPW saw organic decline. The negative organic growth in Americas was driven by a slowdown in demand alongside the US high-pressure washer business being impacted by a hurricane in the last quarter of 2024. In APAC, the majority of the underlying markets faced headwinds from macroeconomic challenges. This was partly offset by solid organic growth across EMEA. Strong price management continued to contribute positively to growth across all three regions.

Gross profit for the Professional Business amounted to 239.6 mEUR, equal to an increase of 7.6 mEUR from 2023. This corresponded to a gross margin expansion to 40.9% compared to 38.4% in 2023. The gross margin improvement was driven by strong price management and optimization of product mix, offsetting the lower volumes in Americas and APAC.

Overhead costs were 199.7 mEUR in 2024, representing a decrease of 2.0 mEUR from 2023. The decrease was driven primarily by the effect of foreign exchange rates partially offset by sales activity-related costs and merit increases across the organization. Prudent cost management mitigated part of the negative organic growth leading to an overhead cost ratio of 34.1%, 0.7 percentage point higher than 33.4% in 2023.

As a result, the EBITDA before special items came to 79.4 mEUR, 10.3 mEUR higher than 2023, leading to an EBITDA margin before special items of 13.6%, an improvement of 2.2 percentage points compared to 2023.

The Professional Business covers all professional machines (floorcare, vacuum cleaners and high-pressure washers) including Private Label.

Financial highlights

Revenue

585.8 mEUR

Organic growth

-0.9%

EBITDA before special items

79.4 mEUR

Share of total revenue

57%

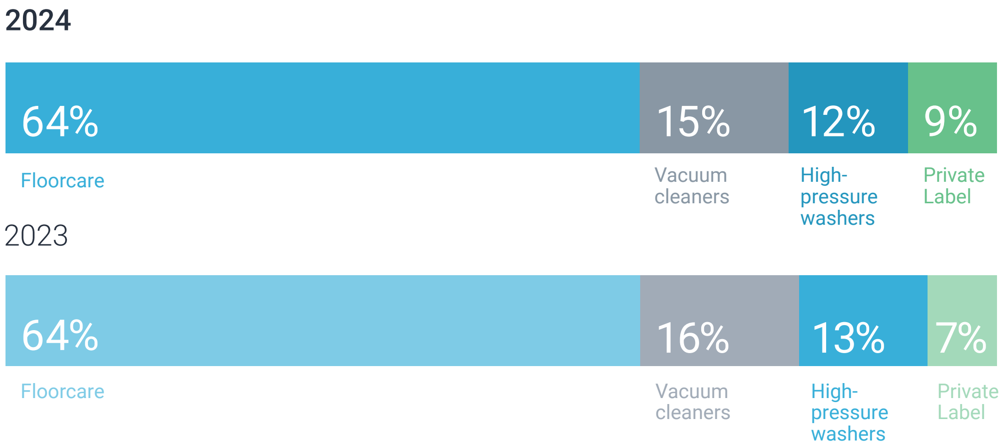
Gross margin

40.9%

EBITDA margin bsi

13.6%

Revenue share by product category



Service Business

The Service Business continued to develop as a strategic priority for Nilfisk. However, Service was negatively impacted by the slowdown in demand in the Americas.

Revenue amounted to 299.8 mEUR in 2024 compared to 302.4 mEUR in 2023, corresponding to a reported growth of -0.9%. The effect of foreign exchange rates was -1.5% resulting in an underlying full year organic growth of 0.6%. Growth in the Service Business was driven by Field Service, while PAC (Parts, Accessories, and Consumables) delivered negative growth. From a regional perspective, EMEA was the driver of the growth due to a combination of continued price management and solid market demand. This was partly offset by negative growth in both Americas and APAC as revenue from PAC declined.

Gross profit for the Service Business amounted to 132.2 mEUR in 2024, down from 134.4 mEUR in 2023. The gross margin came to 44.1%, 0.3 percentage point lower than 44.4% in 2023. Price management contributed positively to the gross margin, while unfavorable business mix with a lower share of PAC sales, and cost inflation on labor resulted in the gross margin decline.

Overhead costs were 80.8 mEUR, an increase of 1.9 mEUR compared to 2023. The increase was primarily driven by merit increases, which resulted in an overhead cost ratio of 27.0%, 0.9 percentage point higher than 2023.

The EBITDA before special items came to 71.0 mEUR, 1.9 mEUR lower than in 2023. The EBITDA margin before special items landed at 23.7%, 0.4 percentage point lower than the level in 2023.

The Service Business contains a comprehensive range of service solutions throughout the lifecycle of our professional cleaning equipment. It captures field service offerings, including managed service packages and PAC for the Professional Business and IVS.

Financial highlights

Revenue

299.8 mEUR

Organic growth

0.6%

EBITDA before special items

71.0 mEUR

Share of total revenue

29%

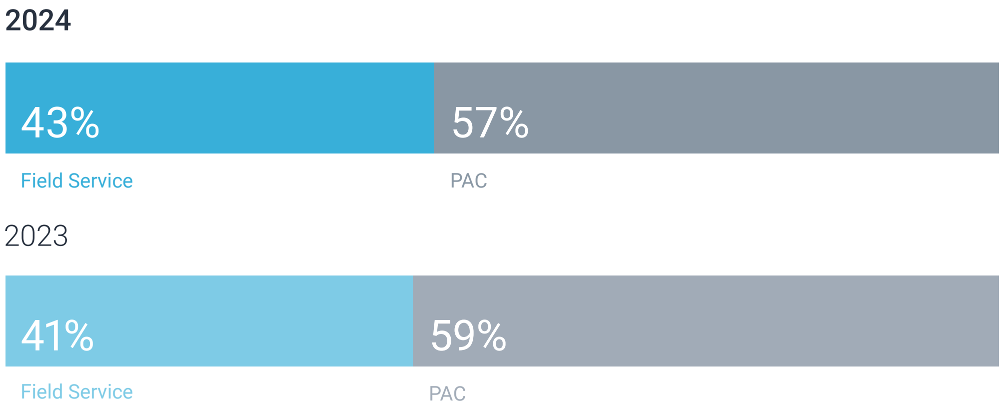
Gross margin

44.1%

EBITDA margin bsi

23.7%

Revenue share by service category



Specialty Business

In 2024, the Specialty Business delivered strong growth in EMEA and Americas, while APAC saw negative growth. The demand for specialized cleaning solutions for both industrial and food purposes saw an increase across the US and in several major European markets, in part supported by the launch of new products.

Total revenue amounted to 65.0 mEUR, 2.4 mEUR higher than 2023, corresponding to reported growth of 3.8%. Foreign exchange rates negatively impacted the result by 1.1% leading to an underlying organic growth of 4.9%.

Gross profit amounted to 33.3 mEUR in 2024, flat to 33.2 mEUR in 2023 corresponding to a gross margin of 51.2%, a decrease of 1.8 percentage points from 53.0% in 2023. The decline was driven by unfavorable product and customer mix.

Overhead costs were 16.5 mEUR, an increase of 1.3 mEUR compared to last year driven by investments to support the new product launches during 2024. EBITDA before special items came to 19.1 mEUR compared to 20.2 mEUR in 2023, driven by the lower gross margin and increased overheads. The EBITDA margin before special items decreased to 29.4% in 2024 compared to 32.3% in 2023.

The Specialty Business covers IVS and Nilfisk Food. Service and PAC are included for Nilfisk Food.

Financial highlights

Revenue **65.0** mEUR	Organic growth **4.9%**
Share of total revenue **6%**	Gross margin **51.2%**
EBITDA bsi **19.1** mEUR	EBITDA margin bsi **29.4%**

Consumer Business

The Consumer Business experienced very strong growth throughout all of 2024 as most markets experienced high demand and increased volumes, supported by new product innovation. Revenue was 77.3 mEUR in 2024, compared to 65.0 mEUR in 2023, resulting in reported growth of 18.9%. Organic growth amounted to 19.7% and was driven by the majority of EMEA markets including France, Germany, Denmark, Finland, and Sweden.

Gross profit increased by 5.9 mEUR from 22.9 mEUR in 2023 to 28.8 mEUR in 2024. Gross margin increased by 2.1 percentage points to 37.3% in 2024, up from 35.2% in 2023, driven mainly by a favorable product mix and lower inbound freight costs than prior year.

Overhead cost was 24.7 mEUR in 2024, 3.5 mEUR higher than in 2023. The increase was driven by merit increases and investments in marketing activities to support the new product launches. EBITDA before special items came to 6.5 mEUR compared to 4.5 mEUR in 2023, corresponding to a 1.5 percentage points improvement of EBITDA margin bsi to 8.4% in 2024.

The Consumer Business covers consumer machines, service, and PAC related to consumer products.

Financial highlights

Revenue 77.3 mEUR	Organic growth 19.7%
Share of total revenue 8%	Gross margin 37.3%
EBITDA bsi 6.5 mEUR	EBITDA margin bsi 8.4%

Regions

EMEA

Revenue in the EMEA region amounted to 612.4 mEUR, an increase from 585.6 mEUR in 2023, corresponding to strong organic growth of 5.9% in 2024. Growth was broad-based as all segments delivered growth, driven in particular by strong performances within the Consumer and Specialty Businesses. New product launches and strong price management across the region resulted in positive organic growth in key markets, including Germany, UK, France and Spain.

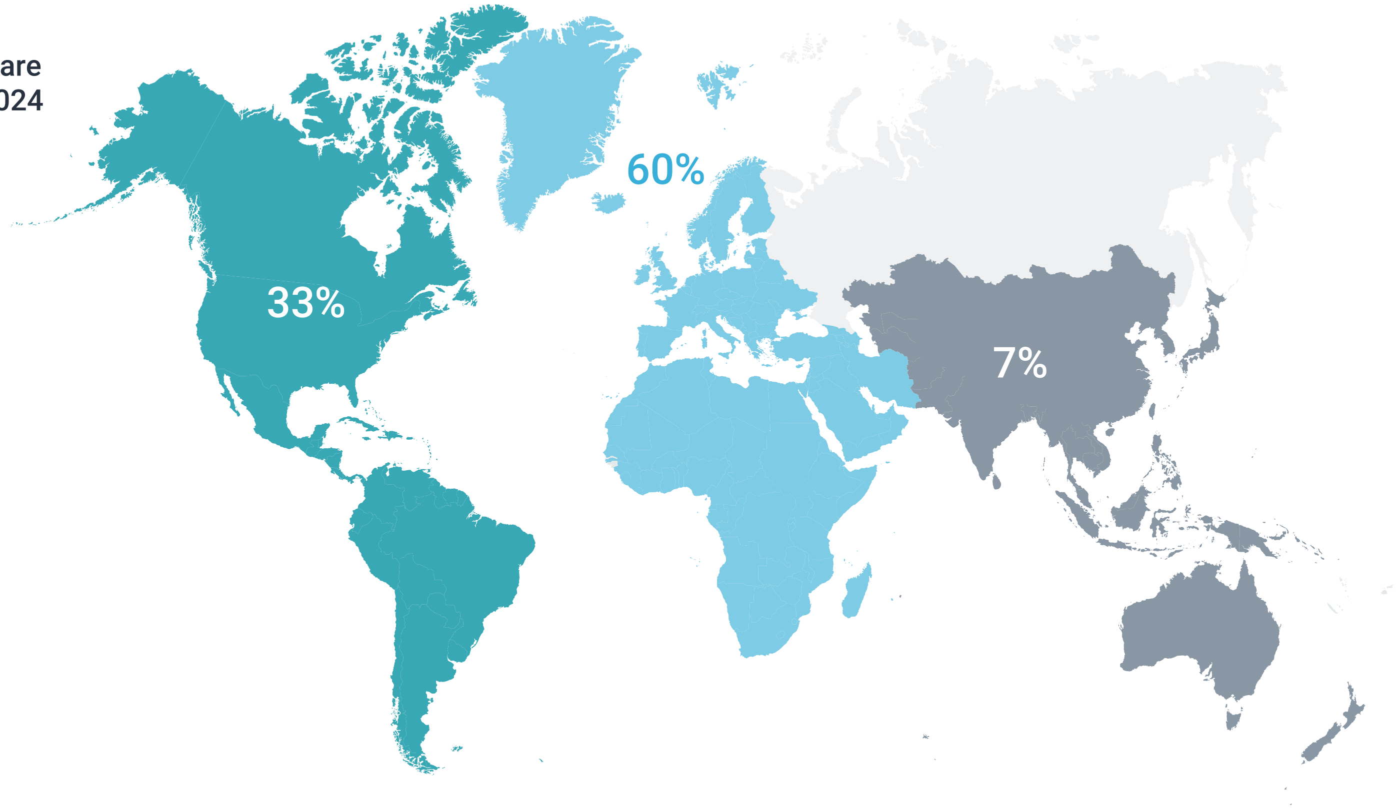
Americas

Revenue in the Americas region amounted to 341.2 mEUR, a decrease of 24.7 mEUR from 365.9 mEUR in 2023. This corresponded to negative organic growth of 4.3% in 2024. The US was the main negative growth driver due to a slowdown in demand, which resulted in a volume decline within the Professional Business, partly offset by diligent price management. Furthermore, the US high-pressure washer business was adversely impacted by damages following Hurricane Milton in October 2024. This resulted in an approximately 7 mEUR negative revenue impact.

APAC

Revenue from the APAC region amounted to 74.3 mEUR in 2024, a decrease from 82.1 mEUR in 2023. Organic growth was negative 8.0% in 2024, and all segments showed unfavorable growth compared to last year. The region saw weak demand in several larger Asian markets, mainly Greater China and Singapore. Australia also delivered negative growth, due to weak demand and slowing market conditions. Continued price management offset part of the volume loss.

Revenue share by region 2024



Revenue (mEUR) and organic growth (%) by region

EUR million	Revenue 2024	Revenue 2023	Organic growth 2024
EMEA	612.4	585.6	5.9%
Americas	341.2	365.9	-4.3%
APAC	74.3	82.1	-8.0%
Total	**1,027.9**	**1,033.6**	**1.2%**

Americas region
EMEA region
APAC region

ESRS data points incorporated by reference in this section: ESRS 2, SBM-1 40aii

Financial review

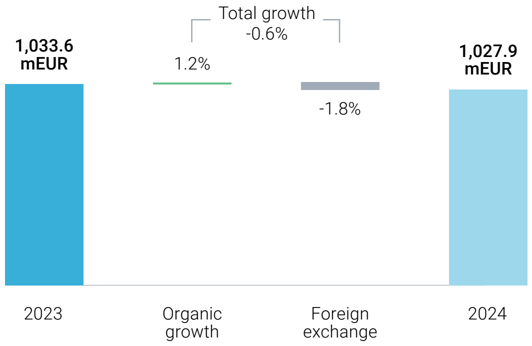
EUR million	2024	2023
Revenue	1,027.9	1,033.6
Gross profit	433.9	422.5
Overhead costs	362.0	351.4
EBITDA before special items	135.8	132.4
Profit for the period	35.4	35.3
Financial ratios:		
Organic growth	1.2%	-0.3%
Gross margin	42.2%	40.9%
EBITDA margin before special items	13.2%	12.8%
Overhead costs ratio	35.2%	34.0%
CAPEX ratio	4.5%	3.0%

Revenue

In 2024, total revenue for Nilfisk amounted to 1,027.9 mEUR compared with 1,033.6 mEUR in 2023, corresponding to a reported negative growth of 0.6%. Foreign exchange rates had a negative impact of 1.8%, driven mainly by movements in Turkish Lira and Argentinian Peso. Consequently, organic growth for 2024 was 1.2%, in line with the narrowed outlook provided on October 24, 2024.

The Consumer Business delivered very strong organic growth of 19.7%, while Specialty delivered solid growth of 4.9%. The Service Business delivered organic growth of 0.6%, while the Professional Business declined organically by 0.9%.

Revenue growth



Gross profit

Gross profit amounted to 433.9 mEUR in 2024 compared to 422.5 mEUR in 2023. The gross margin increased to 42.2%, 1.3 percentage point higher than in 2023. The gross margin improvement was driven by continued diligent price management, operational efficiencies, and a favorable product mix.

Overhead costs and ratio

Overhead costs amounted to 362.0 mEUR, reflecting an increase of 10.6 mEUR compared to 2023. The increase was primarily driven by investments in product launches including sales and marketing activities. Additionally, merit increases and inflationary pressure on general expenditure contributed to higher overhead costs. Consequently, the overhead cost ratio increased to 35.2% compared to 34.0% in 2023.

EUR million	2024	2023
Total R&D spend	38.4	33.1
Expensed in the P&L	17.6	16.2
Capitalized	20.8	16.9
R&D ratio (% of revenue)	**3.7%**	**3.2%**
Expensed R&D spend	17.6	16.2
Amortization, depreciation and impairment	11.1	11.3
Total R&D expenses[1]	**28.7**	**27.5**

[1] *Excluding special items.*

Total R&D spend increased by 5.3 mEUR compared to 33.1 mEUR in 2023. This was equivalent to 3.7% of total revenue in 2024. The increase was driven by investments in the product portfolio and modular platforms.

Out of the total R&D spend, 17.6 mEUR was recognized as an expense in the income statement compared to 16.2 mEUR in 2023, while 20.8 mEUR was capitalized compared to 16.9 mEUR in 2023. In addition to expensed costs, total reported R&D costs for 2024 were 28.7 mEUR, compared to 27.5 mEUR in 2023. This included amortization, depreciation, and impairment of 11.1 mEUR, compared to 11.3 mEUR in 2023.

Sales and distribution costs increased by 7.7 mEUR to a total of 259.4 mEUR. The increase was primarily driven by merit increases and investments in product launches. Nilfisk participated in two major trade shows: Interclean, Amsterdam and ISSA, Las Vegas in 2024.

Administration costs increased to 76.2 EUR compared to 74.6 mEUR in 2023, driven by merit increases.

Other operating income/expenses was a net income of 2.3 mEUR compared to a net income of 2.4 mEUR in 2023.

EBITDA before special items and EBITDA

EBITDA before special items amounted to 135.8 mEUR in 2024, corresponding to an EBITDA margin before special items of 13.2% compared to 12.8% in 2023. The EBITDA margin before special items was in line with the narrowed outlook for 2024 of an EBITDA margin before special items of 13% to 14% provided on October 24, 2024. The impact of the revenue decline and increased overhead costs ratio in 2024 was offset by a strong gross margin development leading to a net increase in the EBITDA margin before special items of 0.4 percentage point from 2023.

EBITDA amounted to 129.4 mEUR, up from 123.1 mEUR in 2023. The EBITDA margin increased by 0.7 percentage point to 12.6%, driven by the factors above and lower special items compared to 2023.

Operating profit before special items and operating profit

Operating profit before special items amounted to 71.9 mEUR compared to 71.1 mEUR in 2023. This corresponded to an operating profit margin before special items of 7.0% compared to 6.9% in 2023.

Operating profit came to 65.5 mEUR compared to 61.2 mEUR in 2023. Consequently, the operating profit margin increased to 6.4% from 5.9% in 2023. The increase was driven by higher operating profit partly offset by lower revenue compared to 2023.

Special items

Special items net amounted to 6.4 mEUR compared to 9.9 mEUR in 2023. Special items for 2024 were mainly advisory costs incurred for strategic improvement projects and restructuring costs from consolidating the two US high-pressure washer operations. Furthermore, Nilfisk incurred costs related to the claim filed against by the owner of the US distribution center building in Springdale, Arkansas. Special items in 2023 of 9.9 mEUR were mainly redundancy and advisory costs incurred in connection with the continued execution of strategic projects, alongside the implementation of structural efficiency measures initiated in the first half of 2023.

Details on special items are described in Note 2.4 - Special items.

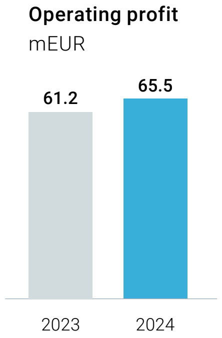
Financial items
Net financial items amounted to a cost of 22.2 mEUR in 2024 compared to a cost of 14.7 mEUR in 2023, driven by a combination of lower foreign exchange rate losses and 2023 being positively impacted from the realization of a 2-year interest cap instrument.

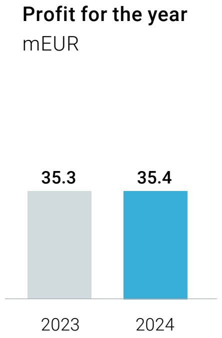
Tax on profit for the year
Tax on profit for the year was a cost of 11.9 mEUR in line with 12.0 mEUR in 2023. Tax on profit for the year 2024 was related primarily to current tax on profit of 14.1 mEUR partly offset by adjustment of current and prior years' deferred tax of 2.2 mEUR. In 2023, tax on profit for the year was related primarily to current tax on profit of 17.2 mEUR partly offset by adjustment of current and prior years' deferred tax of 5.2 mEUR.

The effective tax rate for 2024 was 25.2% compared to 25.4% in 2023.

Nilfisk has early adopted the EU Directive's requirement for Country-by-Country reporting, which can be found on page 58 of this report.

Profit for the year
Profit for the year amounted to 35.4 mEUR in line with a profit of 35.3 mEUR in 2023.





Working capital
At the end of 2024, working capital was 179.0 mEUR, an increase of 39.4 mEUR compared to 2023. The increase was driven mainly from operating working capital, primarily from higher inventories and trade receivables.

Inventories amounted to 233.1 mEUR, an increase of 32.6 mEUR from 2023 driven by a higher level of inventory build relating to the Consumer Business and new product launches.

Trade receivables came to 156.1 mEUR, corresponding to an increase of 17.4 mEUR from the end of 2023. The increase was a result of higher sales activities at the end of 2024. The non-recourse factoring program came to 31.8 mEUR at the end of 2024 compared to 33.7 mEUR at the end of 2023. Days sales outstanding overall increased compared to 2023.

Trade payables increased by 4.2 mEUR and came to 127.7 mEUR end of 2024, following the development in inventory levels.

Other current receivables increased by 8.8 mEUR mainly from higher outstanding VAT receivables compared to the end of 2023 and an insurance receivable recorded in 2024 related to Hurricane Milton, which impacted the high-pressure washer business located in Fort Pierce, Florida in October.

Other current liabilities increased by 15.0 mEUR primarily related to customer bonus and freight payables.

The 12-month average working capital ratio came to 16.9% at the end of 2024. The decrease of 0.9 percentage point compared to 2023 was driven by the lower than average working capital level.

Capital employed and RoCE
As of December 31, 2024, capital employed amounted to 589.5 mEUR, an increase of 62.3 mEUR compared to 2023. The increase in capital employed was driven by the above-mentioned development in working capital.

The return on capital employed was 12.8%, 0.1 percentage point higher than for 2023.

Cash flow
Cash flow from operating activities amounted to a net inflow of 51.9 mEUR compared to a net inflow of 143.0 mEUR in 2023. Cash flow was negatively impacted by the outflow from changes in working capital, primarily from increased inventory and accounts receivable, where factoring decreased by 1.9 mEUR. Cash inflow from financial items was lower than the previous year as 2023 was positively impacted by the realization of a 2-year interest cap instrument.

Cash flow from investing activities for 2024 amounted to a net cash outflow of 44.2 mEUR, corresponding to an increase in outflow of 16.4 mEUR compared to 2023. The increase was a combination of investments into strategic R&D projects alongside the continued rollout of SAP. CAPEX spending for the year ended as expected with 4.5% of revenue.

Free cash flow decreased by 107.5 mEUR compared to 2023 and amounted to 7.7 mEUR.

Equity
Equity was 319.4 mEUR at the end of 2024 against 275.0 mEUR at the end of 2023. Equity was positively impacted by the reported profit for the year, as well as foreign exchange rate gains adjustments.

Net interest-bearing debt
At the end of 2024, total net interest-bearing debt stood at 270.1 mEUR, up by 17.9 mEUR compared to end of 2023, mainly driven by investment in working capital.

The financial gearing at the end of the year was 2.0x versus 1.9x at the end of 2023.

Events after the balance sheet date
Other than as set out above or elsewhere in financial statements, the Executive Management Board is not aware of events subsequent to December 31, 2024 that are expected to have a material impact on the Group's financial position.

Q4 performance

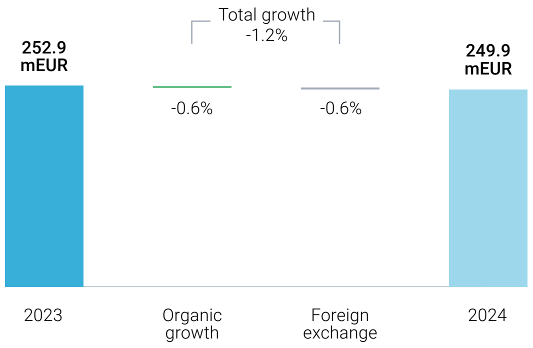
EUR million	Q4 2024	Q4 2023
Revenue	249.9	252.9
Gross profit	106.1	105.6
Overhead costs	90.8	86.3
EBITDA before special items	32.0	35.1
Profit for the period	6.4	7.6
Financial ratios:		
Organic growth	-0.6%	-2.9%
Gross margin	42.5%	41.8%
EBITDA margin before special items	12.8%	13.9%
Overhead costs ratio	36.3%	34.1%
CAPEX ratio	4.5%	4.3%

Revenue
In Q4 2024, total revenue amounted to 249.9 mEUR, corresponding to negative reported growth of 1.2% compared to revenue of 252.9 mEUR in Q4 2023. Foreign exchange impacted Q4 negatively with 0.6% and lead to an organic growth of -0.6%. The slowdown in demand in the Americas and macroeconomic challenges in APAC, as well as hurricane damages to the US high-pressure washer business, were the main negative drivers of Q4 growth. This was partially offset by strong growth in EMEA.

In the Professional Business, organic growth was negative at 2.8%, impacted by slowdown of demand in Americas, specifically the US, and the macroeconomic challenges in APAC. This was partially mitigated by solid growth in EMEA and LATAM as well as price management. In addition, the US high-pressure washer business was adversely impacted by damages following Hurricane Milton during October, which halted normal business operations throughout the quarter.

Revenue from the Service Business decreased by 1.2% organically driven by continued slowdown in demand in the Americas. Field service saw growth in most markets, offset by lower PAC sales revenue impacted by reduced demand for Professional equipment.

Revenue growth



In the Specialty Business, organic growth was 4.1% in Q4 2024, supported by strong growth in EMEA and APAC as well as overall price management. This was partly offset by muted demand in the Americas.

The Consumer Business delivered very strong organic growth of 24.2%, as overall demand remained strong with volume growth across most European markets. Finland, Spain, and France were the strongest contributors.

Gross profit
Gross profit was 106.1 mEUR, an increase of 0.5 mEUR from Q4 2023. The gross margin was 42.5%, 0.7 percentage point higher than in Q4 2023. The increase in margin was driven by mix effects, price management, and supply chain efficiency gains.

Overhead costs and ratio
Overhead costs increased by 4.5 mEUR compared to Q4 2023 and amounted to 90.8 mEUR, corresponding to an overhead cost ratio of 36.3%, 2.2 percentage points higher than in Q4 2023. The increase was driven by merit increases, product launches and investments into our product pipeline.

EBITDA before special items and EBITDA
EBITDA before special items came to 32.0 mEUR, 3.1 mEUR lower than Q4 2023. The decrease was due to the decline in revenue and increased overheads, partially offset by the higher gross margin. As a result, the EBITDA margin before special items was 12.8%. EBITDA came to 30.2 mEUR, corresponding to an EBITDA margin of 12.1%.

Financial highlights Q4

Revenue

249.9 mEUR

Organic growth

-0.6%

EBITDA bsi

32.0 mEUR

EBITDA margin bsi

12.8%

Quarterly overview

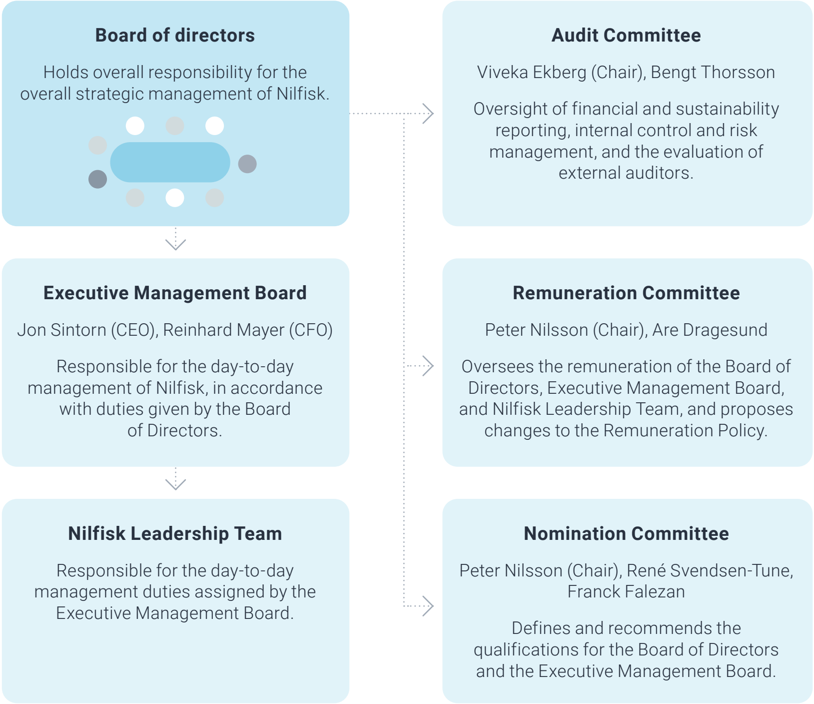
EUR million	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Income statement					
Revenue	249.9	240.6	278.4	259.0	252.9
EBITDA before special items	32.0	30.4	39.2	34.2	35.1
EBITDA	30.2	29.2	38.4	31.6	32.8
Operating profit before special items	15.3	14.3	23.4	18.9	19.3
Operating profit	13.5	13.1	22.6	16.3	16.9
Special items, net	-1.8	-1.2	-0.8	-2.6	-2.4
Financial items, net	-5.9	-6.2	-6.0	-4.1	-6.6
Profit for the period	6.4	5.5	14.2	9.3	7.6
Cash flow					
Cash flow from operating activities	10.7	16.3	19.7	5.2	43.0
Cash flow from investing activities	-11.4	-8.9	-11.3	-12.6	-10.8
– hereof investments in property, plant and equipment	-2.9	-2.6	-2.8	-5.6	-2.8
– hereof investments in intangible assets	-8.3	-8.1	-8.7	-7.1	-8.0
Free cash flow excluding acquisitions and divestments	-0.7	7.4	8.4	-7.4	32.2
Statement of financial position					
Total assets	894.7	871.8	867.6	853.9	814.0
Group equity	319.4	303.8	303.8	288.1	275.0
Working capital	179.0	167.4	171.1	162.4	139.6
Net interest-bearing debt	270.1	257.7	263.3	267.3	252.2
Capital employed	589.5	561.5	567.1	555.4	527.2
Financial ratios and employees					
Organic growth	-0.6%	-0.8%	2.4%	3.7%	-2.9%
Gross margin	42.5%	42.4%	42.2%	41.8%	41.8%
EBITDA margin before special items	12.8%	12.6%	14.1%	13.2%	13.9%
EBITDA margin	12.1%	12.1%	13.8%	12.2%	13.0%
Operating profit margin before special items	6.1%	5.9%	8.4%	7.3%	7.6%
Operating profit margin	5.4%	5.4%	8.1%	6.3%	6.7%
Financial gearing	2.0	1.9	1.9	1.9	1.9
Overhead costs ratio	36.3%	36.4%	33.8%	34.5%	34.1%
CAPEX ratio	4.5%	4.4%	4.1%	4.9%	4.3%
Working capital ratio	16.9%	16.3%	16.2%	16.9%	17.8%
Return on Capital Employed (RoCE)	12.8%	13.8%	14.0%	13.9%	12.7%
Basic earnings per share (EUR)	0.24	0.20	0.52	0.34	0.28
Diluted earnings per share (EUR)	0.24	0.20	0.52	0.34	0.28
Number of full-time equivalents, end of period	4,787	4,830	4,843	4,767	4,698

Our governance

47 **Corporate governance**
51 **Board of Directors**
54 **Nilfisk Leadership Team**
56 **Shareholder information**
57 **Responsible Tax**
58 Country-by-country report
59 **Risk management**
60 High-impact business risks

Nilfisk's multi-partner strategy integrates a range of autonomous technologies, ensuring best-in-class solutions. By collaborating with technology partners, we leverage the latest industry advancements. An example is the recent collaboration with LionsBot, resulting in the release of the SC25 autonomous scrubber in May 2024.

Corporate governance



Nilfisk's governance structure consists of its Shareholders, the Board of Directors, and the Nilfisk Leadership Team.

Shareholders

The shareholders of Nilfisk Holding A/S exercise their decision-making rights at general meetings. At the Annual General Meeting, shareholders elect board members and the independent auditor, and they approve the Annual Report including company financial results, remuneration of the Board of Directors, discharge of liability for Management and the Board of Directors, as well as any dividend proposal or amendment to the Nilfisk Holding A/S Articles of Association. Shareholders may include additional topics on the agenda of the Annual General Meeting in accordance with the company's Articles of Association and the Danish Companies Act. The general meeting adopts decisions in accordance with the general rules set out in the Danish Companies Act.

The Board of Directors

The Board of Directors holds overall responsibility for the management of Nilfisk and the company's strategic direction. The Board of Directors consists of a total of eleven members. Seven members are elected by the shareholders and four members are elected by the employees. All shareholder-elected members are up for election every year at the Annual General Meeting. The employee-elected members serve four-year terms. The current employee-elected members were elected in March 2022, and their terms will expire in 2026.

Among the shareholder-elected members are one woman and six men, corresponding to a female-to-male ratio of 17%. The employee-elected members include one woman and three men. Of the seven shareholder-elected members, one is Danish, three are Swedish, two are Norwegian, and one is French. Four members (57%) are considered independent and three are considered non-independent (43%). The Board of Directors includes people with strong international business experience in the areas of industry, energy, high technology, finance, business management, ESG, and development. They are deemed to possess the required expertise and seniority. See pages 51-53 for particulars of Nilfisk's Board of Directors.

The Board of Directors has adopted an annual plan ensuring that all relevant matters are addressed throughout the year. A minimum of six ordinary Board meetings are held annually. Part of the Board's responsibility is to ensure that the company has a capital and share structure that matches its strategic direction and the long-term creation of value for the benefit of its shareholders. Considerations on capital and share structure are undertaken annually by the Board of Directors. Under the company's Articles of Association, the Board of Directors holds authorizations granted by the shareholders to issue new shares, warrants, and convertible loans. The maximum aggregate nominal share capital increase allowed under these authorizations is 200 mDKK. However, in no event can the issuance of new shares without pre-emptive rights for existing shareholders exceed an aggregate nominal share capital amount of 100 mDKK. These authorizations are valid until March 24, 2027.

The Board of Directors also holds an authorization from the shareholders to acquire treasury shares up until and including March 24, 2027, up to an aggregate nominal amount of 54,252,720 DKK, corresponding to almost 10% of the company's current share capital. The company's holding of treasury shares at any time may not exceed 10% of the company's issued share capital. The purchase price for the relevant shares may not deviate by more than 10% from the price quoted on Nasdaq Copenhagen at the time of purchase.

ESRS data points incorporated by reference in this section: ESRS 2, GOV-1 21d-e, 23a

Board Committees

The Board of Directors annually assesses the relevance of appointing separate Nomination, Remuneration, Audit, and other relevant committees. In 2024, the Board of Directors appointed three standing committees: the Audit Committee, the Nomination Committee, and the Remuneration Committee. All measures or recommendations from these committees are either reported to or approved by the Board of Directors. Additionally, the Chair meets regularly with the Executive Management Board of Nilfisk to discuss relevant topics in between Board meetings. All board committees report to the Board of Directors, and senior representatives from Nilfisk act as secretariat for the committees. The Audit Committee and the Remuneration Committee each has two members, whereas the Nomination Committee has three members. The Board of Directors considers this composition appropriate to ensure efficient and focused committee work, reporting, and decision-making within the Board of Directors.

Audit Committee

In 2024, the Audit Committee consisted of two members. The Audit Committee is appointed for one year at a time. All members possess the relevant financial expertise, and both members qualify as being independent.

The principal duties are:

- To monitor the financial and sustainability reporting process and compliance with existing legislation, standards and other regulations for listed companies relating to presentation and publication of financial and sustainability reporting
- To monitor whether the company's internal control and risk management systems function efficiently
- To monitor the statutory audit of the annual and consolidated financial statements and the assurance of the annual and consolidated sustainability reporting
- To monitor the independence of auditors and their supply of non-audit services to the Nilfisk Group
- To make recommendations to the Board of Directors concerning the election of auditors

The work of the Audit Committee is described in its charter available online at Nilfisk's Investor Relations site and is formalized in an annual plan approved by the Board of Directors. The Audit Committee reports to the Board of Directors at all regular board meetings to ensure efficient decision-making.

In addition to its principal duties, the Audit Committee conducted a comprehensive review of all main corporate policies during 2024 before submitting the updated policies to the Board of Directors for approval.

The external auditors attend all Audit Committee meetings. An annual wheel is used to determine the subjects discussed in each meeting ensuring all relevant matters are covered. This includes statutory requirements alongside deep dives into current concerns.

The Audit Committee has received in-depth training sessions in the requirements of the Corporate Sustainability Reporting Directive (CSRD). The Audit Committee's sustainability competencies are assessed on an ongoing basis, and additional training and access to experts will be provided if relevant.

Read more about the Audit Committee's duties related to sustainability reporting in the Sustainability Governance section in the Sustainability Statements.

Internal control and risk management related to the financial reporting process

Nilfisk has several policies and procedures in specific areas of financial reporting, including the Accounting Manual, the Risk Management Policy, the IT Security Policy, the Treasury Policy, the Insurance Policy, the Tax Policy, and the Integrity Policy & Business Code of Conduct. These policies and procedures apply for all subsidiaries.

Risk assessment

The risks related to each accounting process and line item in the financial statement are assessed based on quantitative and qualitative factors. The associated risks are identified based on the evaluation of the likelihood of occurring and the potential impact. The financial reporting control framework covers all material subsidiaries. Please refer to the Risk Management section on page 59.

Control activities

Nilfisk has implemented a formalized financial reporting process for the strategy process, budget and forecast process as well as for the monthly internal reporting on actual performance. Financial information reported is reviewed both by controllers with regional or functional knowledge of the individual companies/functions and by technical accounting specialists.

The financial reporting is dependent on IT systems. A central controlling function conducts financial compliance reviews throughout the organization based on a defined review strategy and risk assessment. The key controls implemented based on the financial reporting framework are systematically monitored and tested in conjunction with controller visits performed by Nilfisk Group Controlling. Key controls, including general IT controls for subsidiaries considered relevant from a risk or/and risk perspective, are tested at least once every five years. Internal controls related to the financial reporting process are established to detect, mitigate, and correct material misstatements in the financial statements.

Internal control and risk management related to the sustainability reporting process

Nilfisk has established various policies and procedures for sustainability, including ESG accounting manuals and a DMA Playbook. Specific policies are detailed in the Environment, Social, and Governance sections of the Sustainability Statements, applicable to the Nilfisk Group.

Risk assessment

Risks in the sustainability reporting process are assessed during data collection to ensure the integrity, completeness, and accuracy of the data, including value chain data. Priority is given to areas where main risks have been identified, which are areas that involve significant estimates and material risks of errors and misstatements.

Control activities

Nilfisk's structured sustainability reporting process includes a clear governance structure and segregation of duties. Subject matter experts prepare ESG data, which is reviewed and controlled by ESG controllers to ensure compliance. Internal controls are in place to detect, mitigate, and address material misstatements in sustainability reports.

Remuneration Committee

The overall responsibility of the Remuneration Committee is to oversee the remuneration of the Board of Directors, the Executive Management Board, and other members of the Nilfisk Leadership Team to ensure that the company's remuneration practice is appropriate, balanced, and effective

ESRS data points incorporated by reference in this section: ESRS 2, GOV-1 20c, 23; ESRS2, GOV-5 to achieve growth, profitability, and shareholder value. This responsibility includes establishing the Remuneration Policy for the Board of Directors and the Executive Management Board, making proposals on changes to the Remuneration Policy, and obtaining the approval of the Board of Directors prior to seeking shareholders' approval at the Annual General Meeting.

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

Main activities in 2024

In 2024 the main activities of the Remuneration Committee have been:

- Setting targets for the performance share program
- Setting targets for the Group annual incentives plan
- Reviewing achievement against targets under the company's annual incentive plan and the performance share program
- Preparing, drafting and endorsed an updated Remuneration Policy to be presented to the General Meeting for approval in 2025
- Endorsing warrant-based long-term incentive program for new members
- Review and sign-off of the Remuneration Report. This can be found on Nilfisk's website

Nomination Committee

The purpose of the Nomination Committee is to define, recommend, and assess the qualifications required of the Board of Directors and the Executive Management Board, to initiate an annual self-assessment within the Board of Directors, and to exercise grandfather rights with respect to members of the Nilfisk Leadership Team.

Self-assessments

The purpose of the annual self-assessment is to continuously evaluate the performance, composition, size and expertise required within the Board of Directors, and to identify future areas of focus.

Every third year the Board of Directors utilizes a professional consultant to assist with this assessment. The Board of Directors' 2024 self-assessment has been conducted with external consultant support (postponed from 2023). Conclusions from the 2024 board self-assessment conducted in the last quarter of 2024 were that the Board has the necessary and relevant competencies and experience but could benefit from additional diversity.

The Board of Directors also performs an annual assessment of the Executive Management Board covering two main areas: The interaction between these executives and the Board of Directors, and the expertise of these executives. The assessment takes the form of a general discussion by the Board of Directors, after which the assessment findings are communicated by the Chair to the CEO and CFO. The Chair will share the key messages from the Board of Directors' self-assessment at the Annual General Meeting.

The Executive Management Board and Nilfisk Leadership Team

The Board of Directors appoints the Executive Management Board, consisting of the CEO and CFO, who are responsible for the day-to-day management of Nilfisk. The CEO shall ensure that all duties imposed on the Executive Management Board by the Board of Directors are performed. In doing so, the CEO has organized the day-to-day management duties of the Group by delegating or assigning tasks or responsibilities to members of the Nilfisk Leadership Team, who are appointed by the CEO in consultation with the Nomination Committee. As of December 31, 2024, the Nilfisk Leadership Team comprised nine members, including the CEO and CFO.

The Nilfisk Leadership Team is responsible for and provides oversight on sustainability matters through the Sustainability Steering Committee. Read more in the Sustainability Governance section in the Sustainability Statements.

See pages 54-55 for particulars of the Nilfisk Leadership Team as of February 20, 2025.

Corporate governance recommendations

As a listed company on Nasdaq Nordic, Nilfisk is subject to Nasdaq Nordic's rules governing share issuers, and also the corporate governance recommendations issued by the Danish Committee on Corporate Governance, which can be found at https://corporategovernance.dk. Nilfisk complies with all but two of the current recommendations:

- With respect to the recommendation that members of the Executive Management Board are not members of the Board of Directors, Nilfisk chose to appoint a member of the Board of Directors as interim CEO on August 17, 2023, as the Company's former CEO requested an early release from his duties due to family reasons. It was deemed in the best interest of the Company to appoint an interim CEO with deep knowledge of the Company, recent CEO experience, and the capability to continue executing the Company's 5-year business plan for the period 2022-2026. The decision was published, including that the interim appointment would end at the latest on July 1, 2024. The interim appointment lasted until June 17, 2024, when Nilfisk Holding's new CEO took up the position.
- With respect to the recommendation that a majority of the members of a board committee should be independent, this was the case for the Audit Committee and the Remuneration Committee, however, for the Nomination Committee two out of three members were considered non-independent as a consequence of one member's appointment as interim CEO during the period from August 17, 2023, to June 17, 2024.

The Company's statutory report on corporate governance includes the full list of recommendations, with comments on the Group's position on each recommendation. More details can be found in Nilfisk's annual reporting on the corporate governance recommendations available at Nilfisk's Investor Relations site https://investor.nilfisk.com/.

Danish Financial Statements Act

The disclosures under sections 99a and 107d of the Danish Financial Statements Act is made in the Sustainability Statements. The disclosure under section 99d of the Danish Financial Statements Act, including the Data Ethics Statement, is covered by a separate statement disclosed on our website https://www.nilfisk.com/global/professional/about-nilfisk/sustainability/.

ESRS data points incorporated by reference in this section: ESRS 2, GOV-1 21a

Board of Directors

2024 attendance overview

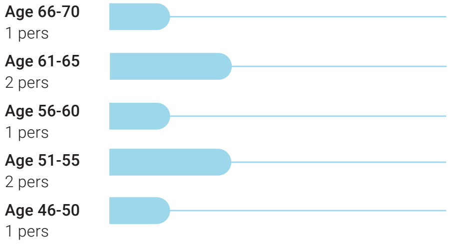
	Board of Directors meetings	Audit Committee	Remuneration Committee	Nomination Committee
Number of meetings	9	7	5	4
Peter Nilsson	●●●●●●●●●		●●●●●	●●●●
René Svendsen-Tune	●●●●●●●●●			●●●●
Are Dragesund	●●●●●●●●●		●●●●●	
Franck Falezan	●●●●●●●●○			●●●●
Bengt Thorsson[1]	●●●●●●●●○	●●●●●		
Ole Kristian Jødahl	●●●●●●●●●			
Viveka Ekberg[2]	●●●●●●●●●	●●●●●●●		
Jutta af Rosenborg[3]	●●	●●		
Gerner Raj Andersen	●●●●●●●●●			
Claus Dalmose	●●●●●●●●●			
Nadia Roya Damiri	●●●●●●●●●			
Marcus Faber Kappendrup	●●●●●●●●○			

[1] *Member of the Audit Committee since March 21, 2024.*
[2] *Member of the Audit Committee until March 21, 2024. Chair of the Audit Committee since March 21, 2024.*
[3] *Member of the Board of Directors and Chair of the Audit Committee until March 21, 2024.*

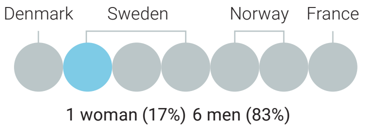
● Attended
○ Not attended

Board of Directors

Age distribution

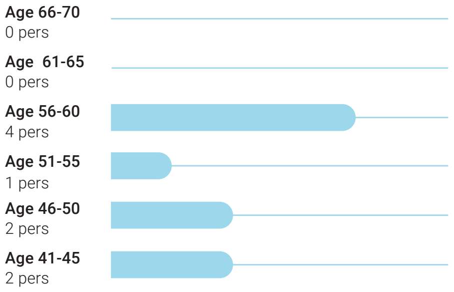


Nationality and gender distribution

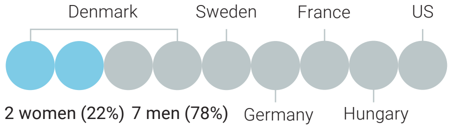


Nilfisk Leadership Team

Age distribution



Nationality and gender distribution



ESRS data points incorporated by reference in this section: ESRS 2, GOV-1 21a, d.
The infographic reflects the composition as of December 31, 2024.

Board of Directors

				
	Peter Nilsson Chair Born 1962. Male Independent	**René Svendsen-Tune** Deputy Chair Born 1955. Male Non-independent	**Are Dragesund** Member Born 1975. Male Non-independent	**Franck Falezan** Member Born 1971. Male Non-independent
First elected in	March 2022	October 2017	June 2020	June 2020
Expiry of current term	March 2025	March 2025	March 2025	March 2025
Core competencies	• Executive management • Management of listed companies • Application of business models and value chains, including service and aftermarket	• International management • Management of listed companies • Service businesses • Large account sales	• M&A and capital markets • Restructuring and profit improvement • Strategy and organization	• Strategy • Restructuring • Finance
Committees	• Nomination Committee • Remuneration Committee	• Nomination Committee	• Remuneration Committee	• Nomination Committee
Selected positions and directorships	• Chair of the board of directors of Lindab Group • Member of the board of directors of Cavotec SA and Creades AB	• Deputy chair of the board of directors of NKT A/S • Chair of the board of directors of Asetek A/S	• Co-Head Ferd Capital, Ferd AS • Member of the board of directors of Mestergruppen A/S, Leroy Seafood Group ASA and Brav AS	• Founder and Managing Partner at PrimeStone
Education	• MSc in Business and Economics	• BSc Eng. (hon.)	• MsC Economics and Business Administration	• Master in Business Administration
Nilfisk shares end of 2024[1]	40,104 (40,104)	17,501 (11,501)	0 (0)	0 (0)

[1] *End of 2023 in parenthesis.*

ESRS data points incorporated by reference in this section: ESRS 2, GOV-1 21c, 22a, 23a

Board of Directors – continued

	Bengt Thorsson	**Ole Kristian Jødahl**	**Viveka Ekberg**
	Member Born 1964. Male Independent	Member Born 1971. Male Independent	Member Born 1962. Female Independent
First elected in	March 2023	March 2023	March 2023
Expiry of current term	March 2025	March 2025	March 2025
Core competencies	• International management • Business and service transformation • Mergers and Acquisitions • ESG	• Executive management, strategic and operational • Management of leading global industrial companies • Acquisitions, integrations, distribution and service business	• Strategy development, change management and profit improvement across multiple industries • Leading audit committees, financial and risk management, reporting and control • Capital markets, financial analysis and investments • ESG
Committees	Audit Committee	N/A	Audit Committee
Selected positions and directorships	• CEO and President of Permobil Group • Chair of the board of directors of GoodSolutions AB • Member of the Board of Directors of Envac Group	• President and CEO of Alimak Group AB • Member of the board of directors of Alimak Group AB	• Member of the board and chair of the audit committee of AutoStore Holdings Ltd, Lindab International AB, Dellner Couplers Group AB, and member of the board and audit committee of Storebrand ASA
Education	• BSc in Business Administration	• Economics studies at NHH, Norwegian School of Economics	• MSc in Accounting & Finance and International Business
Nilfisk shares end of 2024[1]	1,000 (0)	5,515 (4,000)	9,500 (9,500)

[1] *End of 2023 in parenthesis.*

ESRS data points incorporated by reference in this section: ESRS 2, GOV-1 21c, 23a

Board of Directors – continued




	Gerner Raj Andersen Employee representative Born 1966. Male	**Claus Dalmose** Employee representative Born 1967. Male	**Nadia Roya Damiri** Employee representative Born 1978. Female	**Marcus Faber Kappendrup** Employee representative Born 1976. Male
First elected in	March 2018	March 2022	March 2022	March 2022
Expiry of current term	March 2026	March 2026	March 2026	March 2026
Position at Nilfisk	• Customer Care Representative • Joined Nilfisk in 1990	• Director, Architecture & Technology • Joined Nilfisk in 2012	• Director, Operations Strategy & Program Management Office • Joined Nilfisk in 2015	• Enterprise Architect • Joined Nilfisk in 1999
Committees	N/A	N/A	N/A	N/A
Selected positions and directorships	• Owner of Mågaard I/S • Member of the board of Sem Vandværk	N/A	• Daily Manager of the Occupational, Health & Safety team at Nilfisk head office sites, board member in the staff association at Nilfisk, and member of the European Works Council (representing Denmark) • Voluntarily board member in Save the Children Denmark (Capital Region)	• Board Member in the staff association at Nilfisk
Education	• Secondary program	• MSc in Electrical Engineering	• MSc in Supply Chain Management, with a minor in IT-based modeling of Supply Chains and implementation	• Degree in Business administration
Nilfisk shares end of 2024[1]	500 (210)	130 (130)	145 (145)	32 (32)

[1] *End of 2023 in parenthesis.*

ESRS data points incorporated by reference in this section: ESRS 2, GOV-1 21b

Nilfisk Leadership Team





	Jon Sintorn	**Reinhard Mayer**	**Siam Schmidt**	**Eerikki Mäkinen**	**Camilla Ramby**
	President & CEO Member of the Executive Management Board Born 1966. Male	Executive Vice President & CFO Member of the Executive Management Board Born 1967. Male	Executive Vice President People, Organization & Culture Born 1976. Female	Executive Vice President Products, Technology & Innovation Born 1974. Male	Executive Vice President Special Businesses, Group Marketing & Sustainability Born 1976. Female
Joined Nilfisk	2024	2021	2022	2025	2018
Core competencies	• International management • Business transformation • Strategy execution	• International finance • IT • Legal and compliance • Supply chain • M&A	• Development of people, organization and culture • Diversity, equity & inclusion (DE&I) • Environment, health, and safety (EHS) • M&A • Transformations	• Global Business Unit leadership • R&D, Innovation and product management Business transformation • M&A and business integration management	• International marketing, sustainability & ESG • International B2C sales and business development
Positions and directorships	• Director of the Board Werlabs • Director of the Board Ejendals	N/A	N/A	N/A	N/A
Previous positions	• Nobia AB • Permobil AB	• Getinge AB • Hansgrohe SE	• Royal Unibrew A/S • Novo Nordisk • Leo Pharma A/S	• Konecranes • SKF • Valmet	• Danske Bank A/S • TDC A/S • Codan A/S
Education	• MSc in Engineering Physics, Uppsala University • MBA, Stockholm School of Economics	• BSc in Business Engineering from Karlsruhe University of Applied Sciences	• MSc of Arts in Organizational Development and communications from Aalborg University	MSc Engineering	• MSc in International Marketing & Management
Nilfisk shares end of 2024[1]	17,270 (0)	25,569 (25,569)	4,261 (4,261)	0 (0)	4,861 (4,861)

[1] *End of 2023 in parenthesis.*

ESRS data points incorporated by reference in this section: ESRS 2, GOV-1 21c, 23a

Nilfisk Leadership Team – continued

				**Under recruitment**
	Peter Szabo Executive Vice President Operations & Supply Chain Born 1972. Male	**Christopher Riau** Executive Vice President EMEA Region & Service Business Born 1979. Male	**Thomas Dragø Nielsen** Executive Vice President APAC Region, PAC & Strategy Born 1968. Male	**Jon Sintorn** Interim Americas Region
Joined Nilfisk	2023	2007	1995	
Core competencies	• International business leadership • R&D and global operations management • Manufacturing • Business transformations, lean transformations, and sustainable growth development	• Service businesses • Commercial management • International sales • Industrial engineering	• General management & business leadership • Commercial activation and execution	
Positions and directorships	N/A	N/A	N/A	
Previous positions	• ISS A/S • Carrier (United Technologies Corporation) • Ford Motor Co.	• Elis • Robert Bosch • Mercedes-Benz	• Nilfisk Pty. Ltd. (Australia) • Nilfisk Ltd. (UK)	
Education	• MSc in Mechanical Engineering with specialization in Transportation & Process Engineering from Budapest University of Technology and Economics, Hungary	• General Management Program from Harvard Business School • MSc Industrial Engineering from CentraleSupélec ECP Engineering School • BSc Business and Production Management from Reutlingen-EMLV University	• MSc International Business Economics	
Nilfisk shares end of 2024[1]	2,766 (0)	2,100 (2,100)	3,552 (802)	

[1] *End of 2023 in parenthesis.*

ESRS data points incorporated by reference in this section: ESRS 2, GOV-1 21c, 23a

Shareholder information

Nilfisk is listed on Nasdaq Nordic and is included in the Copenhagen Mid Cap index.

Share capital	27,126,369 shares
Nominal value per share	20 DKK
Closing price at December 29, 2023	118.20 DKK
Closing price at December 30, 2024	104.40 DKK
Change during fiscal year	-11.7%

Ownership structure
The company has approximately 11,500 registered shareholders that own a combined 95.4% of total share capital. The company has one share class and the number of shares and voting rights are equal.

On December 31, 2024, Nilfisk's shareholder structure was:

Shareholders at December 31, 2024	Number of shares	Share capital
Ferd AS, Oslo, Norway	6,587,923	24.3%
KIRKBI Invest A/S, Billund, Denmark	5,493,200	20.3%
PrimeStone Capital LLP, London, United Kingdom	1,675,034	6.2%
Danske Bank A/S, Copenhagen, Denmark	1,526,848	5.6%
Boldhaven Management LLP, London, United Kingdom	1,376,114	5.1%
Institutional investors, Denmark	2,901,799	10.7%
Institutional investors, International	3,371,406	12.4%
Private investors	2,923,804	10.8%
Non-registered	1,270,241	4.6%

Dividend policy and dividend for 2024
The Board of Directors have adopted a dividend policy with a target pay-out ratio of approximately one third of the reported, consolidated profit for the year. The payment of dividends, if any, will in general be determined with a view to balancing the payout ratio mentioned above and the target for the Group's leverage ratio. It will further depend on a number of factors, including future revenue, profits, financial conditions, general economic and business conditions, future prospects, strategic initiatives such as acquisition activities or large-scale investments decided upon by the Board of Directors, or other factors the Board of Directors may deem relevant, as well as applicable legal and regulatory requirements.

At the Annual General Meeting to be held on March 19, 2025, the Board of Directors will propose not to distribute dividends for the financial year of 2024.

Investor relations website
Information about the Nilfisk Group and its shares, share price, financial data, in addition to company announcements, annual and interim reports, investor presentations, corporate calendar etc., are provided via https://investor.nilfisk.com.

Investor relations
Nilfisk works to maintain a transparent and consistent level of information for investors, and aims to be proactive and open when communicating with shareholder-related stakeholders within the boundaries of current regulation. Investor relations places great emphasis on providing consistent and high-quality information to financial markets, investors, analysts, and other stakeholders through road shows, conferences, company announcements, and via the investor relations website.

At year-end 2024, Nilfisk Holding A/S was covered by four equity analysts. For details on our investor relations policy and a list of equity analysts covering Nilfisk Holding A/S, please visit https://investor.nilfisk.com.

Corporate calendar 2025	
February 20	→ Annual Report 2024
March 19	→ Annual General Meeting
May 13	→ Interim Report Q1 2025
August 14	→ Interim Report Q2 2025
November 20	→ Interim Report Q3 2025

Responsible tax

Nilfisk's guiding principle is to observe and comply with all applicable international tax regulations and initiatives, along with all reporting and disclosure requirements.

Nilfisk monitors developments to proposed international disclosure requirements and strives to follow both the demands and the intentions of these requirements.

We do not operate in low-tax jurisdictions, tax havens, or in jurisdictions that are on the EU' s blacklist, nor do we use special tax optimization models designed for tax evasion purposes.

Nilfisk's tax policy is based on compliance with tax laws, tax risk management, transparent tax planning, use of incentives, and cooperation with governments and authorities.

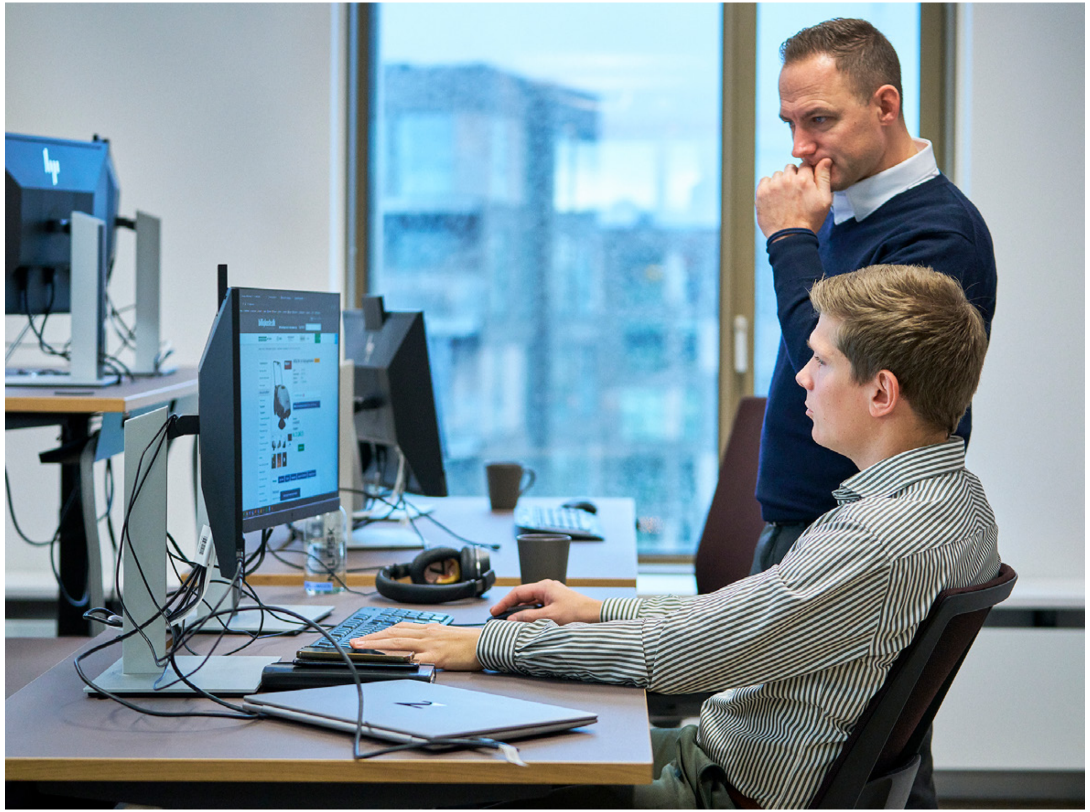
Tax payments
Nilfisk's products and services are sold in more than 100 countries. That means our company contributes with taxes and duties collected worldwide including, without limitation, value added tax/global sales tax or other consumption taxes, withholding taxes, and excise duties.

Nilfisk pays corporate tax in Denmark, where the head office is located, and in the jurisdictions outside of Denmark where our subsidiaries are located. We pay income taxes in relation to our employment contracts as per applicable laws.

Effective tax rate
For 2024, the Nilfisk Group's effective tax rate was 25.2% (2023: 25.4%, 2022: 25.6%), which shows that Nilfisk's tax contributions are at a stable rate.

Country-by-country report
Nilfisk acknowledges the need for transparency where it concerns taxpayers and tax administrations, and the need to clarify our position on taxes. In doing so, our company provides insight in accordance with the EU Directive 2021/2101 of the European Parliament and of the Council of 24 November 2021 amending Directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches which introduce public country-by-country reporting requirements.

Publishing this report based on the EU Directive is an early adoption of requirements that are mandatory for fiscal years starting in or after June 2024. See the country-by-country report on the following page.



Country-by-country report for 2024

This report is based on the principles of the OECD Country-by-country reporting guidelines. The report includes various intercompany transactions. For this reason, numbers listed in the country-by-country report cannot be reconciled directly to the ones in our Financial Statements.

Tax jurisdiction	Business activity	Revenue[1] – unrelated party (kEUR)	Revenue[1] – related party (kEUR)	Total Revenue[1] – unrelated and related party (kEUR)	Profit/loss before income tax (kEUR)	Income tax paid (on cash basis) (kEUR)	Income tax accrued (current year) (kEUR)	Accumulated earnings (kEUR)	Number of full-time employees (FTE)
Denmark	**Principal**	**49,552**	**477,757**	**527,309**	**4,502**	**269**	**1,064**	**229,919**	**391**
Austria	Sales	8,810	164	8,974	344	75	94	3,256	31
Belgium	Sales	18,693	136	18,828	596	150	149	1,751	48
Czech Republic	Sales	6,955	1,654	8,609	244	28	58	227	34
Finland	Sales	8,324	-	8,324	226	68	42	294	16
France	Sales	107,838	2,934	110,772	3,190	803	866	2,394	235
Germany	Sales	149,087	3,119	152,206	5,597	1,798	1,586	-7,544	313
Greece	Sales	9,425	176	9,601	200	2	-24	19	20
Hungary	Sales/Production/R&D	6,525	184,276	190,801	8,884	547	746	7,542	853
Ireland	Sales	2,826	29	2,855	110	20	14	312	2
Italy	Sales/Production/R&D	25,075	25,668	50,743	3,096	-	943	22,110	166
Netherlands	Sales	25,772	1,827	27,599	852	214	213	3,133	81
Norway	Sales	17,956	68	18,024	402	93	87	344	42
Poland	Sales	12,684	639	13,323	267	-	12	687	52
Portugal	Sales	7,663	1,515	9,178	230	58	69	3,947	23
Romania	Sales	2,849	27	2,875	85	-	14	552	13
Slovakia	Sales	2,251	5	2,255	68	12	15	283	7
Spain	Sales	22,793	801	23,594	617	173	158	3,695	100
Sweden	Sales	21,441	386	21,827	550	254	115	183	51
Switzerland	Sales	13,197	24	13,221	382	77	48	-1,302	32
Türkiye	Sales	23,266	-	23,266	5,765	1,400	1,583	10,799	61
United Arab Emirates	Sales	15,918	-	15,918	107	-	10	819	10
United Kingdom	Sales	49,396	4,098	53,494	2,132	808	494	16,505	175
Total EMEA		**608,296**	**705,303**	**1,313,596**	**38,446**	**6,849**	**8,356**	**299,925**	**2,756**
Total Americas		**347,361**	**107,221**	**454,582**	**3,443**	**6,286**	**2,046**	**-16,699**	**1,117**
Total APAC		**75,178**	**69,681**	**144,860**	**5,404**	**2,129**	**1,472**	**23,984**	**914**
Total Nilfisk Group		**1,030,835**	**882,205**	**1,913,038**	**47,293**	**15,264**	**11,874**	**307,210**	**4,787**

[1] Revenue is defined according to the EU Directive 2021/2101 and includes income from the sale of goods, assets, services, interest, and all other income.

ESRS data points incorporated by reference in this section: ESRS 2, SBM-1 40aiii

Risk management

Risk is a natural part of doing business. The current risk landscape is impacted by elevated geopolitical uncertainties and market dynamics in the segments in which we operate.

At Nilfisk we have a structured, consistent, and continuous approach to ensure that our risk exposure is assessed, minimized, and managed to the extent possible. The overall objective of risk management is to support the realization of Nilfisk's strategy and support our operational and financial objectives, ensuring that risks are properly identified and mitigated. We use an integrated risk management framework to identify, assess, manage, monitor, and communicate risks across the company.

The Board of Directors has oversight responsibility for risk management. One of the Board's responsibilities is overseeing and interacting with the Nilfisk Leadership Team with respect to key aspects of Nilfisk's business, including risk assessment and mitigation of key risks. Evaluation of key risks is carried out by the Board and risks are monitored on an ongoing basis.

The Nilfisk Leadership Team is responsible for the identification, assessment, prioritization, and mitigation of strategic, financial, operating, sustainability, compliance, safety, and reputational risks as well as risks related to other areas. Risks are assessed according to a two-dimensional heat map rating system estimating the likelihood and business impact.

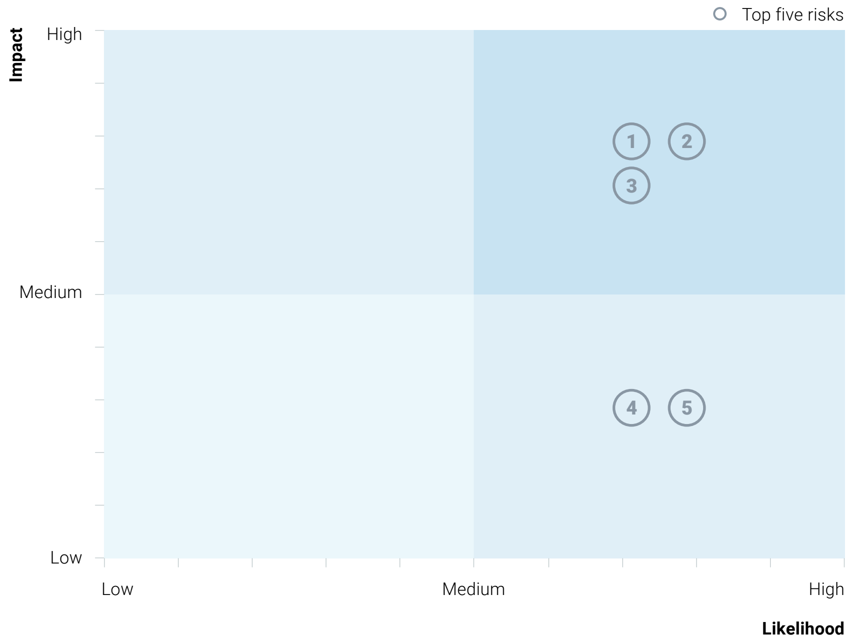
Top five business risks
The five risk areas illustrated are identified as high impact business risks (post-risk mitigation) that could have a material, adverse effect on our business, financial condition and/or operating results. Read more about these risks on the following page.

For further information on risks related to currency, interest rate, credit, and liquidity, read more in Note 6.3 of the financial statements.

Sustainability-related risks
In the Sustainability Statements, we have included a Double Materiality Assessment (DMA) in line with the ESRS requirements over sustainability-related risks, including climate risks. Any risks identified in the DMA as financially material gross risks (pre-risk mitigation) have also been considered in the overall risk management process as sustainability-related risks identified in the DMA overlap with the enterprise risk management process, underlining the interrelation and synergies of the processes. Going forward Nilfisk will harvest even more learning from the integration of these co-existing risk frameworks.

To read more about sustainability-related risks, see the Sustainability Statements.

Top five business risks



1	Commoditization and competition
2	Economic and political instability
3	Cyber and IT security
4	Failure to innovate
5	Data integrity, quality and privacy

ESRS data points incorporated by reference in this section: ESRS 2, IRO-1 53c, e-f

Nilfisk's high-impact business risks

Description of the five risk areas identified as high-impact business risks and related risk mitigation.

Risk		Risk description	Risk mitigation
1	**Commoditization and competition**	If we fail to adapt to changes in customer behavior and development of our products and services, our ability to execute on strategy will be impaired and the long-term financial results of the Group will be impacted. Customer demand is changing towards low-price "good-enough" products. At the same time, competition is intense, and low-cost competition might reach a level at which customers would be reluctant to pay a premium for higher-quality products. The Nilfisk Group's competitors include various large global and regional enterprises as well as smaller regional or local companies. Our operational results and financial position may be negatively impacted if Nilfisk products do not satisfy customer demand.	We monitor customer behavior via segment trends and purchasing loyalty. Nilfisk responds to changes in customer behavior with a strategy focused on lifecycle services, customer-centric innovation, and our sustainability commitment. With our value proposition and strategic priority to lead with innovation and sustainable products, we add value beyond the machine and deliver cleaning solutions that blend into operations while integrating digital services, collectively increasing the value of clean. We leverage strengths from our quality-focused brand and our wide product portfolio range with broad customer access. We scale benefits due to our size and geographical coverage.
2	**Economic and political instability**	Adverse and unstable economic conditions including risks of global geopolitical conflicts may negatively impact our financial position by increasing cost and decreasing demand for Nilfisk products affecting sales negatively. Meanwhile, major social and political instability and changes may disrupt both the cleaning industry and our business.	We closely monitor activity in our markets and the global economic situation to be able to respond in a timely manner to any adverse developments. We also mitigate possible negative macroeconomic changes by hedging and maintaining variability in our cost base as well as establishing a certain degree of flexible production footprint.
3	**Cyber and IT security**	Nilfisk's information technology systems are subject to risk of damage or interruption from power outages, computer and telecommunications failures, malware, catastrophic events, and user errors. Errors made due to lack of user awareness or deliberate misuse, such as individual attempts to gain access to systems, are among the risks Nilfisk faces. Inadequate management of changes to systems or inadequate service together with ineffective measures to deter, prevent, detect and react to such attempts might expose Nilfisk to risks. In addition, Nilfisk is faced with the threat of security breaches (viruses, ransomware, etc.) such as attempts to hack our information technology systems.	We have implemented procedures and management processes to ensure the necessary availability of critical IT systems and services. Furthermore, we have developed and actioned an IT security policy to prevent intentional damage to our systems and limit access to critical data and systems. Finally, initiatives have been planned and implemented to secure the digital business, strengthen the infrastructure platform, enhance IT services, and ensure recovery business continuity plans.
4	**Failure to innovate**	Technological developments and improvements are key to remaining competitive in the markets. If one or more of the Nilfisk competitors are able to develop and gain exclusive access to groundbreaking technologies, this could make it difficult or increasingly costly for the Nilfisk Group to compete effectively.	As a part of our strategy, we established a strong value proposition linked to strategic priorities and optimization opportunities, among other things focused on customer-centric innovation and leading with sustainable products, optimizing customer value while also ensuring technology enabled value creation. We consistently monitor customer trends against preferred technologies and cooperate with leading technology partners and universities.
5	**Data integrity, quality and privacy**	There is a risk of suboptimal decision-making, potential loss of business, financial losses, or reputational damage due to a lack of accurate, reliable, timely and complete data. Failure to protect data privacy and comply with legislation (GDPR) would also have a negative impact on our business including possible legal penalties, loss of vendor or customer trust, and reputational damage.	In addition to an ongoing assessment of our IT infrastructure and systems, several initiatives have been launched. These initiatives include a master data improvement project, standardization of ERP systems (SAP), and standardization of processes. The initiatives are progressing well. To protect data privacy, a number of systems have been implemented, e.g. Workday, Salesforce.com, and Service Max. The data in the systems is audited on a regular basis and employees have received adequate training in data management.

Sustainability Statements

62 **General information**
63 Disclosing progress
64 Sustainability commitments
65 Sustainability governance
66 Double Materiality Assessment
67 Value chain
68 General basis for preparation
69 DMA Methodology
74 Material impacts, risks, and opportunities

78 **Environment**
79 E1 Climate change
87 E2 Pollution
91 E3 Water and marine resources
93 E5 Resource use and circular economy
97 EU Taxonomy

102 **Social**
103 S1 Own workforce
117 S2 Workers in the value chain
119 S4 Consumers and end-users

122 **Governance**
123 G1 Business conduct

127 **Additional information**
128 ESRS disclosure overview
130 Data points deriving from other EU legislation
131 Statement on sustainability due diligence

General information

In this section, we outline our sustainability commitments and governance framework, including our Double Materiality Assessment (DMA) and a visual representation of Nilfisk's full value chain from a sustainability perspective. We also detail the foundational principles and methodologies guiding our efforts.

Following this, you will find dedicated sections for Environment, Social, and Governance. Each section covers topics identified through Nilfisk's DMA, including targets, disclosures, policies, actions, and their corresponding metrics.

63 **Disclosing progress**
64 **Sustainability commitments**
65 **Sustainability governance**
66 **Double Materiality Assessment**
67 **Value chain**
68 **General basis for preparation**
69 **DMA methodology**
71 Resilience analysis
73 Stakeholder engagement
74 **Material impacts, risks, and opportunities**

In 2024, we achieved five ISO 45001 certifications, underscoring our commitment to providing a safe workplace and promoting the physical and mental well-being of our employees. With the inclusion of manufacturing sites in Italy, Hungary, and Mexico, alongside our site in China, Nilfisk now operates ISO 45001-certified factories in Americas, APAC, and EMEA.

Disclosing progress

At Nilfisk, we recognize and commit to addressing climate change and embracing sustainable development, including a commitment to human rights, labor rights, and good governance throughout our value chain.

The Sustainability Statements in Nilfisk's 2024 Annual Report represent our first sustainability report aligned with the Corporate Sustainability Reporting Directive (CSRD). Prior to this report, Nilfisk has published stand-alone sustainability reports since 2016. We published our first Double Materiality Assessment (DMA) in 2023 and revised it in 2024 to align with the updates to the European Sustainability Reporting Standards (ESRS).

Environment
We follow a science-based approach to sustainability reporting and have committed to decarbonizing our business across Scope 1, 2, and 3 with targets that are verified and approved by the Science Based Target initiative (SBTi). These targets are verified to a well-below 2.0°C trajectory, and our actual performance is on the 1.5°C target trajectory. Our current near-term targets do not align with the ESRS requirements on a 1.5°C aligned transition plan. Nilfisk is committed to meeting these requirements but has prioritized analyzing feasibility and understanding the in-depth details and consequences before committing to new targets.

We committed to the UN Global Compact in 2010, and have since then been disclosing our company's performance on its 10 Guiding Principles. Furthermore, we disclose our climate actions and achievements via CDP, an international non-profit organization, receiving an 'A-' in 2024. In addition to this, we reported on Water Security through CDP for the first time in 2024, receiving a score of 'B-'.

Social
We acknowledge that a diverse workforce and an inclusive culture make us stronger as a company. We promote diversity, equity, and inclusion, a commitment described in our Business Code of Conduct and in our Global Diversity, Equity, and Inclusion policy. Health and safety are paramount, encompassing both employee well-being and operational efficiency. That means we are committed to creating and upholding progressive health and safety standards that follow international trends and requirements, such as ISO 45001.

Governance
Our sustainability performance is assessed annually by several internationally-recognized organizations including EcoVadis. Furthermore, we submit to Nasdaq's ESG reporting platform and to Sedex to drive improvements in ethical and responsible business practices in global supply chains.

Nilfisk welcomes comments, suggestions, or questions to our sustainability performance. Please reach out to us on sustainability@nilfisk.com.

ESG ratings and frameworks

Nilfisk committed to the UN Global Compact in 2010 and has since been disclosing our company's performance on its 10 Guiding Principles.

Nilfisk has received EcoVadis Gold for three consecutive years. EcoVadis is considered the world's largest provider of business sustainability ratings.

Nilfisk discloses its climate actions and achievements via CDP, a non-profit environmental disclosure system. In 2024, we received an 'A-' score for the fifth consecutive year.

Nilfisk has set targets to reduce Scope 1, 2, and 3 greenhouse gas (GHG) emissions. Science-based targets provide a clearly defined pathway to reduce GHG emissions.

Nilfisk reports into Sedex, a global organization dedicated to driving improvements in ethical and responsible business practices in global supply chains.

Nilfisk reports into Nasdaq's ESG reporting platform and has been a certified Nasdaq ESG Transparency Partner since 2022.

In 2024, Nilfisk achieved ISS's ESG score of C+ which marks us as an 'industry prime' company and thereby a sustainability leader in our industry.

Sustainability commitments

Nilfisk's sustainability commitments are anchored in our integrated business strategy and value proposition.

We continuously align our sustainability commitments with our annual Double Materiality Assessment (DMA). This way, Nilfisk's DMA is a dynamic process that guides our targets on sustainability.

ESRS topics
For this year's Sustainability Statements, five topics have been prioritized for Environment, three for Social, and one for Governance. To the right is a presentation of Nilfisk's sustainability commitments, prioritized topics for Environment, Social, and Governance, and an overview of selected targets.

Incentivizing target achievement
Our sustainability targets are integrated into the incentive programs for the Nilfisk Leadership Team and for key employees. The long-term bonus program assigns a 20% weighting to Scope 3 greenhouse gas emissions reduction in addition to financial targets. The short-term program includes a 10% weighting for four selected sustainability KPIs. Read more about our incentive programs in the Remuneration Report and Financial Statements.

The Environment, Social, and Governance sections in this report outline the targets, policies, actions, and metrics for each topic, along with their corresponding Impacts, Risks, and Opportunities (IROs).

	Environmental	Social	Governance
Ambition	**Science-based climate action as a compass** We want to lead with sustainable products and services in order to deliver value to our customers and to all our stakeholders	**Empowering people** We act to create fair, equal, healthy, diverse, and safe working environments for all employees globally	**Responsible business conduct at the core** We are committed to promoting good governance and integrity-centric behavior throughout the company.
ESRS topics	E1 Climate change E2 Pollution E3 Water E4 Biodiversity E5 Resource use and circular economy	S1 Own workforce S2 Workers in the value chain S4 Consumers and end-users	G1 Business conduct
Selected targets	**Emissions** 35% reduction of absolute Scope 1 and 2 GHG emissions by 2030, based on 2019 48% reduction of Scope 3 GHG emissions intensity from the use of sold product by 2030, based on 2021 **Plastic** 1,280 tonnes recycled plastic to replace virgin plastic by 2028	**Equal representation** 37.5% of the underrepresented gender in the Board of Directors by 2027 34% of the underrepresented gender in top management by 2026 and equal representation by 2030 (40/60)	**Sustainability governance** Gold To sustain EcoVadis Gold in the annual EcoVadis assessment

Sustainability governance

Nilfisk is committed to fully integrating sustainability into processes and decision-making throughout the company. To support this, we have established a tailored sustainability governance structure to ensure seamless integration of sustainability.

Board of Directors
Oversight and governance of Nilfisk's sustainability ambitions are anchored with the Board of Directors and cascaded through the organization. They monitor and ensure progress towards our strategic priorities, covering sustainability and target achievement. Sustainability priorities are integral to the Board's decision-making, with annual updates on targets and progress.

Audit Committee
The Audit Committee oversees sustainability activities, ensuring compliance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). This includes the annual approval of the Double Materiality Assessment (DMA) and Sustainability Statements. In 2024, they prepared for the CSRD, effective January 2024, through in-depth workshops and training sessions.

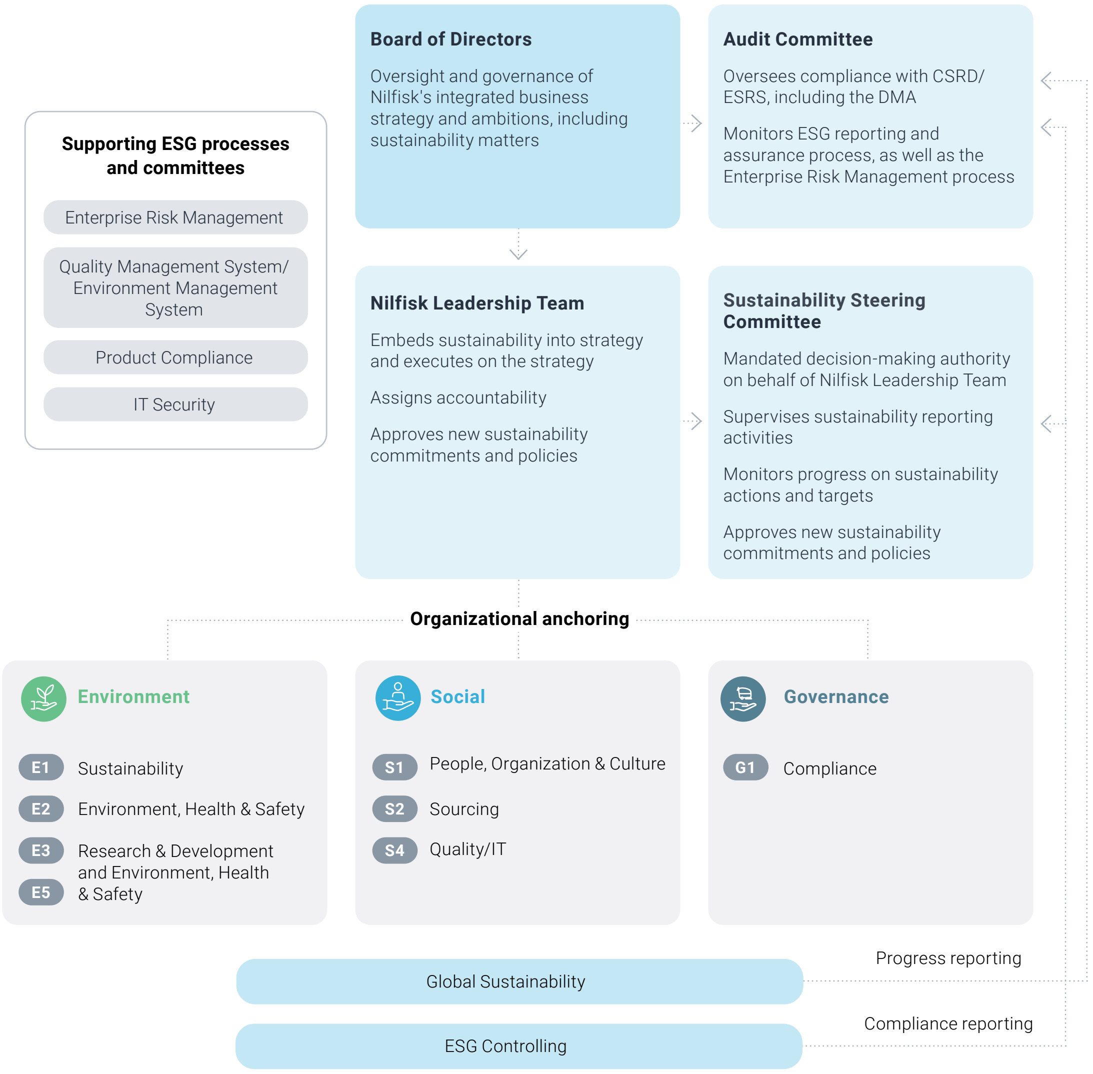
Nilfisk Leadership Team
The Nilfisk Leadership Team sets the strategic direction on sustainability, with functional heads responsible for implementing targets and actions. The team is involved in major decisions, monitors policies and targets, and approves actions to facilitate progress. Each sustainability topic and target is assigned to a relevant function to ensure due diligence in sustainability matters, with progress reported in quarterly meetings.

Sustainability Steering Committee
A Sustainability Committee, comprising two members with decision-making authority from the Nilfisk Leadership Team, has been appointed. It includes the EVP, CFO, and the EVP, Head of Marketing, Sustainability & Consumer Business, and oversees sustainability target setting, policy commitments, and compliance with CSRD and ESRS.

Progress and compliance reporting
As non-financial controlling matures, Nilfisk has established a Group ESG controlling function within Finance for compliance reviews and internal controls. The Sustainability Team reports progress on targets and supports strategic sustainability priorities, particularly environmental topics.

Other committees
In addition to the Sustainability Committee, the Quality and Environmental Management Committee, Product Compliance Committee, and the IT Security Committee oversee the development of Impacts, Risks, and Opportunities (IROs) as defined in the DMA. Our Enterprise Risk Management process also includes sustainability risk assessments.

Read more
Read more about the Board of Directors, Nilfisk Leadership Team, and governance structure in the Corporate Governance section of the Management Review.



Double Materiality Assessment

The Double Materiality Assessment (DMA) has established the foundation for reporting on material sustainability-related Impacts, Risks, and Opportunities (IROs) in compliance with the CSRD reporting requirements.

The DMA considers both Nilfisk's impact on the environment and society as well as the financial impact of sustainability-related topics on our company.

- **Impact materiality** captures the inside-out perspective, and considers the scale, scope, irremediability, and likelihood of sustainability-related impacts on people and/or the environment.
- **Financial materiality** focuses on the outside-in perspective and considers the financial significance of sustainability-related risks and opportunities and their likelihood.

Outcome

The outcome of the DMA is presented in the illustration to the right. The results are aggregated by ESRS topic, showing 9 ESRS topics and 21 sub-topics assessed as material to Nilfisk from an impact and/or financial materiality perspective.

The identified environmental impacts and risks are closely linked to the manufacturing and use of our products, including water usage, emissions, resource flows, and substances of concern. Operating globally with an extensive supply chain impacts both Nilfisk's employees and workers in the value chain, as well as end-users of our cleaning machines from physical and data safety perspectives.

One strategic response to these IROs is renewing our product portfolio to offer more sustainable products. This includes refurbishing and upgrading existing products, as well as designing new, intentionally sustainable products.

Read more

The following pages contain:

- An illustration of selected IROs in Nilfisk's value chain
- A description of Nilfisk's DMA methodology and process
- A list with descriptions of the material IROs resulting from the DMA.

Information on how Nilfisk responds to the effects of IROs, including related policies, actions, targets, and metrics can be found in the topical sections under Environment, Social, and Governance.

DMA topics

Environment

E1 Climate change
1. Climate change mitigation
2. Climate change adaption
3. Energy

E2 Pollution
4. Substances of concern
5. Substances of very high concern
6. Pollution of air, water, and soil

E3 Water and marine resources
7. Water

E4 Biodiversity
8. Climate change and pollution

E5 Circular economy
9. Resource inflows, including resource use
10. Resource outflows related to products and services
11. Waste

Social

S1 Own workforce
12. Working conditions
13. Equal treatment and opportunities for all
14. Other work-related rights

S2 Workers in the value chain
15. Working conditions
16. Equal treatment and opportunities for all
17. Other work-related rights

S4 Consumers and end-users
18. Personal safety of consumers and/or end-users
19. Information-related impacts for consumers and/or end-users

Governance

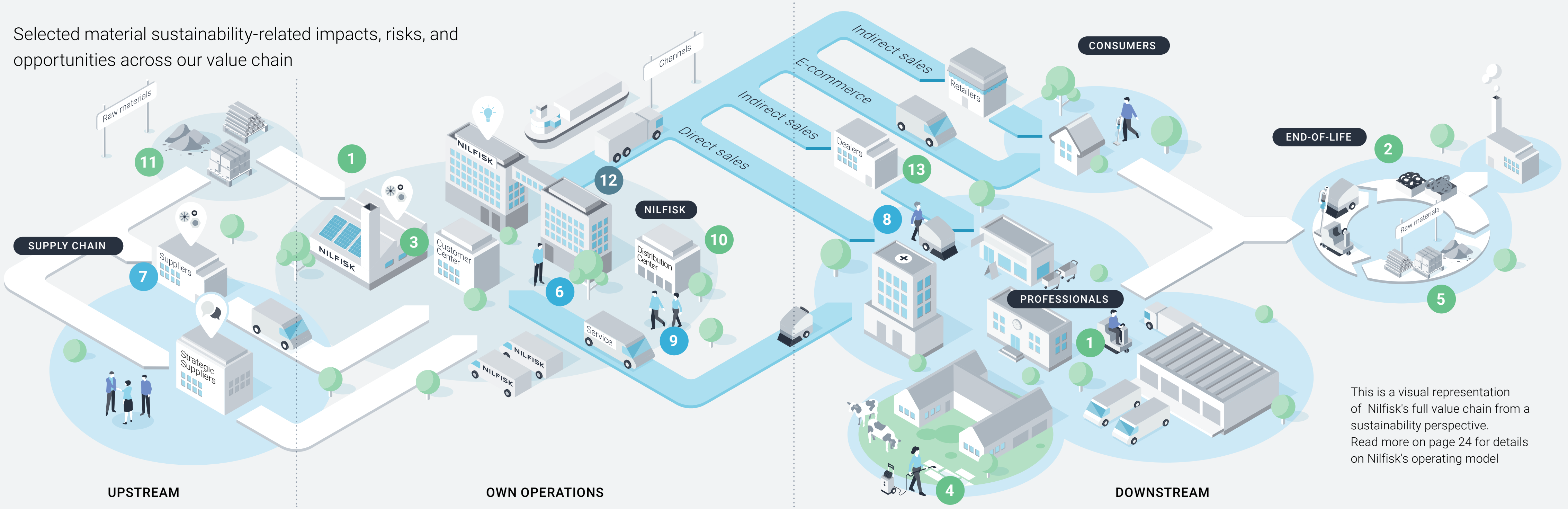
G1 Business conduct
20. Corruption and bribery
21. Protection of whistle-blowers

Material IROs

Material Impacts, Risks, and Opportunities (IROs) identified for each ESRS topic are presented at the start of their respective sections

Value chain

Selected material sustainability-related impacts, risks, and opportunities across our value chain



This is a visual representation of Nilfisk's full value chain from a sustainability perspective.
Read more on page 24 for details on Nilfisk's operating model

NEGATIVE IMPACT

1	E1	Greenhouse gas emissions (Scope 1, 2, and 3)
2	E2	Pollution from mismanagement of products at end-of-life
3	E2	Pollution from substances of concern and very high concern
4	E3	Water consumption from product usage
5	E5	Disassembly of products and components (incl. packaging)
6	S1	Health and safety
7	S2	Value chain workers' rights and health and safety
8	S4	Security of end-users

POSITIVE IMPACT

9	S1	Diversity, training, and skills development

RISK

10	E1	Natural disasters
11	E5	Scarcity of materials
12	G1	Corruption and bribery prevention and detection

OPPORTUNITY

13	E1	Greenhouse gas emissions (Scope 1, 2, and 3)

General basis for preparation

This section describes the applied reporting framework, principles for consolidation, as well as a description of key accounting estimates.

Basis for reporting
The Sustainability Statements included in this Annual Report cover the year 2024, in line with the Financial Statements.

Frameworks and data
The Sustainability Statements comply with the EU Corporate Sustainability Reporting Directive (CSRD) and the corresponding EU Sustainability Reporting Standards (ESRS) and with section 99a of the Danish Financial Statements Act. The Sustainability Statements also ensure compliance with the act's requirements under section 107d in the policy, actions, and targets sections for Diversity in section S1 – Own workforce.

All data points in the Environment, Social, and Governance sections have been assessed as material according to Nilfisk's Double Materiality Assessment (DMA).

Measurement basis
The accounting policies described in the individual sections are consistently applied during the financial year and for the comparative figures where relevant.

Principles of consolidation
Unless otherwise stated, the data in this report is consolidated according to the same principles as the financial statements. ESG data for Nilfisk's own operations includes consolidated data for the Nilfisk Group (Nilfisk) covering the parent company, Nilfisk Holding A/S, and entities controlled by Nilfisk Holding A/S. Data from associates are not included. See note 8.5 in the Financial Statements for an overview of Nilfisk Group companies.

The following subsidiaries are exempted from individual sustainability reporting pursuant to ESRS 2:5 (b)ii: Nilfisk A/S (Denmark) and Nilfisk Production Kft. (Hungary).

Value chain information
The DMA process described in the following pages includes impacts, risks, and opportunities related to our upstream and downstream value chain. Nilfisk's policies, actions, and targets for the upstream and downstream value chain is described in the individual Environment, Social, and Governance sections.

Comparative information
Nilfisk applies the transitional provision for presenting comparative information. Comparative figures are reported for selected previously reported data points previously reported in line with ESRS. Nilfisk assesses the need for restatements based on materiality. During 2024, we focused on enhancing data quality and accuracy, leading to updated input assumptions. Consequently, the following main changes to 2023 figures were made in accordance with our restatement policy:

- Changes to assumptions at our site in Poland: Fuel consumption from natural gas decreased by 6%, resulting in a total energy consumption reduction of 2%. This primarily led to a 2% decrease in Scope 1 emissions.
- Improved sales database: Scope 3, category 11 emissions and corresponding emissions intensity increased by 6%.
- Reclassification of energy origin: Fossil energy decreased by 3,097 MWh, nuclear energy increased by 1,240 MWh, and renewable energy increased by 1,835 MWh.
  All the restated numbers can be found in the Metrics section for E1-5 and E1-6.

Targets and metrics
As part of Nilfisk's target setting, internal stakeholders have been used as proxies for external key stakeholders and the outcome will be shared with these key stakeholders. Individual accounting policies and methodologies of targets and metrics are described in the individual Environment, Social, and Governance sections.

Key accounting estimates, judgments, and uncertainties
When preparing sustainability metrics, reasonable estimates and judgments are essential. The Executive Management Board has made reasonable estimates and judgments related to selected metrics based on experience, assumptions, and the evolving ESG reporting landscape. These estimates and judgments are reassessed regularly. Nilfisk uses extrapolations as a method for estimating data when full data coverage for Nilfisk Group is unavailable. Extrapolations are calculated using available data, which is extended to complete Nilfisk Group data based on headcounts. Other estimates and judgments are used where relevant. Nilfisk has defined specific ranges to indicate the use of estimates within the reported metrics, as follows:

- Low: <30 %
- Medium: 30 % < 70%
- High: >70%

Where estimates and judgments have been applied, this is clearly stated in the individual accounting policies.

Incorporation by reference
Nilfisk has applied the principle of "incorporation by reference' for certain disclosures from ESRS 2 into the Management Review section and Remuneration Report for better readability. All ESRS data points reported outside the Sustainability Statements are clearly marked with a and are covered by limited assurance from our external auditor. Details on ESRS disclosure locations within the annual report can be found in the ESRS disclosure overview on page 128.

Option to omit specific information and phase-in reliefs
Nilfisk has not used the option to omit specific information related to intellectual property, know-how, or results of innovation. Furthermore, Nilfisk has chosen to use certain phase-in options. Read more on which phase-in options have been used in the ESRS disclosure overview on page 128.

Double Materiality Assessment methodology

This section outlines the process for identifying material Impacts, Risks, and Opportunities (IROs). It details the methodology and results of the resilience analysis and outlines the process and outcome of engaging stakeholders.

Scoping
The Double Materiality Assessment (DMA) covers Nilfisk's entire value chain, including upstream, downstream, and own operations, in line with ESRS requirements.

The upstream value chain includes raw material extraction and suppliers. The downstream value chain covers product resale, use, and end-of-life, including refurbishment and resale activities. Nilfisk's operations encompass primary activities such as inbound logistics, operations, outbound logistics, marketing, sales, and service, as well as support activities such as finance, infrastructure, technological development, HR management, and sourcing.

To ensure the inclusion of key stakeholders along the value chain, Nilfisk conducted a comprehensive mapping exercise. Key groups identified include customers and end-users, employees, value chain workers, local communities, and the global population.

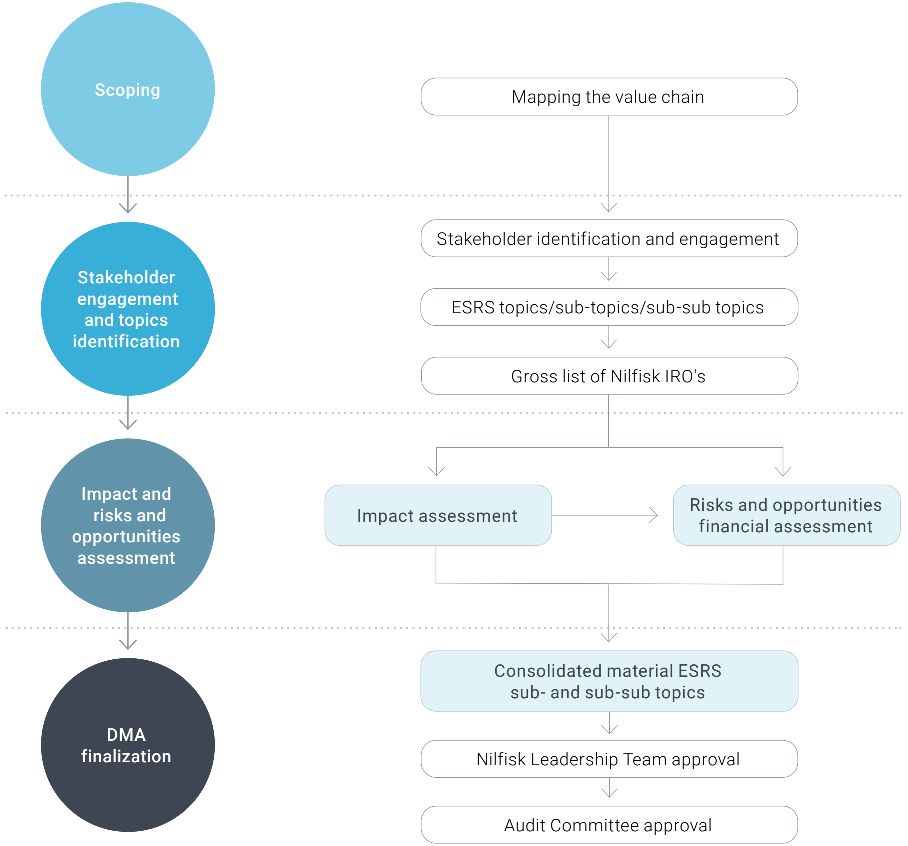
Stakeholder engagement and topics identification
Engaging stakeholders with due diligence is a fundamental pillar in the DMA process. Nilfisk conducted a comprehensive workshop with internal subject-matter experts (SMEs) from various business lines and regions. The topics discussed were used to create a longlist of IROs, which were cross-checked with ESRS sub-topics and sub-sub-topics. All IROs were assessed on a gross basis, without considering mitigation actions.

Environment-related IROs
As part of identifying material climate-related IROs, Nilfisk has recognized both physical and transition climate-related risks, detailed in the Resilience Analysis section on the following pages. To screen sites and assets across the value chain, Nilfisk gathered information from forums, site reports, and stakeholder interviews to identify IROs related to pollution, water and marine resources, biodiversity, and resource use and circular economy.

According to SMEs, no significant biodiversity-related risks have been identified, and Nilfisk has no sites near biodiversity-sensitive areas with negative impacts. Only indirect consultations with affected communities were conducted.

Governance-related IROs
Governance-related IROs are identified based on inputs from the Compliance team, leveraging their expertise and internal policies. The assessment involves engaging relevant SMEs and evaluating regulations such as the Danish Recommendations on Corporate Governance, the EU Whistleblower Directive, the UK Bribery Act 2019, the Foreign Corrupt Practices Act, and current and upcoming EU anti-corruption legislation, as well as the OECD Guidelines on Multinational Enterprises.

The process towards Double Materiality Assessment



Gross list of IROs
Additional relevant ESRS topics and entity-specific topics not covered in the workshop, resilience analysis, and climate-related screenings were subsequently added by SMEs, resulting in a gross list of Nilfisk IROs. For each IRO, a stakeholder and SME were identified. External stakeholders' views were incorporated through SMEs acting as proxies, such as Customer Care, HR, Regulatory Affairs, and Legal. Nilfisk's continuous engagement with stakeholders provides a solid basis for assessing the most material IROs and stakeholders are consulted throughout the DMA process. Read more in the Stakeholder Engagement section.

Impact, risks, and opportunities assessment
Based on the gross list of IROs, separate scoring has been conducted from both an impact and a financial risk and opportunity perspective. The scoring was collaboratively performed by ESG controlling, Sustainability, and SMEs acting as proxies for external stakeholders.

Time horizon
Each IRO has a specified time horizon, which defines the period within which the IRO is expected to materialize. The time horizon parameter is split into three categories, as defined by ESRS 1:

- Short-term: one year, aligned with the period adopted as the reporting period in the financial statements
- Medium-term: from one to five years
- Long-term time: more than five years

Impact assessment
The scoring of impacts is based on the severity of impacts for the scale, scope, irremediable character, and likelihood which are each scored low, medium, or high. See the table on the right for further details.

Financial risk and opportunity assessment
Financial risks or opportunities derived from assessed impacts, and independent sustainability-related risks and opportunities, are considered in the financial materiality assessment. The scoring is based on the potential financial magnitude and likelihood of occurrence which are each scored low, medium, or high. The nature and magnitude of financial effects in different scenarios were assessed based on assumptions and input parameters from subject-matter experts. See the table on the right for further details.

Thresholds
If an IRO receives an average score of medium or higher, it is considered material. Consequently, the associated ESRS standard, along with all relevant disclosure requirements and data points, are also deemed material.

If no IROs related to an ESRS topic are assessed as material, the ESRS standard and all associated disclosure requirements are considered immaterial for reporting purposes. Nilfisk has concluded that ESRS S3 - Affected Communities is immaterial.

Stakeholder verification
After finalizing the scores for all IROs, a consolidated overview of the outcome was presented to and discussed with the identified SMEs for each respective IRO. Adjustments were made if deemed necessary.

DMA finalization
A consolidated list of ESRS topics, sub-topics, and sub-sub-topics representing the outcome and conclusion of the DMA has been presented to and approved by the Nilfisk Leadership Team and Audit Committee. The DMA resulted in a final list of 9 ESRS topics and 21 sub-topics. The outcome of the IROs are detailed on page 74.

Impact assessment	
Scale	Defines the magnitude of an impact on people or the environment, where the salient human rights principles give precedence to those human rights that are at risk of the most severe negative impacts on people and are therefore per definition scored 'high'.
Scope	Defines how widespread the impact is, based on individuals affected or the extent of the environmental damage. Nilfisk has defined parameters such as the percentage of sites in scope, employees affected, suppliers spend covered.
Irremediable character	Describes the extent to which the impact can be remediated. Nilfisk has assessed the level of difficulty in remediating the negative impact in terms of cost and time horizon.
Likelihood (potential impact)	For potential impact categories, likelihood was added as an additional scoring parameter. However, human rights apply precedence over likelihood, meaning that likelihood is not considered for human right impact categories.

Financial risks and opportunities assessment	
Financial magnitude	The potential financial effects assess the impact on EBIT if a risk or opportunity materializes. These were divided into: • Tangible financial effects: Actual financial risks that had occurred and were measurable. • Intangible financial effects: Potential financial impacts based on assumptions, including reputation, operations, employee retention, and regulatory effects.
Likelihood	The likelihood of occurrence is assessed based on past occurrences or awareness of future occurrences (e.g. knowledge of future legislation).

Resilience analysis

Nilfisk has conducted a resilience analysis, informed specifically by our climate risk assessment.

A resilience analysis evaluates Nilfisk's capacity to handle environmental changes, split into physical and transitional risks. Physical risks include site-specific climate risks, value chain sector risks, and downstream value chain effects. Transitional risks encompass market, policy, reputation, and technology risks. The resilience analysis confirmed known risks and provided new insights. By categorizing and adding timelines to our climate risk analysis and using recognized climate risk data sources, we improved our outlook.

The findings of the resilience analysis have informed Nilfisk's Double Materiality Assessment (DMA). Our material Impacts, Risks, and Opportunities (IROs) related to climate change are linked to climate change mitigation, adaptation, and energy.

Inputs to the resilience analysis in 2024 came from our climate risk assessment, business model and strategic direction, current and planned mitigating activities, and existing policies. Climate scenarios were integrated via the climate risk assessment results, with each topic evaluated based on three time horizons. Nilfisk identified material climate-related risks as both physical and transitional, covering our upstream value chain, sites, and global activities.

Key resilience analysis outcomes

Resilience to climate physical risks

Nilfisk is exposed to both physical risks at sites and in our value chain.

Sites: Nilfisk's highest physical risk is site exposure to extreme weather events such as natural disasters or extreme heat. More than half of the sites in scope of the assessment have a high to extreme climate risk in the current outlook and consequently in future time horizons and low and high emissions scenarios. To enhance resilience, Nilfisk has initiated actions such as a dual production strategy, adapted insurance, and emergency plans prioritizing employee wellbeing. By 2025, climate risk will be integrated into Nilfisk's real estate policy and enterprise risk management process.

Value chain: In 2024, Nilfisk faced low-medium physical risks in its upstream value chain. Post-COVID-19 measures, such as dual sourcing, have enhanced resilience to supply chain disruptions. By 2050, the sectors "Container and Packaging" and "Automobile components" have a medium-high risk of being impacted by climate hazards in the high-emissions scenario.

Resilience to climate transition risks

Nilfisk faces market, policy, technology, and reputational risks.

Market risk: A high risk is identified from the scenarios considering committed or current policies. In the upstream value chain, the risk is associated with disruptions on critical materials due to adverse effects from climate change. To our own operations, these scenarios indicate rising production costs. In the downstream value chain, all scenarios show high risks from market uncertainties, including timing and effect of demand for more sustainable products.

Policy risk: Nilfisk's current operations comply with existing climate political action, putting us at low risk in a scenario where climate policies remain the same. An aggressive future policy scenario may require further adaptation of Nilfisk's operating model as our upstream and downstream value chain will be impacted by increasing emissions taxes. Nilfisk is preparing for this scenario by developing low-carbon products which will mitigate the impact of these taxes.

Technology risk: Based on exposure to EU taxonomy and low-carbon transitioning of products, overall technology risk exposure was found to be low for Nilfisk. Our strong in-house technical capabilities, strategic partnerships, and a diversified development roadmap contribute to this. However, long-term risks include exposure to new technological disruptions.

Reputational risk: High risks are associated with scenarios where policies are aggressively implemented to achieve net-zero emissions by 2050. In such scenarios, heightened stakeholder scrutiny increases the risk of reputational effects materializing for Nilfisk. To mitigate this risk, Nilfisk continuously monitors customer requirements and incorporates low-carbon products into its product roadmap.

The table below summarizes the information, sources, and scenarios used in our Climate Risk Assessment as per the ESRS guidelines

Applied Climate Risk Assessment methodology, sources, and scenarios

	Category	Purpose	Assessment method and source	Scenarios	Time horizons	Focus
Climate-related physical risks	Own operations	Site-specific physical climate risks	21 Risk platform, Münich-Re's methodology	RCP8.5, RCP4.5, RCP2.6	Up to 2100	All sites with a Total Sum Insured (TSI) above 2,000 EUR (50 sites)
	Upstream value chain	Risk assessment on Nilfisk's value chain sectors and suppliers	S&P Global Sustainable1 Physical Risk Scores	SSP5-8.5, SSP1-2.6	2030, 2050	Value chain sectors and suppliers
	Downstream value chain	Immaterial impact	N/A	N/A	N/A	Customer and reseller physical risks
Climate-related transition risks and opportunities	Market risks and opportunities	Evaluation of market impacts due to policy implementation and customer requirements	IEA scenarios	STEPS, APS, NZE	Short, medium, long-term	Upstream, operational, downstream segments
	Policy risks and opportunities	Projects future carbon price impacts	S&P carbon pricing risk assessment	STEPS APS, NZE	2030, 2040, 2050	Revenue, expenditure, emissions
	Reputational risk	Potential image impacts	Regulatory non-compliance, stakeholder pressures	STEPS, APS, NZE	N/A	Upstream, operational, downstream risks
	Technology risks and opportunities	Determine overall technology risk	EU Taxonomy activities, CAPEX/R&D	N/A	N/A	Meeting low-carbon thresholds

Stakeholder engagement

Interests and views of stakeholders

At Nilfisk, we prioritize active engagement with our extensive value chain and diverse stakeholders. With a rich history rooted in knowledge and engineering, we understand that the best insights and milestones are achieved through collaboration. Whether it's understanding end-user needs, preserving human rights, or exploring innovative materials, we are committed to continuous and dynamic stakeholder engagement through both formal and informal activities.

Through dialogue, we strive to understand the positions, concerns, and expectations of our stakeholders. Direct and indirect dialogue informs our sustainability and business efforts, projects, and processes, allowing us to align interests and views. The insights gained inform our Double Materiality Assessment (DMA) with internal SMEs acting as proxies for our stakeholders.

We include views and interests of affected stakeholders regarding our sustainability-related Impacts, Risks, and Opportunities (IROs) in our established business processes. The Sustainability Steering Committee is regularly informed of new insights on the matter.

Key stakeholders	Type of engagement and collection of insights	Purpose of engagements	Outcomes from engagements	Value chain	ESRS topics	Internal SME
Customers (B2B & B2C)	• Daily engagement with our customers • Customer insights-based product development through co-creation process in product design for selected design processes	• Monitor and understand market movements and customer needs • Ensure value offerings match needs and requirements	• Product and service improvements • Innovative, high-quality sustainable products and services that help our customers achieve their business and sustainability goals	DO	E1, E2, E3, E5, S4	• Customer care • Sales teams • Customer insights
Employees	• Bi-annual global engagement survey and annual development conversations • Health & safety processes • Whistleblower processes	• Respecting human rights and diversity, equity, and inclusion • Learning views and needs of employees and aligning improvement and action plans with employee inputs • Providing a safe and healthy work environment	• Employee retention • Meaningful work and good development opportunities	OO	S1	• HR partners • EHS Manager • Unions and workers councils
Investors and analysts	• External ESG ratings • Investor calls • Periodic investor updates • Capital markets days	• Understanding views and expectations on ESG performance • Respond to ESG rating firms' requests and questionnaires • Attracting responsible investors	• Data available to investor queries • Transparency on Nilfisk's ESG performance to industry benchmark	OO	E1, E2, E3, E5, S1, S2, S4, G1	• Investor relations
Suppliers and workers in the value chain	• Daily engagement on product and process dialogues • Supplier due diligence and questionnaires • Human rights assessments via screening and on-site assessments	• Ensure compliance with Nilfisk's Code of Conduct • Co-creation processes with suppliers • Ensuring available whistleblower process • Protect human and labor rights of workers in high-risk areas	• Informed selection of suppliers • Partner on solutions for customers and end users	UP, DO	E4, E5, S2, S4	• Supply chain • Legal • Sustainability team • EHS Manager
Local communities	• Local employee activities • Donations and partnerships for community benefits	• Providing economic and social value, while minimizing environmental impact	• Local donations and employee events • Employee retention and ambassador effect	UP, OO, DO	E1, E2, E3, E5, S1, S2, S4	• Sustainability team • Regulatory affairs
Interest organizations, incl. civic, non-profit organizations, and governments	• Thought leadership and sharing experiences on ESG • Participation in industry work groups and forums • Collaboration with universities • Publication of laws, regulations, and policies	• Access to tools provided / Guidance on best practice • Sparring and knowledge sharing with peers • Research to develop innovative solutions • Understand societal concerns and help solve societal issues	• Ensuring compliance and meeting market standards • ESRS aligned Sustainability Statements to increase transparency and industry comparability • Responsibility and accountability towards material issues, and industry leadership on topics of highest impact and leverage	OO	E1, E2, E3, E5, S1, S2, S4, G1	• Legal • Sustainability team • Regulatory affairs • R&D team

* Own operation (OO), upstream (UP), downstream (DO)

Material impacts, risks, and opportunities

The tables below list the sustainability-related Impacts, Risks, and Opportunities (IROs) identified in our Double Materiality Assessment (DMA). Each ESRS topic, including sub- and sub-sub-topics such as climate change mitigation, working hours, and resource use, is presented with a brief description of the IROs. The tables indicate the effect of the IRO in the value chain: own operations (OO), downstream (DO), or upstream (UP), whether impacts are positive or negative, actual or potential, and the related time horizon.

More details on our response to these IROs are provided in the topical sections under Environment, Social, and Governance.

Environmental	IRO	Impact, Risk, or Opportunity	Value chain*	Time horizon of impact	Description	Disclosure requirement
E1 Climate change						
1. Climate change mitigation						
Climate change mitigation	GHG emissions (Scope 1, 2, and 3)	Actual negative impact	OO, DO	Short	GHG emissions from own operations and the use-phase of products (Scope 1,2, and 3 emissions).	E1-1, E1-2, E1-3, E1-4, E1-6
		Risk	OO		There is a financial risk related to implementation of and improvements to operations to adhere with new regulatory and customers' requirements related to GHG emissions.	
		Opportunity	OO		Opportunity to increase sales and expand market share from developing documented low-carbon products.	
2. Climate change adaptation						
Climate change adaptation	Natural disasters	Risk	OO		Nilfisk operates in regions vulnerable to natural disasters, including tornadoes and hurricanes, posing inherent financial risks. In 2024, Nilfisk's site in Fort Pierce, Florida was hit by Hurricane Milton leading to an expected revenue loss of approximately 7 mEUR associated with this event as well as costs related to the destruction of property (before insurance payouts).	E1-2, E1-3, E1-4
3. Energy						
Energy	Fossil energy	Actual negative impact	OO, DO	Short	Use of fossil energy during operations and from Nilfisk products contributes to deplete energy sources, which might prevent future generations from accessing them, and contributes to climate change.	E1-2, E1-3, E1-4, E1-5
E2 Pollution						
4. Substances of concern 5. Substances of very high concern						
Substances of concern, Substances of very high concern	Pollution from substances of concern and very high concern	Actual negative impact	OO, DO	Short	Several of Nilfisk's products contain substances of concern and very high concern, including PFAS (Per- and Polyfluoroalkyl Substances), that cause pollution during production, as well as when such products are disposed of. If not handled correctly, the substances used in the production and thus contained in the products may pollute surroundings and negatively affect people and the environment.	E2-1, E2-2, E2-3, E2-5, E2 (entity-specific)
		Risk	OO		Several of Nilfisk's products contain substances that might require volume tracking. Due to the complexity of tracking volumes of substances and the regulatory requirements related to such tracking substances of concern and very high concern, there is an inherent financial risk of fines for non-compliance.	
	PFAS (entity-specific)	Risk	OO		Due to the concerns about PFAS, the use of PFAS will be banned in the US and EU before 2030. Furthermore, Nilfisk is being met by requests from customers to track, or even ban, PFAS in products. Consequently, there is a risk that Nilfisk's products will not meet regulatory as well as customers' requirements, which could potentially affect Nilfisk's sales and financial position.	Entity-specific

* Own operation (OO), upstream (UP), or downstream (DO)

Environmental – continued	IRO	Impact, Risk, or Opportunity	Value chain*	Time horizon of impact	Description	Disclosure requirement
E2 Pollution – continued						
6. Pollution of air, water, and soil (entity-specific)						
Pollution of air, water, and soil	Pollution from end-of-life products (entity-specific)	Actual negative impact	DO	Short	Several of Nilfisk's products might pollute air, water, and soil, if such products are not handled correctly at end-of-life. Mismanagement might lead to pollution, which might negatively affect people and the environment.	E2-1, E2-2, E2-3, E2-4, E2 (entity-specific)
E3 Water and marine resources						
7. Water						
Water	Water consumption at sites	Actual negative impact	OO	Short	Use of water to produce our products at our production plant, impacting the availability of water for other usage.	E3-1, E3-2, E3-4
	Water consumption from product usage (entity-specific)	Actual negative impact	DO	Short	Use of water to use our products contributes to water scarcity in some regions of the world, especially in the medium and long term when water shortages will become more common.	E3-1, E3-2, E3 (entity-specific)
E4 Biodiversity						
8. Climate change and pollution						
Climate change and pollution	Direct impact drivers of biodiversity loss	Actual negative impact	UP, OO, DO	Short	Climate change and pollution are material impacts to Nilfisk that contribute negatively as direct impact drivers to the acceleration of biodiversity loss.	E1, E2
E5 Circular Economy						
9. Resource inflows, including resource use						
Resource inflows, including resource use	Scarcity of materials	Actual negative impact	UP, DO	Short	Nilfisk contributes to increasing the scarcity of materials by consuming components such as plastics, electronics and some metals, which might make future generations unable to access them.	E5-1, E5-2, E5-3, E5-4
		Risk	OO		There is an inherent operational risk from scarcity of materials as it would require research and validation of alternative raw material for sustaining production.	
10. Resource outflows related to products and services						
Resource outflows related to products and services	Repairability and recyclability of products and components	Actual negative impact	DO	Short	Nilfisk's products cannot be fully recycled or repaired because of design and logistical challenges, so Nilfisk's value chain contributes to resource depletion by not optimizing the recyclability and repairability of all its materials.	E5-1, E5-2, E5-5
	Packaging waste	Actual negative impact	OO, DO	Short	Nilfisk's packaging waste can end up polluting air, water, and soil.	
	EU sustainable product initiative	Risk	OO		The EU sustainable product initiative (SPI) will require product sustainability data in a future digital product passport. There is an inherent risk from non-compliance and negative reputational effects.	
11. Waste						
Waste	Waste management at Nilfisk sites	Actual negative impact	OO	Short	If not properly managed, waste from Nilfisk sites can cause local pollution. Waste from upstream and downstream value chain is covered in pollution.	E5-1, E5-2
		Risk	OO		There is an inherent risk of fines from non-compliance with regulatory requirements related to waste.	

* Own operation (OO), upstream (UP), or downstream (DO)

Social	IRO	Impact, Risk, or Opportunity	Value chain*	Time horizon of impact	Description	Disclosure requirement
S1 Own workforce						
12. Working conditions						
Adequate wages, Social dialogue, Collective bargaining, Freedom of association, Working time	Other working conditions	Risk	OO		There is an inherent financial risk from inadequate working conditions such as insufficient wages, lack of social dialogue, collective bargaining, freedom of association, and high workload. Factors that could lead to higher employee turnover and lower productivity.	S1-1, S1-4, S1-8, S1-10, S1-11, S1-15
Health and safety	Health and safety relating to workplace accidents	Actual and potential negative impact	OO	Short	Health and safety issues relating to workplace accidents and risks of fires because of the use of flammable material such as chemicals, lithium-ion batteries etc. can cause negative impacts for Nilfisk's employees.	S1-1, S1-4, S1-5, S1-14
		Risk	OO		There is an inherent financial risk from employees being exposed to substances of concern and very high concern leading to increased sick days and productivity.	
13. Equal treatment and opportunities for all						
Diversity	Diversity, social equity, and equal treatment	Actual positive impact	DO	Short	Promoting diversity drives innovation and fosters a culture of inclusion where everyone in the workplace is valued.	S1-1, S1-4, S1-6, S1-7, S1-9, S1-12, S1-13, S1-16, S1-17
		Risk	OO		There is an inherent financial risk and reputational risk from lack of compliance with regulatory requirements related to reporting on gender diversity in top management.	
Gender equality and equal pay for work of equal value	Gender pay gap	Actual negative impact	OO	Short	Nilfisk has identified a gender pay gap and is taking action to ensure equal pay.	
		Risk	OO		There is an inherent financial risk from existing gender pay gap related to employee retention and lower productivity.	
Measures against violence and harassment in the workplace	Equal treatment	Actual negative impact	OO	Short	Nilfisk has cases of employees experiencing harassment in the workplace.	
		Risk	OO		There is an inherent financial risk of fines and reputational risk from lack of measures against violence and harassment.	
Training and skills development	Equal opportunities	Actual positive impact	OO	Short	Ensuring career progression through training and skills development contributes to employee development and business growth.	
		Risk	OO		There is an inherent financial risk from insufficient investment in people development related to employee retention, and performance.	
14. Other work-related rights						
Privacy	GDPR compliance of own workforce	Risk	OO		There is an inherent financial risk of fines from non-compliance with regulatory requirements related to GDPR where it concerns Nilfisk's own employees.	S1-1, S1-4
S2 Value Chain Workers						
15. Working conditions						
Health and safety	Health and safety risks at direct suppliers	Potential negative impact	UP	Short	Nilfisk's value chain workers at direct suppliers are subject to health and safety risks, which can lead to accidents.	S2-1, S2-4, S2-5
Adequate wages, Collective bargaining, freedom of association, secure employment, working time, health and safety	Value chain workers' rights	Potential negative impact	UP	Short	There is a potential impact that Nilfisk's value chain workers' rights related to adequate wages, collective bargaining, freedom of association, and working time are not respected in the upstream value chain.	S2-1, S2-4, S2-5
		Risk	UP		There is an inherent financial risk from value chain workers' rights not being respected that could have reputational and operational effect.	

* Own operation (OO), upstream (UP), or downstream (DO)

Social – continued	IRO	Impact, Risk, or Opportunity	Value chain*	Time horizon of impact	Description	Disclosure requirement
S2 Value Chain Workers – continued						
16. Equal treatment and opportunities for all						
Gender equality and equal pay for work of equal value	Gender inequalities	Potential negative impact	UP	Short	Nilfisk has suppliers in countries where there are strong gender inequalities.	S2-1, S2-4, S2-5
Measures against violence and harassment in the workplace	Harassment and violence at suppliers	Potential negative impact	UP	Short	Nilfisk operates with suppliers that may not take any action against harassment or violence at work.	S2-1, S2-4, S2-5
17. Other work-related rights						
Privacy	GDPR privacy of value chain workers	Risk	UP	Short	There is an inherent risk of fines from non-compliance with regulatory requirements related to GDPR for workers in the value chain.	S2-1, S2-4
S4 Consumers and end-users						
18. Personal safety of consumers and/or end-users						
Security of a person, Health and safety	Security of end-users	Potential negative impact	DO	Short	Safety of Nilfisk's consumers is at the core of Nilfisk's operations and is a key element in business processes to ensure business integrity. There is a potential risk that accidents could occur from the use of Nilfisk's machines.	S4-1, S4-4, S4-5
19. Information-related impacts for consumers and/or end-users						
Privacy	IT security of Nilfisk's machines	Risk	DO		Nilfisk's autonomous and digital machines collect and map data. This introduces risks related to compliance with the privacy rights of consumers, for example when using AI to make sure machines do not come into contact with people passing by. There is an inherent risk of not meeting customer requirements as well as a risk of data breaches.	S4-1, S4-4
	GDPR privacy of customers and end-users	Risk	DO		There is an inherent risk of fines from non-compliance with regulatory requirements related to GDPR for customers' personal information.	S4-1, S4-4, S4-5

Governance	IRO	Impact, Risk, or Opportunity	Value chain*	Time horizon of impact	Description	Disclosure requirement
G1 Business conduct						
20. Corruption and bribery						
Incidents and prevention and detection including training	Corruption and bribery incidents	Risk	OO		There is an inherent risk of fines and negative reputational effects from corruption and bribery incidents.	G1-1, G1-3, G1-4
21. Protection of whistleblowers						
Protection of whistleblowers	Whistleblowers	Risk	UP, OO, DO		There is an inherent risk of fines and negative reputational effects if Nilfisk fails to protect whistleblowers or breaching GDPR rules.	G1-1

* Own operation (OO), upstream (UP), or downstream (DO)

Environment

79 **E1 Climate change**
79 Targets
80 Policies and actions
- Transition plan for climate change mitigation
- Climate change mitigation
- Climate change adaptation

83 Progress on targets
84 Metrics

87 **E2 Pollution**
87 Policies and actions
- Substances of concern and very high concern
- Pollution from end-of-life products

89 Metrics

91 **E3 Water and marine resources**
91 Policies and actions
- Water consumption from product range
- Water from sites

92 Metrics

93 **E5 Resource use and circular economy**
93 Targets
93 Policies and actions
- Resource inflows, including resource use
- Resource outflows related to products and services, including waste

95 Progress on targets
95 Metrics

97 **EU Taxonomy**

Water scarcity is a pressing global issue, and at Nilfisk, we are committed to addressing this through innovation. Our latest innovation in advanced cleaning equipment is designed to guide customers towards mindful water consumption in their cleaning tasks. The SC550 walk-behind scrubber dryer exemplifies this commitment, offering up to 40% water savings compared to similar machines.

E1 ESRS

Climate change

Nilfisk is committed to reducing its climate footprint through a science-based approach. Climate change presents both challenges and opportunities for our business and we aim to address the negative impacts while creating value for our stakeholders.

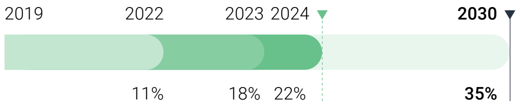
Targets

Climate change mitigation

Nilfisk has two GHG emissions reduction targets for Scope 1, 2, and 3 verified and approved by SBTi.

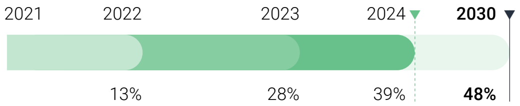
35% reduction in Scope 1 and 2 GHG emissions

Progress towards 2030 target



48% reduction in Scope 3 GHG emissions intensity (category 11, use of sold products)

Progress towards 2030 target



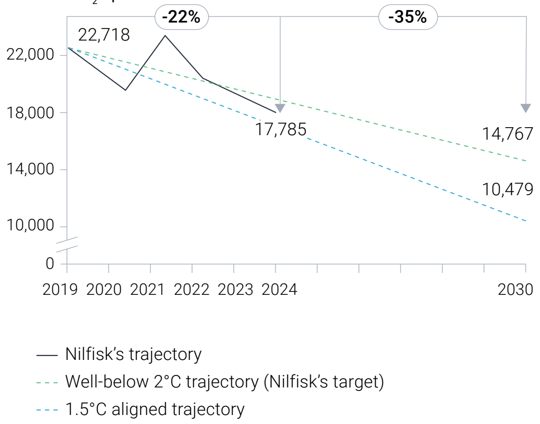
2030 absolute and intensity targets to reduce GHG emissions

GHG emissions targets are aligned with a well-below 2°C trajectory. The illustrations below show the 2030 absolute and emissions intensity to reach to achieve Nilfisk's current target, as well as the 1.5°C aligned target values.

Scope 1 and 2

Pathway to reduce Scope 1 and 2 emissions to meet SBTi approved 2030 target

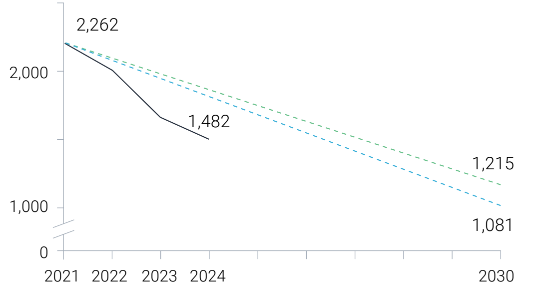
Tonnes CO_2eq



Scope 3 – Use of sold products

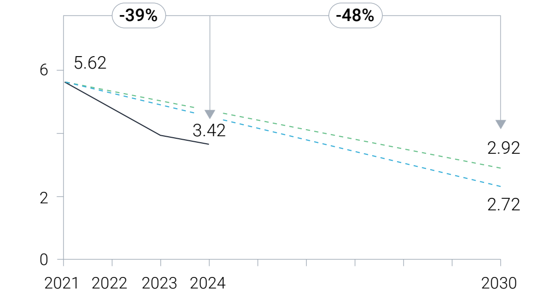
Pathway to reduce Scope 3 absolute emissions to meet 2030 target

'000 tonnes CO_2eq



Pathway to reduce Scope 3 emissions intensity to meet SBTi approved 2030 target

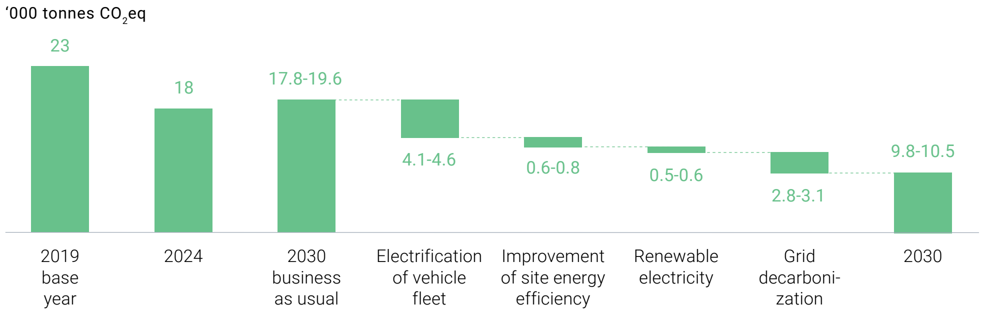
kg CO_2eq/EUR gross profit



Levers to reduce GHG emissions from Nilfisk's own operations

Scope 1 and 2

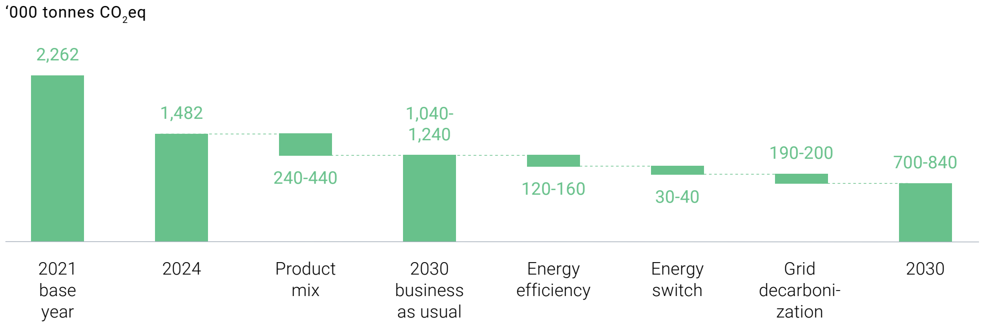
Four decarbonization levers have been identified to reduce our Scope 1 and 2 GHG emissions: switch to electric vehicles, implement energy efficiency activities at sites, deploy the use of renewable electricity at sites, and grid decarbonization.



Levers to reduce GHG emissions from use of products

Scope 3, category 11 – Use of sold products

Three main levers have been identified to reduce Scope 3 GHG emissions: energy efficiency improvements in products, switch of energy source used in products, and grid decarbonization.

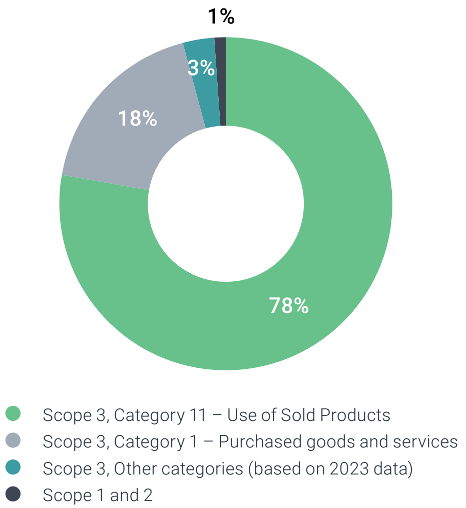


Policies and actions

Transition plan for climate change mitigation

At Nilfisk, we believe in committing to long-term climate change mitigation. We have identified and quantified the effect of different levers to achieve our climate targets aligned with a well-below 2°C trajectory, and plan to adopt and communicate a transition plan towards a 1.5°C target in 2025. In 2024, we conducted a Net-Zero study. While it has not been formalized in a budgeted and time-bound ESRS aligned transition plan, we acknowledge the importance of this study.

GHG emissions across the value chain



Emissions per scope and category

Nilfisk’s Scope 1 and 2 emissions constitute just 1% of our total GHG emissions, primarily from manufacturing sites and service vehicles. Despite the low share, emissions in Scope 1 and 2 are important, as we directly control them.

Scope 3, making up 99% of our total GHG emissions, stems from category 11 ‘Use of sold products’, constituting 78% of total emissions. Consequently, our SBTi-approved reduction target in Scope 3 focuses on this category. ‘Purchased goods and services’ comprise the second biggest category in Scope 3 with 18% of total emissions. Combined, the other categories make up 3%.

Scope 1 and 2

Nilfisk has identified four decarbonization levers to reach our SBTi target: Switch to electric vehicles in our fleet, implement energy efficiency activities, and deploy the use of renewable electricity at our sites, in addition to the general decarbonization of the grid. As indicated in the graph detailing the breakdown of Nilfisk's GHG emissions, our Scope 1 and 2 emissions form only 1% of our total emissions.

Scope 3 – Use of sold products

Nilfisk has identified three main levers to mitigate climate change in the product use phase to reach our SBTi target: energy efficiency activities, changing the energy source used in products, and grid decarbonization. We are integrating actions towards these levers in innovation, product development, budgeting, and strategic processes.

Climate change mitigation and energy

Material IRO

Nilfisk has identified an actual negative impact on the environment from our Greenhouse Gas emissions, the use of energy from our own operations, and from the use phase of our products. Associated with this impact is a financial risk regarding adherence to regulations and customer expectations, but also an opportunity to increase sales and market share from a maturing market demand for climate and energy efficient products.

We have developed policies, actions, targets, and strong governance structures to support Nilfisk's progression on mitigating climate change and increasing energy efficiency at both corporate and product level. We have actions in place to advance this opportunity.

POLICIES

Climate Change and Energy policy
Nilfisk has a Climate Change and Energy policy addressing:
- Climate change mitigation: Defines the ambition to reduce Scope 1, 2, and 3 greenhouse gas (GHG) emissions, targets, governance, activities, and GHG accounting approach.
- Energy efficiency: Outlines ambitions and activities for site and product energy efficiency, accounting principles, and governance. It will be updated in 2025 to include actions for leveraging the commercial opportunity from transparent and documented claims on new low-carbon products.
- Renewable energy deployment: Sets the ambition to deploy renewable energy and prioritizes renewable energy options.

This policy is owned by the EVP, Head of Marketing, Sustainability & Consumer Business. It undergoes regular reviews and applies to Nilfisk Group.

We monitor our Scope 1, 2, and 3 emissions on a monthly basis and report them to the Nilfisk Leadership Team quarterly.

Vehicle policy
Nilfisk has a Global Vehicle policy, co-owned by the EVP, Head of Marketing, Sustainability & Consumer Business and the EVP, Head of People, Organization & Culture. Reviewed bi-annually, it sets guidelines to lower fleet emissions with region-specific electric vehicle targets based on market maturity. This supports the overall reduction target for Scope 1 and 2 emissions.

ACTIONS

Scope 1 and 2
Nilfisk is taking action on three categories of decarbonization levers: energy efficiency, use of renewable energy, and switch of energy source. The three levers all refer to actions within our fleet or at our sites.

Electric vehicles
In 2024, Nilfisk increased the number of electric vehicles in our fleet from 64 to 140 cars, achieving a GHG emissions reduction of 280 tonnes CO_2eq. Replacing fuel with electricity lowers fleet emissions, supporting our Scope 1 and 2 targets.

In 2025, we will continue deploying electric vehicles per the Global Vehicle policy, aiming to reduce fleet emissions by 50% by 2030 compared to 2019.

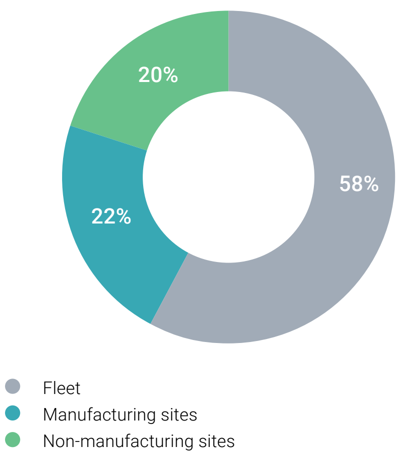
Energy efficiency at our sites
Every year, Nilfisk works to reduce energy consumption at our manufacturing sites. In 2024, we implemented energy-saving activities at four of our eight sites, including daylight activation, enhancing efficiency in high-energy production processes, and optimizing heating. These efforts are expected to reduce annual GHG emissions by approximately 270 tonnes CO_2eq.

In 2025, Nilfisk plans to optimize processes such as roto- and injection molding, enhance lighting, and install solar panels to reduce gas consumption. These measures are expected to decrease Scope 1 and 2 emissions by 160 tonnes CO_2eq, aiding in achieving our targets.

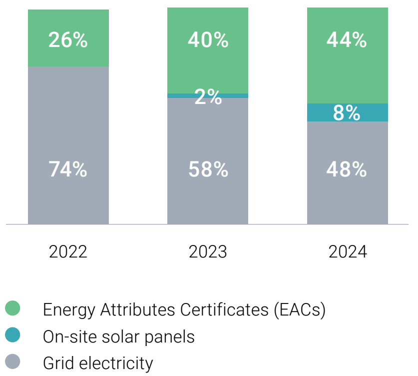
Renewable energy
Nilfisk is increasing the use of renewable electricity at our sites. In 2024, our facilities in Italy and China produced solar power during the full year for the first time. In addition, Energy Attribute Certificates (EACs) were purchased locally to cover current and future electricity usage for selected sites in 2024 and 2025.

These actions led to a GHG reduction of 2,960 tonnes CO_2eq in 2024, with an expected reduction of 2,011 tonnes CO_2eq in 2025. Utilizing renewable electricity through EACs supports the reduction of Scope 2 emissions and helps achieve Nilfisk's Scope 1 and 2 targets. From 2023 to 2024, the share of renewable electricity from EACs and solar panels increased from 42% to 52%. This aids in mitigating the negative impact identified from use of fossil energy.

GHG emissions from own activities (market-based)



Renewable electricity consumed at Nilfisk sites (%)



Net-Zero feasibility study
In 2024, Nilfisk conducted a Net-Zero feasibility study to assess its readiness to reach the 2030 and 2050 reduction targets. This initiative aimed to align our climate goals with a Net-Zero trajectory and mitigate reputational risks. The study concluded that we have the potential to further reduce our emissions. In 2025, we will use the results of this feasibility study to further refine our climate targets and transition plan.

Scope 3
In 2024, Nilfisk focused on two main levers for Scope 3 emissions: product energy efficiency and switch of energy source.

Product launches serving energy efficiency
In 2024, Nilfisk introduced the new SC550 medium walk-behind scrubber dryer, which uses 27% less energy compared to older generation machines.

In 2025, we will expand our product portfolio with additional energy-efficient products and products with alternative energy sources. The 2024 actions and associated product launches in 2025 are expected to reduce Nilfisk's Scope 3 GHG emissions from use of sold products by 14,400 tonnes CO_2eq.

Upcoming targets
In 2025, Nilfisk will operationalize two sub-targets supporting the achievement of the Scope 1, 2, and 3 targets: The New Solutions Development target, requiring 25% reduction in energy consumption of all new products, and the energy efficiency targets at our manufacturing sites, requiring natural gas and electricity intensity improvements.

RESOURCES

In 2024, Nilfisk's total R&D spend amounted to 38.4 mEUR. Of this, 12 mEUR was invested in product development projects which included initiatives to reduce Scope 3, category 11 emissions, with 10 mEUR allocated to capitalized R&D projects. This is reported under activity 3.5 'Manufacture of energy efficiency equipment for buildings' in the EU Taxonomy.

To further leverage these CAPEX investments and achieve the emissions reduction targets for 2030, we plan to spend an additional 7-10 mEUR on these projects in 2025. Some of them will also support our initiatives to reduce water consumption in our products. This aligns with our overall capital allocation policy of investing in the development of new products and technologies. Read more about our R&D projects in the Management Review on page 32 and Note 2.3 of the Financial Statements.

Climate change adaptation

Material IRO

Nilfisk has identified a risk related to adapting to climate change from having operations in locations at risk of natural disasters and extreme weather. Incidents could negatively affect cost in addition to revenue loss. We have developed Emergency Management processes and governance to mitigate the risk.

POLICIES

Climate Change and Energy policy
Nilfisk's Climate Change and Energy policy outlines the annual process for evaluating climate risks and identifying opportunities. The policy ensures ongoing improvements and adaptation measures, with guiding principles for assessing affected assets, associated risks, and determining necessary mitigation actions. It formalizes the link between climate change adaptation and our Enterprise Risk Management framework.

Environment emergency procedure
Nilfisk has a global environmental emergency preparedness and response Standard Operating Procedure (SOP) that requires all sites within our Environmental Management System (EMS) scope to establish processes for natural disasters such as tornadoes, hurricanes, floods, and storms. Implementation is monitored through EMS tracking, and the SOP is overseen by the VP of Global Quality.

ACTIONS

In 2024, we focused on identifying physical and transition risks and opportunities related to climate through resilience analysis. For this, we activated external databases and services to support the analysis.

In 2025, further work will be done to integrate climate change adaptation actions into our governance process and enterprise risk management process and to implement measures addressing the most significant physical climate risks at our sites. A new real estate policy will incorporate climate risk criteria when evaluating new site locations.

Progress on targets

Scope 1, 2, and 3 GHG targets

Scope 1 and 2 - GHG emissions (market-based)

Data indicator	Unit	Base year 2019	2024	Target 2030		Annual % target /base year
Total Scope 1 and 2 - GHG emissions (market-based)	tCO_2eq	22,718	17,785	**14,767**	**-35%**	-22%

Scope 3 - GHG emissions (absolute and intensity)

Data indicator	Unit	Base year 2021	2024	Target 2030		Annual % target /base year
Scope 3, category 11 absolute emissions						
11. Use of sold products	tCO_2eq	2,262,235	1,482,345	**1,215,000**		-34%
Scope 3, category 11 intensity metric						
Scope 3, category 11 GHG intensity based on gross profit	tCO_2eq/'000EUR	5.62	3.42	**2.92**	**-48%**	-39%

In 2024, market-based Scope 1 and 2 emissions decreased by 22% compared to the baseline year 2019. This reduction is 6 percentage points below the linear pathway to the well-below 2˚C target. The decrease is attributed to increased consumption of renewable electricity and reduced fleet emissions due to lower mileage and lower emissions per vehicle.

Absolute Scope 3 emissions from the use of sold products decreased by 34% in 2024 compared to the baseline year 2021. This reduction is due to lower volumes and changes in the product mix. Nilfisk's gross profit increased by 7.7% from 2021 to 2024, resulting in a 39% decrease in Scope 3 emissions intensity from the use of sold products compared to the baseline year 2021. This is 23 percentage points below the linear pathway to the well-below 2˚C target.

§ Accounting policy

The targets were defined in 2021 jointly between the Product Management, R&D, and Sustainability functions. They were approved by the Nilfisk Leadership Team.

Nilfisk's Scope 1 and 2 absolute target and Scope 3 intensity target were independently validated by the Science-Based Target initiative. The boundaries of the GHG emission reduction target are aligned with the GHG emissions reported in the metrics section for E1-6.

In 2030, Scope 1 and 2 are expected to have increased due to the activation of Nilfisk's strategic direction, and Scope 3 emissions are expected to have decreased, mainly from a different product mix. However, as part of the decision process prior to submission, an analysis was conducted on the effects of R&D activities and grid decarbonization that would support achieving the target.

Scope 1 and 2
The Scope 1 and 2 emissions target was defined using the absolute contraction method. It is based on market-based emissions using the same boundaries as described in Scope 1 and 2 accounting policies. Data quality from fleet and sites was the main driver of selecting 2019 as the representative baseline year, along with 2020 being an outlier due to the COVID-19 pandemic.

Scope 3, category 11 intensity
Nilfisk's Scope 3 emissions intensity target is based on gross profit. It is calculated as the absolute emissions divided by Nilfisk's gross profit as reported in the income statement of the financial statements.

The Scope 3 target was defined using the GEVA (GHG emissions per unit of value added) method. Nilfisk has chosen 2021 as the base year for Scope 3 emissions because it marked the first year where the quality of data collection and the inclusion of comprehensive product attribute data were fully established. As required by the ESRS, the associated absolute values for the target year were calculated. It was done by multiplying the 2030 intensity target with the average gross profit from historical years (from 2021 to 2024).

Metrics

E1-5 Energy consumption and mix

Energy consumption and mix

Data indicator	Unit	2024	2023
Fuel consumption from coal and coal products	MWh	-	-
Fuel consumption from crude oil and petroleum products	MWh	51,048	52,849
Fuel consumption from natural gas	MWh	22,371	21,191
Fuel consumption from other fossil sources	MWh	-	-
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	MWh	6,473	7,142
Share of fossil sources in total energy consumption	%	88.9%	90.2%
Total energy consumption from fossil sources	**MWh**	**79,892**	**81,182**
Share of nuclear sources in total energy consumption	%	1.2%	1.4%
Total consumption from nuclear sources	**MWh**	**1,119**	**1,240**
Fuel consumption from renewable sources	MWh	97	224
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	MWh	7,680	7,092
Consumption of self-generated non-fuel renewable energy	MWh	1,087	223
Share of renewable sources in total energy consumption	%	9.9%	8.4%
Total renewable energy consumption	**MWh**	**8,864**	**7,539**
Total energy consumption related to own operations	**MWh**	**89,875**	**89,961**

Energy in high climate impact sectors

Data indicator	Unit	2024
Energy intensity from activities in high climate impact sectors	MWh/mEUR	59.11
Total energy consumption from activities in high climate impact sectors	MWh	48,587

Revenue - high climate impact sectors

Data indicator	Unit	2024
Revenue from activities in high climate impact sectors used to calculate energy intensity	mEUR	821.9
Other revenue	mEUR	206.0
Total revenue as reported in the financial statements	**mEUR**	**1,027.9**

§ Accounting policy

Energy consumption and mix
Total energy consumption includes energy used at Nilfisk sites and by Nilfisk's fleet (Scope 1 and 2).

Energy from sites
Total energy consumption is the aggregate of energy consumed across all Nilfisk sites determined through direct data collection of all manufacturing sites and key non-manufacturing sites, covering approximately 90% of the total energy consumption. Estimations have been made for remaining sites. Estimations are made when energy data is not yet available at the time of reporting. The estimation is based on the average development across sites for the same period in the previous year. If the data for the full year is missing, data from the previous year is used. The estimation method can deviate if sites provide additional insights to estimate missing data. Low degree of estimates has been used for energy consumption from sites data. Energy consumption is converted into MWh using the latest available conversion factors at the end of the reporting period, as provided in the energy and sustainability platform developed by Schneider Electric.

Energy from fleet
Energy from fleet is the aggregate of energy consumed across the Nilfisk fleet, determined through direct data collection from entities operating most of the fleet and extrapolations for the remaining fleet. The energy consumption is calculated based on kilometers driven by each vehicle, multiplied by the latest vehicle- and fuel-specific conversion factors of energy usage per kilometer from DEFRA. If a specific vehicle type-fuel type factor is missing, an estimation is made based on known differences in energy consumption for other vehicle types. If the fuel type is unknown, the DEFRA factor for unknown fuel is used, or the average of gasoline and diesel factors for the same vehicle type is applied. High degree of estimates and low degree of extrapolations have been used for energy from fleet data.

Allocation of energy sources to ESRS breakdown
Nilfisk does not use coal or coal products. Fuel consumption from crude oil and petroleum products includes diesel, fuel oil, LPG, and gasoline consumed by sites and the fleet, while natural gas is only consumed at the sites. Fossil-sourced electricity, heat, steam, and cooling consumption is summed from site and electric vehicle use, excluding electricity covered by Energy Attribute Certificates (EACs) and solar production, and electricity from nuclear and renewable energy.

The consumption of nuclear electricity is calculated from the grid electricity used at sites and by the fleet based on the AIB residual mix for European countries, and from the IEA monthly electricity reports for other countries. Renewable fuel consumption includes ethanol, biodiesel, and biodiesel HVO for sites and fleet. Renewable electricity consumption is calculated from EACs, on-site generation, and grid electricity from residual mix.

Restatements: Nilfisk has restated 2023 figures due to enhanced data quality and accuracy, leading to updated input assumptions. Consequently, fuel consumption from natural gas, fossil energy, nuclear energy, and renewable energy have been restated. Read more in the General basis for preparation section.

Energy in high climate impact sectors
Nilfisk is in scope of the high climate impact sector "manufacturing". This means that, energy from all manufacturing sites, cars, and an allocation of energy from non-manufacturing sites is included. Energy from non-manufacturing sites is allocated based on revenue from service and products.

Energy intensity from activities in high climate impact sectors is calculated as the sum of energy in these sectors divided by revenue generated from these sectors, which is defined as revenue from products manufactured by Nilfisk sites.

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

GHG emissions

Data indicator	Unit	Base year	2023	2024	Milestones and target years: % vs. LY	2030	Annual % target / base year
Scope 1 GHG emissions							
Gross Scope 1 greenhouse gas emissions	tCO_2eq	13,736	14,900	14,476	-3%		
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	%	-	-	-			
Scope 2 GHG emissions							
Gross location-based Scope 2 greenhouse gas emissions	tCO_2eq	8,309	5,585	5,052	-10%		
Gross market-based Scope 2 greenhouse gas emissions	tCO_2eq	8,981	3,838	3,309	-14%		
Significant scope 3 GHG emissions							
Total gross indirect (scope 3) GHG emissions	**tCO_2eq**	**2,262,235**	**1,710,130**	**1,815,274**	**6%**		
Percentage of GHG Scope 3 calculated using primary data		94%	95%	78%			
1. Purchased goods and services	tCO_2eq	N/A	N/A	332,929			
11. Use of sold products	tCO_2eq	2,262,235	1,710,130	1,482,345	-13%	1,215,000	-34%
Total GHG emissions							
Total GHG emissions (location-based)	tCO_2eq	-	1,730,615	1,834,802	6%		
Total GHG emissions (market-based)	tCO_2eq	-	1,728,868	1,833,059	6%		
Scope 1 and 2 - GHG emissions (market-based)							
Total Scope 1 and 2 - GHG emissions (market-based)	tCO_2eq	22,718	18,738	17,785	-5%	14,767	-22%

Market-based Scope 1 and 2 emissions decreased by 5% in 2024 compared to 2023. The decrease is attributed to increased consumption of renewable electricity and reduced fleet emissions due to lower mileage and lower emissions per vehicle.

Absolute Scope 3 emissions from the use of sold products decreased by 13% in 2024 compared to 2023. This reduction is due to lower volumes and changes in the product mix.

Read more on progress on targets on page 83.

Biogenic emissions outside of Scope 1-3

Data indicator	Unit	2024
Direct biogenic emissions	tCO_2eq	4,705

Scope 1 and 2 market-based emissions per relevant breakdown

Data indicator	Unit	2024	2023
Manufacturing sites	tCO_2eq	3,873	4,504
Non-manufacturing sites	tCO_2eq	3,595	3,452
Fleet	tCO_2eq	10,317	10,782

GHG intensity based on net revenue

Data indicator	Unit	2024
Total GHG emissions (location-based) per net revenue	tCO2eq/'000 EUR	1.79
Total GHG emissions (market-based) per net revenue	tCO2eq/'000 EUR	1.78

Net revenue can be reconciled to total revenue as reported in the financial statements.

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions – continued

§ Accounting policy

Scope 1 and 2 greenhouse gas (GHG) emissions
Nilfisk calculates Scope 1 and 2 greenhouse gas (GHG) emissions by multiplying energy consumption volumes with specific emission factors, following ESRS principles and the Greenhouse Gas Protocol Corporate Standards. Scope 1 includes direct emissions from owned or controlled sources, while Scope 2 covers indirect emissions from purchased energy. The GHG emissions include CO_2, CH_4, and N_2O, and are the sum of emissions from Nilfisk's fleet and sites. Other GHGs are not applicable to Nilfisk operations at the end of the reporting period.

Emission factors are based on the GWP values from the latest IPCC Assessment Report, with older reports used only if conversion is not possible. Emissions are calculated using the latest available emission factors at the end of the reporting period. Sources of emission factors are the AIB and Green-e residual mix factors, IEA and DEFRA. Electricity covered by Energy Attribute Certificates (EACs, purchased as unbundled) has an emission factor equal to zero. To calculate its main sites' emissions, Nilfisk uses the Resource Advisor platform. Excel-based tools are used to calculate estimated emissions and fleet emissions. Nilfisk does not participate in regulated Emission Trading Schemes.

Scope 3 – category 1 (Purchased goods and services)
The weight of materials purchased by selected suppliers, is based on the weight from E5-4 Resource inflows. Read the accounting policy for E5-4 Resource Inflows for more details.

Each material is assigned emission factors from the Ecoinvent database. A matching raw material and transformation process are selected, and the total emission factor is the sum of both. In some cases, only a material process is selected if the Ecoinvent process includes a processing step or if plastic pellets are purchased for molding at Nilfisk sites.

The Ecoinvent 'Cut-off' approach is used, meaning no emissions are allocated to secondary materials, and purchased recycled materials are considered emission-free.

Ecoinvent processes are available for European markets, the 'Rest of the World,' and the Global market. Due to uncertainty about raw material origins, all raw material processes use the Global market process. For transformation processes, the Europe-specific process is chosen for materials purchased in EMEA, and the 'Rest of the World' process is chosen for materials purchased in APAC or the Americas.

Emissions from indirect sourcing are calculated following a spend-based approach. Indirect sourcing activities resulting in emissions are first identified and Operational Expenditures per indirect sourcing activity are then multiplied by an emission factor using the Exiobase database.

Extrapolation and estimates are made during the calculation of materials weight (see E5-4 for more details). Emissions are estimated based on external databases. A high degree of estimates and a medium degree of extrapolations have been made.

Scope 3 GHG emissions – category 11 (Use of sold products)
Scope 3 emissions - category 11 'Use of sold products,' include emissions from the use of products sold by Nilfisk in the reporting period. These emissions are the sum of CO_2, CH_4, and N_2O. GHG emissions from sold products are calculated by multiplying the estimated lifetime energy consumption of each product by their time in use and the amount sold. Non-emitting products, such as parts, accessories and consumables, are filtered out. Product energy use is estimated from technical specifications, yearly usage, and product lifetime, considering various factors like job requirements, machine productivity, and component lifetime tests.

Nilfisk calculates GHG emissions from its products' energy consumption (electricity, diesel, gasoline, LPG) using lifecycle emission factors, which include emissions from resource extraction to product usage. For fuels, DEFRA provides well-to-tank and combustion emissions factors. Electricity emission factors combine upstream, combustion, and lifecycle transmission and distribution emissions from IEA and EIB.

Emission factors are based on the GWP values from the latest IPCC Assessment Report, with older reports used only if conversion is not possible. DEFRA factors for LPG, gasoline, and diesel are the ones for 100% mineral fuels. A high degree of estimates and a low degree of extrapolations has been used for Scope 3 – use of sold products.

Emissions for products without data are extrapolated using the emission-revenue ratio from products with data at various levels of the product hierarchy. If no emission data is available at any level, the overall average of revenue and emissions is used.

Restatements: In 2024, Nilfisk upgraded its sales database to a more accurate system with enhanced data coverage. Consequently, calculated emissions for previous years increased, which have therefore all been restated for the periods 2021-2023.

GHG intensity based on revenue
The GHG intensity based on net revenue is calculated as the absolute emissions divided by Nilfisk's net revenue as reported in the income statement of the Financial Statements.

Scope 3 categories not in scope
The following Scope 3 categories are not in scope as they are either deemed not relevant or immaterial to Nilfisk: C2-C10, C12-C15. The estimated share of total Scope 3 emissions excluded is 3%.

Biogenic emissions
Biogenic emissions from electricity cannot be separated from the emission factors' databases Nilfisk uses for grid electricity. Therefore, reported emissions from electricity consumed in Scope 2 and Scope 3 Use of sold products include biogenic emissions from the grid electricity.

Scope 1 emissions are using DEFRA emission factors, which exclude biogenic emissions. Therefore, Scope 1 emissions are reported without biogenic emissions. Biogenic emissions are calculated by multiplying the amount of fuel and natural gas consumed with the out of scope emission factors from DEFRA.

Emissions from Scope 3 Purchased goods and services are based on emissions from processes and materials calculated in the life cycle assessment software SimaPro. The calculation uses materials and processes from the Ecoinvent database and emission factors from the Environmental Footprint method 3.1. The latter allows to separate biogenic from fossil CO_2 emissions. Therefore, emissions from Purchased goods and services exclude biogenic emissions, which are reported separately.

E2 ESRS

Pollution

Nilfisk is dedicated to reducing environmental impacts throughout the product life cycle. We are committed to minimizing pollution and addressing both long-standing as well as emerging environmental challenges.

Policies and actions

Substances of concern and very high concern

Material IRO

Nilfisk has identified an actual negative impact from substances of concern and substances of very high concern, including PFAS (Per- and Polyfluoroalkyl Substances), as an entity-specific topic, from the making and disposal of our products. If not handled correctly, it will negatively affect people and the environment. The risk is associated with meeting increasing regulation and customer expectations.

We have taken measures to mitigate this by developing new standards for declaration and maturing governance and tracking of the substances.

Industrial machines often contain substances of concern, which can lead to pollution during both production and disposal. Addressing the presence of PFAS in cleaning machines is crucial due to their persistence in the environment and upcoming regulatory bans of PFAS in the US and EU before 2030.

POLICIES

Nilfisk recognizes the presence of substances of concern in our machinery and processes that pose potential risks to human health and the environment. We are committed to addressing these challenges and minimizing pollution throughout the product life cycle.

Standards on product substances

We created the 'NACS 2020 Standard – Nilfisk Corporate Standard' for the prohibition and declaration of substances. This standard outlines legal and Nilfisk-specific requirements on product substances and provides templates for supplier statements and substance declarations.

Code of Conduct

Nilfisk's Code of Conduct governs activities related to hazardous materials - no. 6 Climate & Environment. Read more about our Code of Conduct in section G1 - Business conduct.

New policy plans

Nilfisk acknowledges the importance of pollution from substances of concern. However, we do not currently have a policy related to this, as we are in the process of building the necessary data structures to set relevant guidelines.

ACTIONS

Pilot on PFAS

In 2024, we initiated a pilot project to gather PFAS information from suppliers, aiming to understand their presence in products and explore alternatives with less environmental impact. In collaboration with the Danish Technological Institute, we are building knowledge and assessing supplier risks related to PFAS.

Updated standard on declarable substances

In 2024, we updated our NACS 2020 Standard for prohibiting and declaring substances of concern and very high concern. This update improves the process of data collection from suppliers and ensures compliance with regulatory and Nilfisk-specific requirements. The standard mandates that suppliers avoid using declarable substances in components whenever feasible and declare phthalates and plasticizers above 0.1% concentration. The updated standard and the forthcoming Substances of Concern policy will enforce these requirements.

Chemical database

In 2024, Nilfisk established the NACS Master Data, a centralized database for storing chemical composition data of our products. By 2025, this database will be enhanced and supported by an IT solution.

The NACS standards initiatives enable Nilfisk to take effective action on substance reduction and substitution, reducing pollution in our value chain.

Upcoming target

Nilfisk currently does not have a specific target for substances of concern but recognizes the importance of addressing this issue. In 2025, we will develop a target. The target development process will assess the extent to which PFAS will be in the target scope. The effectiveness of current policies and actions is not yet formally tracked.

Pollution from end-of-life products

Material IRO

Nilfisk has identified an actual negative entity-specific impact from the pollution from mismanagement of products at end-of-life. If not handled correctly it will negatively affect people and the environment. We have taken action to reduce the impact by setting up a policy and targeted product innovation.

End-of-life product considerations are a maturing topic at Nilfisk. We strive to build understanding to address pollution associated with the end-of-life phase of our products. Improper disposal of cleaning machines may release harmful substances into the environment and contribute to broader pollution issues. Additionally, materials that are not re-used contribute to scarcity.

POLICIES

Product Circularity policy
The Product Circularity policy aims to mitigate disposal impacts by enhancing product recyclability, repairability, and durability. Read more in section E5 - Resource use and circular economy.

Code of Conduct
Nilfisk's Code of Conduct governs activities related to pollution - no. 6 Climate & Environment. Read more in section G1 - Business conduct.

ACTIONS

In 2024, Nilfisk concentrated on extending product lifespans through improved serviceability and refurbishment to prevent end-of-life pollution.

Increasing product lifespan and take-back
Nilfisk has designed the new SC550 medium walk-behind scrubber dryer to enhance serviceability, extending product lifespan and delaying end-of-life. Future products will incorporate these serviceability design principles.

In 2025, we will continue to increase product lifespans by improving service technician efficiency. Rental offerings in Germany will expand with refurbishment and more customer contracts will include take-back offers.

Refurbishment of products
In 2024, we conducted refurbishment activities across 12 countries, focusing primarily on Germany and the US. Refurbishment is managed decentrally within Nilfisk. An investigation into reindustrializing refurbishment activities was conducted in 2024, with conclusions on enhancing efficiency expected in 2025.

End-of-life management of products
Pollution at product end-of-life is largely due to poor waste management. To address this, Nilfisk has created a new metric to track waste management maturity in our sales countries. Identifying countries with improper waste management will help us set targets and take action to mitigate this impact.

Upcoming target
Nilfisk currently does not have a specific end-of-life target for products but recognizes its importance. A target will be developed during 2025 and 2026. The effectiveness of current policies and actions is not tracked in a formalized manner.

Metrics

E2-5 Substances of concern and substances of very high concern

Substances of concern (SoC)

Data indicator	Unit	2024					
		Class 1	Class 2	Class 3	Class 4	Class 5	Class 6
Amount of SoC that is generated or used during production or that are procured	tonnes	-	-	-	5	-	2
Amount of SoC that leaves facilities as part of products	tonnes	245	5	3	19	2	-
Amount of SoC that leaves facilities as emissions, products, or services	tonnes	-	-	-	-	-	-
Total amount of SoC	**tonnes**	**245**	**5**	**3**	**24**	**2**	**2**

Substances of very high concern (SoVHC)

Data indicator	Unit	2024					
		Class 1	Class 2	Class 3	Class 4	Class 5	Class 6
Amount of SoVHC that is generated or used during production or that are procured	tonnes	-	15	-	-	-	-
Amount of SoVHC that leaves facilities as part of products	tonnes	2,136	-	-	-	-	-
Amount of SoVHC that leaves facilities as emissions, products, or services	tonnes	-	-	-	-	-	-
Total amount of SoVHC	**tonnes**	**2,136**	**15**	**-**	**-**	**-**	**-**

Of the substances reported by Nilfisk, 99% leave the facilities as part of products. Of these, 98% are lead compounds found in batteries.

The main hazard classes have been defined as:
1: Reproductive toxicity
2: Carcinogenicity
3: Germ cell mutagenicity
4: Hazardous to the aquatic environment
5: Specific target organ toxicity — single exposure
6: Respiratory/skin sensitization

§ Accounting policy

Substances of concern and very high concern that are generated or used during production or that are procured is comprised of consumption at sites and is based on the annual amount of purchased chemicals for selected Nilfisk sites, categorized into manufacturing, R&D, and office sites. Hazard statements identify substances of concern, and a conservative approach assumes the total amount of purchased chemicals as substances of concern. Extrapolations have been used for the remaining sites.

Substances of concern and very high concern leaving facilities as part of products is comprised of consumption in products, including substances in parts, batteries, and detergents. 'Lead' in product parts is estimated using the Raw Material Weight Model (RMWM) and supplier or regulatory data. For other substances, calculations are based on supplier self-declarations, with estimates for parts without data. Substances in batteries and detergents are calculated from Safety Data Sheets and sales volumes and estimated in case of no data.

Nilfisk prioritizes reporting substances under the CMR classes (carcinogenic, mutagenic, or toxic for reproduction) based on volume, starting with the largest.

A high degree of extrapolations has been used for substances of concern and very high concern data.

E2 (entity-specific) PFAS

PFAS (entity-specific)

Data indicator	Unit	2024
Percentage of PFAS high-risk suppliers provided PFAS information	%	38%

Accounting policy

Percentage of PFAS high-risk suppliers provided PFAS information
The metric represents the percentage of spend on suppliers who provided PFAS information to Nilfisk, calculated as the spend from responses received divided by the total spend on high-risk suppliers.

The suppliers contacted is based on scoring Nilfisk's total supplier base from 1-10 on a PFAS risk scale, developed by the Danish Institute of Technology (DIT) and is not publicly available. First, Nilfisk assessed the function and materials of the parts supplied. Based on that information, DIT assessed the risk of PFAS in the parts and assigned scores to suppliers. Nilfisk has defined high-risk suppliers as those with a PFAS risk score between 7-10 and an annual spend over EUR 5,000, with the addition of selected suppliers through expert screening.

E2 (entity-specific) Pollution of air, water, and soil

Pollution from product end-of-life (entity-specific)

Data indicator	Unit	2024
Percentage of products sold in countries with low waste management maturity	%	51%

Accounting policy

Percentage of products sold in countries with low waste management maturity
The entity-specific metric is defined as percentage of revenue from countries with a waste management score lower than the average waste management score. Countries are allocated to the waste management score calculated in the framework of the Environmental Performance Index developed by the Yale Center for Environmental Law & Policy. If a scoring is not available for a country, an average of the region the country is in is used, calculated from Nilfisk sales countries in that region. In the case when a Nilfisk product is not allocated to any region or country, the global average of waste management scores of Nilfisk sales countries is used. A low degree of estimates has been used.

E3 ESRS

Water and marine resources

Nilfisk acknowledges the importance of responsible water usage, both in the usage of our products as well as in production processes. Although our production processes do not consume large amounts of water, we recognize the environmental impact of water consumption. We assess this as a material issue from a salient human rights perspective.

Policies and actions

Water consumption from product usage

Material IRO

Nilfisk has identified a negative impact on medium and long-term water scarcity due to the use of our products. We mitigate this impact through policy measures and targeted product innovation.

Nilfisk aims to minimize water usage from our products. We are committed to developing water-saving technologies and setting industry standards in sustainable water practices. We are exploring ways to reduce water consumption and incorporate water recycling systems into our products, mitigating the environmental impact, and helping our customers achieve their sustainability objectives.

POLICIES

Product Circularity policy

Water usage from our products falls under the Product Circularity policy, which incorporates relevant circularity initiatives. This dimension of the policy requires specific Nilfisk functions to collect data, set targets, and operationalize strategies to reduce water consumption. Read more in section E5 - Resource use and circular economy.

Code of Conduct

Our Code of Conduct governs activities related to water in rule no. 6 Climate & Environment. Read more in section G1 - Business conduct.

ACTIONS

Water saving product features

In 2024, we implemented water-saving technologies in various new floorcare products. The SC550 medium walk-behind scrubber dryer, launched in 2024, incorporates water-saving settings in all standard configurations. Additional product developments, focusing on water conservation, are expected to complete by 2025 and 2026.

New technology projects

In 2025, we are launching three technology development projects aimed at reducing water consumption in high-pressure washers and floorcare machines. Two of these projects are expected to be completed by the end of 2026, with the third concluding after 2026. These initiatives align with the Product Circularity policy, focusing on optimizing water usage in our products.

Nilfisk recognizes the importance of monitoring product water usage. We are currently developing a target for product water usage which we expect to finalize by 2025. The effectiveness of these policies and actions is currently not tracked in a formalized manner.

Water from sites

Material IRO

Nilfisk has identified an actual negative impact from water usage at our own manufacturing sites, causing lower water availability. We mitigate this impact through water recycling initiatives.

POLICIES

We are committed to ensuring that our water consumption does not negatively impact local communities. While water usage at our sites is relatively low, most of the water is consumed during product testing. Our Code of Conduct guides employees to optimize water usage, especially in water-scarce areas. We continuously monitor water consumption to assess the need for a specific policy at our sites.

ACTIONS

Water recycling at selected sites

Nilfisk currently has two water recycling systems, one at our R&D center in Denmark, and one at our manufacturing site in China. We will continuously assess the need for additional water recycling systems.

We do not currently have a target for water at our sites but will continuously assess the need for this. Effectiveness of these actions is currently not tracked in a formalized manner.

Metrics

E3-4 Water consumption

Water

Data indicator	Unit	2024
Total water consumption	m^3	99,356.6
Total water consumption in areas at water risk, including areas of high-water stress	m^3	5,857.0
Total water recycled and reused	m^3	15,493.0
Total water stored	m^3	312.0
Changes in water storage	m^3	-
Share of the measure obtained from direct measurement, from sampling and extrapolation, or from best estimates		
direct measurement	%	77.6%
sampling and extrapolation	%	18.1%
best estimates	%	4.3%
Water intensity ratio	m^3/mEUR	96.7

§ Accounting policy

Water consumption
Total water consumption is the aggregate of water used across all Nilfisk sites, determined through direct data collection of all manufacturing sites and additional selected sites. Extrapolations have been used for the remaining sites.

Water consumption data is collected from invoices or meters. If the data is unavailable, the previous year's data is used for estimation. Extrapolations are based on average water consumption per headcount, excluding manufacturing sites. Low degree of extrapolations and estimates has been used for water consumption data.

High-water stress areas identification
All Nilfisk sites with 20 or more employees are assessed for water risk. Sites with fewer than 20 employees are excluded due to assumed insignificant water consumption. The WWF Water Risk Filter is used to evaluate water-related risks based on geographic location and operational characteristics. Water consumption for high-risk sites is aggregated to determine total water usage in high-water stress areas.

Water intensity
Water intensity is calculated as the sum of water consumption divided by total revenue (in mEUR), corresponding to net revenue, as disclosed in the Financial Statements.

E3 Water consumption from product usage (entity-specific)

Water consumption from product usage

Data indicator	Unit	2024
Total water consumption from product usage	m^3	29,109,941.0

Water consumption from high-pressure washers represent 74% of the total water consumption of Nilfisk products.

§ Accounting policy

Water consumption from product usage (entity-specific)
Water consumption from product usage is calculated by summing the estimated annual amount of water consumed by Nilfisk's products during the reporting period. The annual amount of water consumed is calculated as the hourly water consumption of each product multiplied by hours in use and the quantities sold during the reporting period. Hourly water consumption is derived from the technical specifications of the machines, where water flow is calculated using recognized international standards. Hours in use are estimated based on Nilfisk's experience considering various factors like job requirements and machine productivity.

When data for a given product is not available at the lowest level of the product hierarchy (level 5, from a hierarchy from 1 to 5), estimates have been made based on a higher product group level in the hierarchy or the average water consumption for the entire portfolio. A high degree of estimates has been used for this metric.

E5 ESRS

Resource use and circular economy

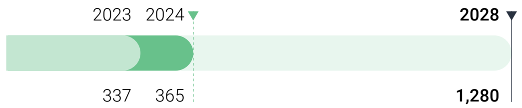
Nilfisk addresses resource optimization and circular economy practices to minimize our environmental impact. Our resource management approach spans the entire value chain, from manufacturing to end-of-life disposal, reducing costs, minimizing waste, and extending product lifecycles.

Targets

Resource inflows, including resource use

Minimum annual consumption of 1,280 tonnes of recycled plastics
By replacing 30% of virgin plastics with recycled plastics in selected products

Progress towards 2028 target



Policies and actions

Resource inflows, including resource use

Material IRO

Nilfisk has identified an actual negative impact from our consumption of materials, contributing to material scarcity. The anticipated decline in material availability poses a risk to us, necessitating innovation and the substitution of materials. We accommodate the impact and risk by having policies, actions, and innovation activities in place.

Reducing resource inflows and outflows is crucial for sustainability and innovation, minimizing costs and waste. Our focus on environmentally responsible production enhances product longevity and strengthens Nilfisk's competitiveness while mitigating material scarcity and environmental pollution.

POLICIES

Product Circularity policy
Nilfisk's Product Circularity policy encompasses six key themes aimed at reducing resource inflows and usage. Overseen by Nilfisk's SVP, Head of Product Portfolio, the policy undergoes regular reviews for alignment with sustainability trends. It applies to Nilfisk's operations and focuses on minimizing the use of virgin resources. The policy mandates data collection, target setting, concept operationalization, and roadmap definition for increasing recycled content. The policy's intent is internal. Suppliers will be made aware of the effects of the policy in correlation with regular business interactions.

Code of Conduct
Nilfisk's Code of Conduct governs activities related to resource inflows - no. 9 Product certification and no. 10 Quality. Read more about in section G1 - Business conduct.

ACTIONS

Recycled plastics actions
One of Nilfisk's strategic priorities, 'Service-as-a-Business', also addresses global resource challenges and plastic waste pollution. We are committed to using recycled plastic, declaring recycling levels of post-consumer and post-industrial plastics at the product level. In 2024, Nilfisk initiated a project to overcome technical challenges with recycled plastics, which is expected to be completed in 2025. This project will enhance the use of recycled plastics in our products globally. Additionally, Nilfisk integrated recycled plastics into several new products, with the SC550 featuring post-consumer recycled plastics available in 2025.

Recycled plastics target and innovation roadmap
In 2024, Nilfisk established a target for recycled plastic and developed the Product Circularity policy.

In 2025, we will launch another project to address additional technical challenges with recycled plastics. To achieve our recycled plastics target, we will also define a roadmap and allocate more resources for sourcing recycled materials.

Resource outflows related to products and services, including waste

Material IRO

Nilfisk has identified two actual negative impacts from the challenge on product repairability and recyclability, and improper waste management within our own operations and with our customer. These matters foster pollution and resource depletion. We mitigate by having policies, actions, and innovation activities in place. The inherent risk of not meeting the increasing regulation on this matter poses a risk to Nilfisk.

Resource outflows, including the repairability, recyclability, and disposal of products and packaging waste, are key considerations for Nilfisk. Recycling Nilfisk's products increases resource reuse potential. Furthermore, proper waste management at our sites and during product use is crucial for reducing environmental impact and supporting our customers' sustainability efforts.

POLICIES

Product Circularity policy
Nilfisk's Product Circularity policy aims to reduce waste by enhancing recyclability, repairability, and durability. It mandates data collection, target setting, and roadmap definition to improve resource reuse and minimize environmental impacts. Key initiatives include using recycled plastics in products and effective waste management strategies.

Code of Conduct
Nilfisk's Code of Conduct governs activities related to waste - no. 6 Climate & Environment. Read more in section G1 - Business conduct.

ACTIONS

Product recyclability rate project
In 2024, Nilfisk participated in the CirkEL project, funded by the Danish Environmental Protection Agency. This project analyzed opportunities and challenges in the reuse, refurbishment, and recycling of floorcare products. It led to the development of a methodology to calculate product recyclability rates. The project is expected to conclude in 2025.

Product serviceability and refurbishment
In 2024, we focused on enhancing the serviceability and refurbishment of our products, key enablers of a circular economy. For more details, refer to the section on actions in E2 Pollution from end-of-life products. We also prioritized our consumer portfolio regarding data on product repairability and recyclability in 2024 and will continue to do so in 2025.

Regular service and maintenance of professional cleaning machines positively impacts the environment by extending equipment lifespan and thereby reduces waste, energy consumption, and minimizes water usage. Service-as-a-business and scheduled maintenance is part of the strategic direction guiding our priorities.

Standardization and training on waste
In 2024, we standardized waste stream categorization across all manufacturing sites, including non-ISO certified ones, ensuring performance above regulatory requirements. ISO-certified sites provide waste handling training, highlighting the importance of proper human behavior in waste management. These measures will enhance waste management and reduce the risk of local pollution from Nilfisk's sites. Read more on page 30 of the Management Review for an overview of Nilfisk's ISO-certified sites.

Extending product durability
Extending product durability is impacted by product maintenance. Nilfisk has made targeted efforts to address this with customers. We do this by taking action to shift customer behavior towards planned maintenance via a fixed service agreement, instead of an ad-hoc or non-maintenance approach, which would reduce product lifetime.

Nilfisk currently does not have a target for resource outflows or waste but will continuously assess the need for one. The effectiveness of these polices and actions is currently not tracked in a formalized manner.

Progress on targets

Resource inflows targets

Recycled plastics

Data indicator	Unit	2023	2024	Target 2028
Recycled plastics consumed	tonnes	337	365	**1,280**

Nilfisk has voluntarily committed to consuming at least 1,280 tonnes of recycled plastics annually by 2028, using 2023 as the baseline year. This target will be achieved by incorporating a minimum of 30% recycled content from post-consumer and post-industrial plastics into selected products. This initiative supports the principles of a circular economy by promoting material reuse and recycling. Our 2024 performance aligns with the planned progress towards the 2028 target.

Accounting policy

Recycled plastics consumed
Represents the amount of recycled plastic from products consumed in the reporting year. Plastic raw materials purchased are, in most cases, a mix of virgin and recycled plastic. The volume of plastic consumed is multiplied by the recycled plastic content to calculate the amount of recycled plastic consumed.

The main methodology used to support the target setting was a mapping of the amounts of plastic used in different component types and their ability to integrate recycled material. The target was defined based on the conclusive sustainability evidence that using recycled materials reduces the pressure on natural resources and the environment.

The target has been set in consultation with key internal stakeholders. The metric is monitored and reported to the Nilfisk Leadership Team once a year. From 2025, a process will be put in place to track progress quarterly.

Metrics

E5-4 Resource inflows

Weight of products and materials

Data indicator	Unit	2024
Weight of products and technical and biological materials	tonnes	77,845
Percentage of biological materials (and biofuels used for non-energy purposes)	%	-
Absolute weight of recycled materials used to manufacture products and services (including packaging)	tonnes	16,118
Percentage of recycled materials	%	21%

Most of the resources we consume come from the purchase of components and raw materials used to manufacture our products. More than 94% of the recycled materials we use are steel and aluminum.

Accounting policy

Weight of products and materials
Direct suppliers: The weight of products and materials sourced from direct suppliers is calculated by converting supplier spend data into weight for selected suppliers based on supplier input, and if unavailable estimates have been made. Extrapolations have been used for the remaining suppliers. High degree of estimates and medium degree of extrapolations have been made.

Indirect suppliers: The weight of products and materials from indirect suppliers is estimated using OPEX data, converted into tonnage using basic price information. Only expenses directly linked to production and product development are included, excluding services or supporting activities. The assessment covers materials for laboratory/prototypes and equipment expenses. High degree of estimates and low degree of extrapolations has been used for assessing weight of products and materials. Weight is in both absolute value and percentage of secondary reused or recycled components, secondary intermediary products, and secondary materials.

Direct suppliers: Nilfisk uses recycled materials in its components and raw materials, including cardboard, steel, and aluminum. Suppliers also purchase plastic resins made of 100% recycled plastic. The total weight of recycled materials is calculated by summing the weights of these materials multiplied by their recycled content, which varies by material. The recycled content of materials is based on regional and global averages of recycled content found in literature.

Indirect suppliers: Due to the low tonnage of materials used from indirect suppliers and the lack of data from suppliers, a conservative approach is followed. No recycled materials are reported to be present in materials from indirect suppliers.

E5-5 Resource outflows

Products and materials

Data indicator	Unit	2024
Expected durability of the products placed on the market, in relation to the industry average for each product group:		
Floor cleaning & maintenance	years	4.8
High-pressure washers	years	7.6
Vacuum cleaners	years	7.4
Others	years	6.6

Repairability of products, using an established rating system

Data indicator	Unit	2024
Average repairability rate of consumer high-pressure washers	points	8.5
Average repairability rate of consumer vacuum cleaners	points	6.5

Recyclable content in products and packaging

Data indicator	Unit	2024
The rates of recyclable content in products	%	80%
The rates of recyclable content in products packaging	%	48%

Waste

Data indicator	Unit	2024
Waste diverted from disposal, breakdown by hazardous and non-hazardous waste and treatment type:		
Preparation for reuse	tonnes	-
Recycling	tonnes	10.3
Other recovery operations	tonnes	3.5
Hazardous waste	**tonnes**	**13.8**
Preparation for reuse	tonnes	108.7
Recycling	tonnes	2,862.0
Other recovery operations	tonnes	241.1
Non-hazardous waste	**tonnes**	**3,211.8**
Waste directed to disposal, breakdown by hazardous and non-hazardous waste and treatment type:		
Incineration	tonnes	3.3
Landfill	tonnes	1.0
Other disposal operations	tonnes	3.9
Hazardous waste	**tonnes**	**8.2**
Incineration	tonnes	43.7
Landfill	tonnes	809.2
Other disposal operations	tonnes	9.6
Non-hazardous waste	**tonnes**	**862.5**
Total waste generated	**tonnes**	**4,096.3**
Non-recycled waste	tonnes	1,111.8
Percentage of non-recycled waste	%	27.1%
Total amount of hazardous waste	tonnes	22.0
Total amount of radioactive waste	tonnes	-

§ Accounting policy

Products and materials – durability
Durability is the expected lifetime of a product, calculated as the sum of product lifetimes divided by the number of product models sold. Product lifetime is expressed in years, and the number of product models sold is based on unique product models sold during the reporting year. Average durability is calculated for each product category: floor cleaning & maintenance, high-pressure washers, and vacuum cleaners. Unclassified products are grouped as "Others". Products without durability data are estimated based on the average lifetime of products with available data. High degree of estimation has been made.

***Comparison with industry average*:** No industry average for Nilfisk product durability exists. Until available, Nilfisk will report that its product durability cannot be compared. If some products are demonstrated by a third-party study to have higher or lower durability than other industry peers, it will be mentioned.

Products and materials – repairability
The French Repairability Index provides a methodology to assess the repairability of consumer electronics. For Nilfisk, this applies to consumer vacuum cleaners and high-pressure washers. Other products do not have an established rating system. The repairability rate calculation follows guidelines from Article L. 541-9-2 of the French environmental code. The repairability rates reported are the average repairability rates for each of the two product categories in scope. Low degree of estimation has been made.

Products and materials – rates of recyclable content
Products: The recyclability rate of Nilfisk's products is estimated using data from selected products in their portfolio. The methodology for reporting and assessing recyclability is defined by using expert knowledge to evaluate the recyclability of each material in the products. To estimate the overall rate, weighted averages are calculated for products in the same category (e.g., vacuum cleaners, high-pressure washers, floorcare machines) and then applied to all products in that category. An overall weighted average is then calculated for the entire portfolio. A high degree of estimation has been made.

Packaging: Nilfisk calculates the packaging recyclability rate by determining the weight of each material type used for packaging (wood, cardboard, plastic, metal) and multiplying these weights by global average recyclability rates for each material. The total is then divided by the total packaging weight consumed during the year. A high degree of estimates has been used for recyclability data of packaging material.

Waste
Waste is reported on the basis of invoices or data received from waste collectors for selected representative Nilfisk sites split into two categories: manufacturing and non-manufacturing sites. Waste disposal methods are reported based on the different end-of-life treatments defined by the local waste collector. Extrapolations have been used for the remaining sites based on average waste consumption per headcount split into the two categories. A medium degree of extrapolations has been used for waste data.

Environmental

EU Taxonomy

The EU Taxonomy is a classification system designed to identify environmentally sustainable economic activities and establish a common definition for such activities.

To report on the EU Taxonomy, Nilfisk has identified and determined which economic activities are eligible and aligned with the EU Taxonomy definition, subsequently allocating revenue, CAPEX, and OPEX to those activities. This work has been conducted with reference to the criteria set out in the EU Taxonomy regulation.

Taxonomy eligibility
The Taxonomy regulation is maturing and evolving, which means that reporting within the taxonomy is subject to ongoing interpretation. Nilfisk's Taxonomy eligibility states the proportion of Nilfisk's economic activities relating to the Climate Delegated Act (EU 2021/2139), the Complementary Delegated Act (EU 2022/1214), and the Environmental Delegated Act (EU 2023/2486).

Nilfisk has identified nine economic activities to be included in the Taxonomy reporting. The economic activities are related to climate change mitigation (CCM), climate change adaption (CCA), and circular economy (CE).

Taxonomy alignment
Based on the defined screening criteria for each economic activity, Nilfisk has identified alignment for one economic activity, related to climate change adaptation.

For most of Nilfisk's eligible activities, the defined screening criteria is not met. Most screening criteria require that the associated products fall into the highest two populated classes of energy efficiency of the EU energy label classification. Energy label classifications are still being developed for vacuum cleaners for private consumers. For industrial cleaning equipment, no such labelling currently exists. Therefore, very low alignment is reported in 2024.

For the remaining eligible activities, Nilfisk does not currently have the required detailed documentation available to meet the alignment criteria and will not disclose these activities as Taxonomy-aligned. Nilfisk will continuously review the documentation and requirements for taxonomy alignment going forward.

Revenue
In 2024 Nilfisk reported eligible revenue for CCM and CCE. The revenue is mainly related to floorcare, vacuum cleaners and high-pressure washers from Nilfisk's product range

CAPEX
In 2024 Nilfisk reported aligned CAPEX for CCA and eligible CAPEX for CCM, CCA, and CE. The aligned CAPEX is related to capitalized costs for external consultants and internal hours related to writing, modifying, testing and supporting revenue-driven software. The increase in eligible CAPEX activities was mainly from R&D projects related to our product pipeline.

OPEX
In 2024 Nilfisk reported aligned OPEX for CCA and eligible OPEX for CCM, CCA, and CE. The aligned OPEX is related to non-capitalized costs towards external consultants related to writing, modifying, testing and supporting software.

CAPEX plan
Nilfisk does not have any CAPEX or OPEX that is 'part of a plan to expand Taxonomy-eligible economic activities or enable Taxonomy-eligible economic activities to become Taxonomy-aligned'.

Proportion of revenue/total revenue

Economic activity	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	-	66.8%
CCA	-	-
WTR	-	-
CE	-	22.1%
PPC	-	-
BIO	-	-

Proportion of CAPEX/total CAPEX

Economic activity	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	-	44.3%
CCA	3.8%	3.8%
WTR	-	-
CE	-	11.6%
PPC	-	-
BIO	-	-

Proportion of OPEX/total OPEX

Economic activity	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	-	81.2%
CCA	6.4%	6.4%
WTR	-	-
CE	-	3.7%
PPC	-	-
BIO	-	-

Revenue

Economic activities (1)	Code (2)	Revenue (3)	Proportion of revenue 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of taxonomy aligned (A.1) or eligible (A.2) revenue, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		2024		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
		m€	*%*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%		
Revenue of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**-**	**0%**	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	**0%**		
Of which Enabling		-	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%		
Of which Transitional		-	0%	0%						-	-	-	-	-	-	-	0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
				EL;N/EL	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*										
Manufacture of energy efficiency equipment for buildings	CCM 3.5	687.2	66.8%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								66.9%		
Repair, refurbishment, and remanufacturing	CE 5.1	63.3	6.2%	N/EL	N/EL	N/EL	N/EL	**EL**	N/EL								5.9%		
Sale of spare parts	CE 5.2	145.3	14.1%	N/EL	N/EL	N/EL	N/EL	**EL**	N/EL								14.3%		
Sale of second-hand goods	CE 5.4	4.9	0.5%	N/EL	N/EL	N/EL	N/EL	**EL**	N/EL								0.6%		
Product-as-a-service and other circular use and result-oriented models	CE 5.5	13.5	1.3%	N/EL	N/EL	N/EL	N/EL	**EL**	N/EL								1.1%		
Revenue of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**914.2**	**88.9%**	**75.2%**	0%	0%	0%	**24.8%**	0%								**88.8%**		
Revenue of Taxonomy eligible activities (A.1+ A.2)		**914.2**	**88.9%**	**75.2%**	0%	0%	0%	**24.8%**	0%								**88.8%**		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES		
Revenue of Taxonomy-non-eligible activities	**113.7**	**11.1%**
Total	**1,027.9**	**100%**

The codes used in Sections A.1 and A.2 of the annex indicate that;
Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

CAPEX

	2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities (1)	Code (2)	CAPEX (3)	Proportion of CAPEX, 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of taxonomy aligned (A.1) or eligible (A.2) CAPEX, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		m€	*%*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Computer programming, consultancy and related activities	CCA 8.2	3.2	3.8%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	4.2%		
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**3.2**	**3.8%**	0%	100.0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	**4.2%**		
Of which Enabling		-	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%		
Of which Transitional		-	0%	0%						-	-	-	-	-	-	-	0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
				EL;N/EL	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*										
Manufacture of energy efficiency equipment for buildings	CCM 3.5	20.8	24.7%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								22.0%		
Transport by motorbikes, passenger car, and light commercial vehicles	CCM 6.5	15.4	18.4%	EL	N/EL	N/EL	N/EL	**N/EL**	N/EL								19.7%		
Renovation of existing buildings	CCM 7.2	1.0	1.2%	EL	N/EL	N/EL	N/EL	**N/EL**	N/EL								0.4%		
Installation, maintenance, and repair of renewable energy technologies	CCM 7.6	0.0	0.0%	EL	N/EL	N/EL	N/EL	**N/EL**	N/EL								0.3%		
Product-as-a-service and other circular use and result-oriented models	CE 5.5	9.7	11.6%	N/EL	N/EL	N/EL	N/EL	**EL**	N/EL								9.2%		
CAPEX of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**46.9**	**55.9%**	**79.3%**	0%	0%	0%	**20.7%**	0%								**51.6%**		
CAPEX of Taxonomy eligible activities (A.1+ A.2)		**50.1**	**59.7%**	**74.2%**	**6.4%**	0%	0%	**19.4%**	0%								**55.8%**		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

CAPEX of Taxonomy-non-eligible activities	**33.8**	**40.3%**
Total	**83.9**	**100%**

The codes used in Sections A.1 and A.2 of the annex indicate that;
Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

OPEX

Economic activities (1)	Code (2)	OPEX (3)	Proportion of OPEX, 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of taxonomy aligned (A.1) or eligible (A.2) OPEX, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		2024		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
		m€	*%*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Computer programming, consultancy, and related activities	CCA 8.2	1.4	6.4%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	4.3%		
OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1.4**	**6.4%**	0%	100%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	**4.3%**		
Of which Enabling		-	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%		
Of which Transitional		-	0%	0%						-	-	-	-	-	-	-	0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
				EL;N/EL	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*										
Manufacture of energy efficiency equipment for buildings	CCM 3.5	13.6	62.1%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								59.8%		
Transport by motorbikes, passenger car, and light commercial vehicles	CCM 6.5	2.7	12.3%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								14.4%		
Renovation of existing buildings	CCM 7.2	1.5	6.8%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								7.7%		
Sale of second-hand goods	CE 5.4	0.8	3.7%	N/EL	N/EL	N/EL	N/EL	**EL**	N/EL								3.8%		
OPEX of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**18.6**	**84.9%**	**95.7%**	0%	0%	0%	**4.3%**	0%								**85.7%**		
OPEX of Taxonomy eligible activities (A.1+ A.2)		**20.0**	**91.3%**	**88.8%**	**7.2%**	0%	0%	**4.0%**	0%								**90.0%**		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

OPEX of Taxonomy-non-eligible activities	**1.9**	**8.7%**
Total	**21.9**	**100%**

The codes used in Sections A.1 and A.2 of the annex indicate that;
Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

Nuclear and fossil gas related activities

	Nuclear energy related activities	Yes/No
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

§ Accounting policy

Share of taxonomy-eligible economic activities
The share of taxonomy-eligible economic activities is defined as the proportion of revenue, CAPEX, and OPEX derived from products, services, assets, or processes that qualify as environmentally sustainable activities.

Eligible and aligned economic activities
Nilfisk conducted a screening of the technical annexes of the Climate Delegated Act (Annex 1 on climate change mitigation and Annex 2 on climate change adaptation) and the Environmental Delegated Act (Annex I on sustainable use and protection of water and marine resources, Annex II on transition to a circular economy, Annex III on pollution prevention and control, and Annex IV on protection and restoration of biodiversity and ecosystems).

Based on this screening, a 'long list' of economic activities was created for further eligibility assessment. The screening process included evaluating potential revenue, CAPEX, and OPEX related to these economic activities.

Each economic activity on the 'long list' was assessed based on 1) How Nilfisk performs the economic activity 2) Financial and strategic materiality.

For Nilfisk, financial materiality is defined by the numerical value of revenue, CAPEX, or OPEX. Strategic materiality is determined by the strategic importance of the activity to Nilfisk, with criteria varying by activity.

Substantial contribution
For each eligible economic activity under the Climate Delegated Act and the Environmental Delegated Act, Nilfisk identified key internal stakeholders to assist in locating and collecting documentation to meet the alignment criteria. Nilfisk thoroughly reviewed the 'substantial contribution' criteria for all eligible economic activities.

Do no significant harm
Nilfisk reviewed the 'do no significant harm' criteria for all eligible economic activities.

Minimum social safeguards
For the aligned activity, Nilfisk documented the company's adherence to effective 'Minimum Social Safeguards'.

Revenue
In accordance with IFRS 15, revenue includes external net sales from contracts with customers associated with taxonomy-eligible activities. The revenue KPI is defined as taxonomy-eligible revenue (numerator) divided by total revenue (denominator).

CAPEX
CAPEX includes additions to property, plant and equipment (PPE) and intangible assets during the financial year. This includes additions to PPE (IAS 16), intangible assets (IAS 38) and right-of-use assets (IFRS 16). The CAPEX KPI is defined as taxonomy-eligible CAPEX (numerator) relating to category (a) and (c) divided by total CAPEX (denominator).

OPEX
OPEX consists of direct non-capitalized costs related to research and development, building renovation, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of PPE, right-of-use assets and intangible assets. The OPEX KPI is defined as taxonomy-eligible OPEX (numerator) relating to category (a) and (c) divided by total OPEX (denominator).

Double counting
To avoid double counting, Nilfisk identified relevant purchases and measures associated with primary related economic activities in the Climate Delegated Act and Environmental Delegated Act, ensuring that no revenue, CAPEX, or OPEX is calculated more than once.

Contribution to multiple objectives
Nilfisk assessed the potential for economic activities to contribute to multiple environmental objectives. Specifically, the scope of activity CCM 3.5 (Manufacture of energy efficiency equipment for buildings) was evaluated to determine if some activities should be reported under CE 1.2 (Manufacture of electrical and electronic equipment).
For consistency and to improve taxonomy alignment, all associated activities are reported under CCM 3.5, with none under CE 1.2.

Nilfisk did not identify any other eligible economic activities contributing to multiple objectives.

Disaggregation of KPIs
There has been no disaggregation of revenue, CAPEX, or OPEX KPIs for any of the assessed economic activities.

Social

103 **S1 Own workforce**
103 Targets
104 General information on own workforce
- Human and labor rights
- Engaging with our own workforce
- Remediation and channels to raise concerns

105 Policies and actions
- Working time
- Social dialogue, collective bargaining, and freedom of association
- Adequate wages
- Health and safety
- Diversity
- Measures against violence and harassment in the workplace
- Gender equality and equal pay
- Training and skills development
- Privacy

109 Progress on targets
111 Metrics

117 **S2 Workers in the value chain**
117 Targets
117 General information on workers in the value chain
- Human and labor rights
- Engaging with value chain workers
- Remediation and channels to raise concerns

118 Policies and actions
- Value chain workers

119 **S4 Consumers and end-users**
119 Targets
119 Policies and actions
- Human and labor rights
- Engaging with customers
- Security of a person and health and safety
- Privacy

121 Progress on targets

Nilfisk reports into Sedex, a global organization dedicated to driving improvements in ethical and responsible business practices in global supply chains. Having independent verification audits of our manufacturing sites support us in adhering to local and international best practice. In addition to supporting compliance, this also helps us become approved suppliers for our customers.

S1 ESRS

Own workforce

Nilfisk is dedicated to creating a fair, equal, healthy, safe, and engaging work environment, while respecting human rights throughout our value chain. This commitment fosters collaboration and drives long-term value for customers, communities, and employees.

Targets

Working times and social dialogue

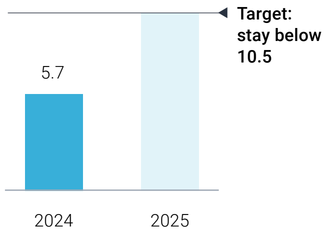
90% employee participation in engagement survey
High engagement levels foster reliable feedback on work-life balance and form the basis for social dialogues

Progress towards 2025 target

Health and safety

Recordable injury frequency rate below 10.5
To keep number of recordable injuries low and aligned with international benchmarks

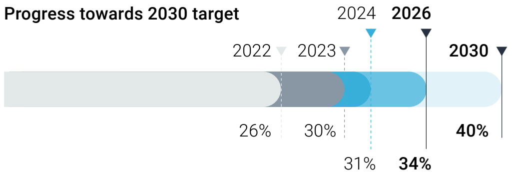
Progress towards 2025 target



Diversity

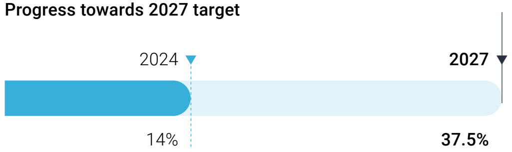
40% of underrepresented gender in top management
To ensure equal representation in top management

Progress towards 2030 target



37.5% of underrepresented gender in Board of Directors
Target set according to the definition of equal representation in Danish legislation for a board consisting of eight people

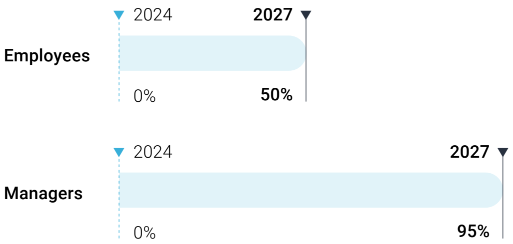
Progress towards 2027 target



Measures against violence and harassment in the workplace

50% employees and 95% managers trained on harassment and discrimination
Trainings aim to be a preventive measure

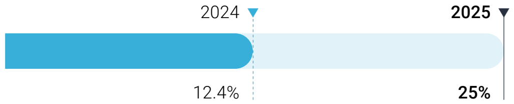
Progress towards 2027 target



Training and skills development

25% employee participation in regular performance development reviews
Engaging employees in dialogue to ensure focus on personal development and retention

Progress towards 2025 target



General information on own workforce

The following section details Nilfisk's position on human and labor rights, engaging with our workforce, and remediation and channels to raise concerns. All these aspects are seen in the context of Nilfisk's own workforce.

Human and labor rights

Nilfisk's global human rights policy, encompassing labor rights, extends across our entire value chain, including our own workforce. In S2 - Human and labor rights, we describe our policy and process to ensure alignment with global human rights frameworks and the active upholding of these standards. Employee engagement on human rights is facilitated through dialogue processes between employees and managers. Further details can be found in S1 – Social dialogue.

Human rights and related policies
The Human Rights policy, alongside related policies for Working Time, Labor and Employee Rights, Privacy, Training and Skills Development, Health & Safety, Diversity, Equity and Inclusion, and Harassment and Discrimination, guide Nilfisk’s commitments to our workforce, including:

- Just and favorable conditions of work
- Equal treatment and non-discrimination
- Right to form and join trade unions
- Right to rest and leisure
- Safe and healthy working conditions

We operate in countries at risk of human trafficking, forced labor, and child labor, particularly at our manufacturing sites in China and Mexico. Nilfisk Human Rights policy provides clear guidance and strictly prohibits any violations related to these issues.

Nilfisk offers measures to provide and/or enable remedy for human rights impacts through a process available to our own workforce. Read more in G1 - Business conduct.

Sedex audits on own sites
In 2024, Nilfisk introduced Sedex sustainability verification audits of own operation, focusing on major manufacturing sites. These audits cover Labor Standards, Health & Safety, Business Ethics, and Environmental practices.

Our cooperation with Sedex helps confirm our commitment to our local sites, employees, and local management. Sedex audits support Nilfisk in adhering to local legislation and international standards. Audit reports will be available to our customers upon request.

Engaging with our own workforce

Nilfisk is dedicated to fostering an inclusive culture where employees feel safe to voice concerns. This commitment underpins our approach to workforce engagement and decision-making. By following the principles outlined in our Code of Conduct we ensure that our practices do not cause or contribute to material negative impacts on our workforce.

Fixed interactions drive dialogues
Nilfisk conducts quarterly global town hall meetings, bi-annual engagement surveys, works council meetings, health and safety committee meetings, and annual performance conversations. These initiatives facilitate dialogue between the leadership team and employees, enhancing engagement, well-being, and performance.

For further information about how Nilfisk engages with our own workforce, read more in the Social dialogue and Training and Skills Development sections. The EVP, Head of People, Organization, and Culture, and The Nilfisk Leadership Team ensure workforce engagement is promoted and feedback is integrated into the decision-making process.

Remediation and channels to raise concerns

Nilfisk encourages employees to report concerns through our grievance mechanisms, including direct reporting to managers, HR Business Partners, our Global Compliance Officer, or via Nilfisk's whistleblower system. Each grievance is investigated thoroughly, and retaliation against good faith reporters is prohibited, as outlined in our Code of Conduct and Whistleblower policy.

We ensure employees are aware of these mechanisms through policy guidelines and communication campaigns. Our Code of Conduct emphasizes the protections available to those who raise concerns.

The effectiveness and trust in Nilfisk’s grievance mechanisms are assessed through bi-annual employee engagement surveys, where employees rate their confidence in our response to serious misconduct.

Read more about remediation and channels to raise concern in section G1 – Business conduct.

Policies and actions

Working time

Material IRO

Nilfisk has identified a risk related to high workload. To manage this risk and mitigate its negative impact, we have developed policies and actions focused on governing the planning of working hours and implementing systems that enhance transparency.

We believe that clear policy guidelines on working hours are essential to fostering a sustainable work environment. By setting limits on working hours, we protect the well-being of our employees and ensure a satisfactory work-life balance.

POLICIES

Working Hour policy
Nilfisk's Working Hour policy, approved by the EVP Head of People, Organization, and Culture, is reviewed annually. It limits working hours to a maximum of 48 hours per week, including overtime, or less if local legislation requires. Night shifts are minimized and only scheduled when necessary, with evaluations of employee impact and provisions for additional support and compensation.

The policy ensures compliance with local labor laws and international guidelines, including the EU Working Time Directive and International Labour Organization standards on fair working conditions, reasonable working hours, rest periods, and overtime practices. It adheres to Ethical Trading Initiative standards and applies to all Nilfisk's business areas, except production units where local laws take precedence.

ACTIONS

Time tracking system
Nilfisk is implementing time tracking systems in EU countries where required by law to enhance transparency and ensure compliance. Full implementation in Denmark, Hungary, Germany, and Spain is targeted by the end of 2025, with continued roll-out as per EU laws. This will help manage deviations from the Working Hour policy. In 2025, Nilfisk will set a target for reducing night work.

Monitoring work-life balance
We use our bi-annual employee engagement survey and whistleblower process to gather input on work-life balance and working hours concerns. Based on feedback, we implement changes to enhance employee well-being. Quarterly Health and Safety evaluations will ensure employees working long or irregular hours are not exposed to undue risks.

Social dialogue, collective bargaining, and freedom of association

Material IRO

Nilfisk has identified a risk of employee turnover and lower productivity related to social dialogue, collective bargaining, and freedom of association. We manage these risks through policies, actions, and targets supported by a robust governance structure.

POLICIES

Labor and Employee Rights policy
We uphold workers' rights to collective bargaining and union membership as outlined in our Code of Conduct and Labor and Employee Rights policy. Where required by regulations or unions, our employees are covered by collective agreements. In 2024, over 1,300 employees were covered by collective agreements on working conditions. We engage in social dialogue with employees and unions to identify health, safety, and worker-related concerns. The policy is reviewed annually to ensure compliance with legislation and standards, with approval and accountability resting with the EVP, Head of People, Organization, and Culture.

ACTIONS

Works councils
Nilfisk supports workforce engagement through country-bound works councils, where mandatory.

These councils provide forums for information, dialogue, and consultation on workforce-impacting decisions. The Nilfisk Leadership Team meets with the European Works Council at least once a year, often four to five times annually, with six employees representing over 1,300 colleagues. These councils are crucial for voicing employee feedback.

Employee engagement survey
Our bi-annual engagement survey, available to all employees, provides valuable feedback and serves as a dialogue tool for managers and teams. It assesses how work-related factors influence engagement, well-being, and performance. Managers are responsible for implementing corrective actions based on survey results.

Employee Health and Safety Committees
Employee Health and Safety Committees, established where required, provide a platform for discussing critical safety, environmental issues, and health issues affecting employees and business continuity.

Our actions will continue into 2025. Nilfisk assesses the effectiveness of these initiatives through employee engagement participation ratings and results from various employee representative meetings. While we do not have specific targets for freedom of association and collective bargaining, we recognize their importance and continuously evaluate the need for such targets. The target relating to employee engagement survey participation covers social dialogue and can be found in the target section.

Adequate wages

Material IRO

Nilfisk has identified a risk of employee turnover and lower productivity from in-adequate wages. Actions are developed to manage the risk by governance of adequate wage levels.

POLICIES

Nilfisk values adequate wages and is developing the foundations and data structures needed to establish relevant guidelines. We plan to implement a policy on adequate wages by 2025 with relevant targets to ensure adequate wages.

ACTIONS

Nilfisk is committed to fair remuneration, ensuring all employees receive at least the minimum statutory wage or market-based pay where no minimum exists. We use a global approach to job architecture and pay structures to ensure employees are paid within defined ranges.

In 2024, we began assessing our living wage status, a process continuing into 2025 to optimize global wage data and enhance salary coverage, though effectiveness is not yet formally tracked.

Health and safety

Material IRO

Nilfisk has identified actual and potential negative impacts from workplace accidents, resulting in negative effects on an individual, increased sick days, and a drop in productivity.

We have policies, targets, ISO 45001 standards, trainings, incident reporting, governance and escalation processes in place to mitigate the impact of the negative impacts. We recognize that failing to manage this will expose us to a financial risk.

POLICIES

Code of Conduct
Nilfisk's Code of Conduct includes overall health and safety policies, detailed in rule no. 7. Read more in section G1 - Business conduct.

Occupational Health and Safety policy
The Occupational Health and Safety policy and our Global Health and Safety manual provide guidelines for safe, supportive workplaces. The EVP Head of Operations oversees compliance and improvement. Employees receive comprehensive training during onboarding. The Global Head of Environment, Health, and Safety (EHS) drives our strategy, aiming for ISO 45001 certification at relevant sites.

PROCESSES

Our commitment to health and safety starts with transparent incident reporting. Employees are encouraged to report all safety incidents through our HR system, allowing us to address issues, analyze trends, and implement preventive measures.

Manager responsibilities
At all Nilfisk locations, Site Safety Partners promote a health and safety culture, address local concerns, and reinforce standards. Monthly global EHS meetings include on-site health and safety dialogues.

The Nilfisk Leadership Team prioritizes health and safety initiatives, promoting a culture where safety is everyone's responsibility. The responsible General Manager ensures engagement and actions based on local regulations.

Identifying safety concerns
Employees are encouraged to use our whistleblower system to report any health and safety concerns. More information is available in section G1 - Business conduct.

ACTIONS

In 2024, Nilfisk launched key initiatives to improve health and safety reporting, culture, and practices:

- Appointed and trained Site Safety Partners for local accountability.
- Implemented a standard Safety Incident reporting tool.
- Promoted a proactive safety culture with near-miss reporting and online training.
- Provided targeted training on mental health, driver safety, office safety, and services.
- Enrolled all sites in the global Health and Safety manual.

The standard safety reports provide KPIs to track performance and inform improvement points, from which the health and safety targets are defined.

ISO 45001 certification
In 2023, we initiated ISO 45001 certification preparations at four manufacturing sites and one R&D site, completing them in 2024, achieving five additional certifications. In 2025, we will expand the EHS Global Operations team and implement an EHS Management Dashboard for real-time insights.

Number of ISO 45001 certified sites

2023	1
2024	6

Diversity

Material IRO

Nilfisk has identified an actual positive impact from diversity, social equity, and equal treatment, fostering innovation and a culture of inclusion. We have identified an inherent financial and reputational risk from not complying with regulatory requirements on reporting. Policies, actions, and targets are developed to advance positive impact.

POLICIES

Code of Conduct and DE&I policy

We recognize that a diverse workforce and inclusive culture strengthen our company. Our commitment to diversity, equity, and inclusion is outlined in our Code of Conduct and Global Diversity, Equity, and Inclusion policy, reviewed bi-annually and overseen by the EVP Head of People, Organization, and Culture.

This policy ensures compliance with laws and standards, providing equal opportunities and fostering an inclusive work environment through initiatives that foster a culture that embraces the unique characteristics of our workforce. It promotes non-discriminatory employment practices and supports diversity through local actions, including targeted recruitment of vulnerable and marginalized groups.

ACTIONS

E-learning training

In 2024, Nilfisk launched e-learning programs to support policy implementation and educate employees to foster a diverse, equitable, and inclusive workplace. These programs address biases and strategies for ensuring psychological safety. More than 1,000 employees completed the training, which continues in 2025, provided in additional local languages.

Diversity in recruitment

We focus on minimizing bias and promoting diversity, equity, and inclusion in our recruitment process. In 2025, we will introduce guidelines for the recruitment of management positions to ensure an unbiased process, aiming to positively impact the share of the underrepresented gender.

Supporting performance and development

Our people review process serve as a leadership tool to support performance and development. In 2024, training sessions established a uniform, inclusive process aimed at reducing unconscious bias to ensure a fair evaluation process.

Additionally, the 'Women of Nilfisk' network in the US supports, develops, and educates female employees, fostering a sense of community and the sharing of best practices.

Diversity in management

Diversity in management is a driver for change in the broader Nilfisk diversity agenda. We communicate and set targets accordingly to establish a path for the remaining organization to follow.

Measures against violence and harassment in the workplace

Material IRO

Nilfisk has identified workplace harassment as a negative impact. We have developed policies, actions, and targets to manage this risk and foster a culture of equal treatment. Failing to address this is a risk for Nilfisk.

POLICIES

Code of Conduct and Global Harassment and Discrimination policy

Nilfisk is committed to a safe, healthy, and inclusive workplace where employees are treated with respect and dignity, enhancing collaboration and innovation. Nilfisk has a zero-tolerance policy for harassment, discrimination, bullying, or differential treatment. Our Code of Conduct and Global Harassment and Discrimination policy, reviewed annually, ensure compliance with legislation and standards. The EVP Head of People, Organization, and Culture oversees this policy.

ACTIONS

Grievance mechanisms

Employees are encouraged to report harassment or violence through our grievance mechanisms. See sections S1 and G1 for more details.

Awareness and training

Nilfisk is committed to raising awareness about harassment and discrimination. The zero-tolerance policy will be made available to all employees during the first half of 2025 with global roll-out of training for managers and employees by 2026 to ensure workplace issues are recognized and addressed promptly.

Gender equality and equal pay

Material IRO

Nilfisk has identified a gender pay gap and is taking action to ensure equal pay through governance and processes, recognizing that failing to close the gap exposes Nilfisk to the risk of losing employees.

POLICIES

We are developing the foundations and data structures for relevant guidelines and continuously assess the need for an equal pay policy. Our current actions describe our approach.

ACTIONS

Job architecture framework
At Nilfisk, equal pay for equal work is fundamental. We ensure fair compensation based on skills, experience, and contributions, regardless of gender or personal characteristics. Our job architecture framework supports equal pay throughout the employment process, from hiring to promotion.

Salary disparity efforts
In 2024, the unadjusted gender pay gap improved to 19% from 21% in 2023 due to efforts in reducing salary disparities during merit processes, recruitments, and promotions. As part of the merit process we ensure training for managers to inform of the importance of closing gender pay gaps and prioritizing salary increases that drive development.

Pay gap monitoring efforts
In 2025, we will review our job architecture and pay ranges, ensuring high data quality. We will monitor gender pay gaps and plan corrective actions by year-end. While we do not have specific targets for equal pay, we continually evaluate the need for them and will plan further actions based on 2025 outcomes. Currently, the effectiveness of these actions is not formally tracked.

Training and skills development

Material IRO

Nilfisk has identified a positive impact from training and skills development initiatives. Our policies, actions, and targets support learning and development, recognizing that failing to follow these processes poses a risk.

POLICIES

Training and Skills Development policy
The Nilfisk Training and Skills Development policy integrates learning and skills development into the way we work, to drive positive workforce impact and business growth. The policy is applicable for all employees. The policy, reviewed annually, is overseen by the Global Head of Learning and Development and approved by the EVP Head of People, Organization, and Culture. We enhance training to improve well-being, job satisfaction, retention, and performance, committing to continuous learning and adapting to evolving skill requirements.

ACTIONS

70-20-10 model for training and development
Nilfisk bases training on the 70-20-10 model: 70% from experience, 20% from interactions, and 10% from formal education. We ensure continuous learning, and provide a process that supports the formalization of personal development plans. Our Learning Management System provides ongoing training, supporting our commitment to development.

We have set internal targets for questions related to learning and development in the bi-annual employee engagement survey to ensure that we maintain high standards. Additionally, we have set a target to ensure employee participation in regular performance development reviews.

Training leaders
Leaders are trained in value-based performance dialogues, with HR Business Partners supporting leaders in this process. Leadership training and English language courses are offered to enhance capabilities and promote inclusion, ensuring all employees benefit from our learning solutions.

Mandatory trainings available in local languages
As a global company, we speak many languages. Nilfisk offers all mandatory training in predominant local languages to ensure accessibility and value of the training.

Privacy

Material IRO

Nilfisk has identified a GDPR compliance risk regarding our workforce's personal information. We have developed policies and actions to manage this risk and mitigate any negative impact through effective data governance.

POLICIES

Data Privacy policy
Nilfisk adheres to Denmark's Data Ethics Council's principles and values. As we embrace digital transformation, data handling and safeguarding are both compliance requirements and ethical practices. Robust cybersecurity and data protection are seen as both duty and advantage.

We ensure GDPR compliance by using a tool to map global databases and document processes. We also comply with other data privacy laws, processing only necessary personal data, treating it confidentially, and limiting access on a need-to-know basis. The Data Privacy policy, applicable to all employees, is reviewed regularly and communicated to stakeholders upon update. The Global Head of Compliance holds approval and accountability for the policy

ACTIONS

Training
Nilfisk ensures GDPR compliance by informing employees of policies and providing access to their data. GDPR compliance is part of our Code of Conduct, and new employees must complete data privacy training. Read more in section G1 - Business conduct.

Automated deletion of personal data
By 2025, we will implement an automatic process to delete personal data after employment ends, adhering to local data retention laws. The effectiveness of these policies and actions is not currently tracked. For targets relating to privacy and personal information, refer to sections S4 and G1.

Progress on targets

Working times and social dialogue targets

Employee engagement survey participation

Data indicator	Unit	2024	Target 2025
Employee engagement survey participation rate	%	88.5%	90 %

Nilfisk is dedicated to collecting employee feedback on work-life balance and fostering positive social dialogue. We aim to maintain high engagement in our global employee engagement survey, targeting at least 90% global participation in 2025. This represents an increase from the baseline value of 88.5% in 2024.

Health and safety targets

Recordable injury frequency rate

Data indicator	Unit	2024	Target 2025
The recordable injury frequency rate (TRIFR)	Rate	5.7	Below 10.5

Nilfisk prioritizes setting health and safety targets to promote employee well-being and enhance operational efficiency at our sites. The targets support these objectives and ensure a safe and productive environment for all our employees. In 2024, the recordable injury frequency rate was 5.7, which surpassed the target.

The target has been set by our Global Health and Safety Manager in collaboration with local Health and Safety Managers representing the Nilfisk workforce and is monitored monthly. For accounting policies related to this target, see S1-14 in the Metrics section.

§ Accounting policy

Employee engagement participation rate
Nilfisk conducts two global employee engagement surveys annually. The engagement survey participation rate is calculated by dividing the number of employees who completed the survey by the total number of employees who received it, representing the average participation rate from both surveys in the reporting year. Participation is recorded directly in the online employee engagement tool, and data is collected from this tool.

The target has been set in in consultation with key internal stakeholders.

Diversity targets

Gender diversity at top management levels

Data indicator	Unit	2024	Target 2026	Target 2030
Male	%	69%	**66%**	**60%**
Female	%	31%	**34%**	**40%**

Nilfisk's mid-term target aims to have 34% of the underrepresented gender in top management by 2026, and our long-term ambition is to have equal representation, i.e., a minimum of 40% of the underrepresented gender in top management by 2030. During 2024, the share of the underrepresented gender in top management increased to 31% which is in line with expectations for the overall trajectory towards the 2026 and 2030 target. For accounting policies related to this target, see S1-9 in the Metrics section.

Gender diversity in the Board of Directors

Data indicator	Unit	2023	2024	Target 2027
Male	%	75%	86%	**62.5%**
Female	%	25%	14%	**37.5%**

In 2023, Nilfisk's Board of Directors set a target for the underrepresented gender among shareholder-elected board members to constitute 37.5% by no later than 2027. In 2024, the departure of one female board member reduced the total number of board members to seven, thereby decreasing the share of female to male representation.

Nilfisk monitors its gender diversity targets on a quarterly basis, and results are presented to the Nilfisk Leadership Team.

§ Accounting policy

Gender distribution in the Board of Directors
Gender distribution is calculated based on the number of shareholder elected board members per gender, relative to the total number of board members at the end of the reporting period. The target of 37.5% is within the definition of equal representation in Danish legislation for a board consisting of eight people.

Training on harassment and discrimination
The percentage of managers and employees that have completed the global training on harassment and discrimination is calculated as the absolute number of managers/employees that completed the training in the reporting year, divided by the total number of managers/employees at the end of the reporting year. All targets have been set in consultation with key internal stakeholders.

Training and skills development targets

Performance and development reviews

Data indicator	Unit	2024	Target 2025
Employees who participated in regular performance and development reviews	%	12.4%	**25%**

Nilfisk has set a target to improve the completion level of performance and development dialogues and ensure that a minimum of 25% of employees have participated in regular performance and career development reviews. For accounting policies related to this target, see S1-13 in the Metrics section.

Measures against violence and harassment targets

Training on harassment and discrimination

Data indicator	Unit	2024	Target 2027
Training completion rate - managers	%	-	**95%**
Training completion rate - employees	%	-	**50%**

Nilfisk's target is designed as a preventive measure to progressively drive awareness and training on harassment and discrimination. By 2027, 95% of all managers and 50% of employees are expected to have completed training on harassment and discrimination which will be launched in 2025. The target is established through benchmarking similar initiatives, and assumptions are based on system availability to support the implementation. The target has been approved by the EVP, Head of People, Organization, and Culture.

Metrics

S1-6 Characteristics of Nilfisk's employees

Headcount per gender and category

2024	Unit	Female	Male	Other	Not disclosed	Total
Permanent employees	Number	1,218	3,183	1	4	**4,406**
Temporary employees	Number	132	223	-	52	**407**
Non-guaranteed hours employees	Number	-	-	-	-	**-**
Total employees	**Number**	**1,350**	**3,406**	**1**	**56**	**4,813**
2023	**Unit**	**Female**	**Male**	**Other**	**Not disclosed**	**Total**
Permanent employees	Number	1,148	3,061	3	1	**4,213**
Temporary employees	Number	139	283	-	40	**462**
Non-guaranteed hours employees	Number	-	1	-	-	**1**
Total employees	**Number**	**1,287**	**3,345**	**3**	**41**	**4,676**

Total headcount increased by 137, corresponding to 3.0%. The number of female employees increased by 63, corresponding to 5.0%, while the number of male employees increased by 61, corresponding to 1.8%. Hungary, the US, and China each account for more than 10% of the Nilfisk workforce. In Hungary, the employee headcount grew by 63, corresponding to an increase of 8%, primarily due to an increase in production headcount and relocation of back-office employees to our shared service center. Meanwhile the employee headcount in the US and China declined by 9% and 2%, respectively, due to cautious hiring practices. The remaining increase was mainly due to investments across service and R&D.

Headcount per country

	Unit	2024	2023
Hungary	Number	862	799
US	Number	683	749
China	Number	592	605
Rest of the world	Number	2,676	2,523
Total	Number	**4,813**	**4,676**

Employees who have left the company

	Unit	2024	2023
Employees who have left the company	Number	822	833
Employee turnover - all employees	%	17%	18%
Employee turnover - permanent employees	%	15%	16%

§ Accounting policy

Total employee headcount
Total headcount at the end of the reporting period is defined as the number of individuals employed by Nilfisk, and which perform work for its entities at the end of the reporting period, irrespective of the extent of working hours (full-time/part-time). The data excludes contingent workers (non-employees), employees with a non-active worker status (on leave) and terminated employees.
The principle serves as an overarching principle for the following metrics:

- **Headcount per gender:** Categorized by gender.
- **Headcount of permanent employees:** Those without a predetermined end date, categorized by gender.
- **Headcount of temporary employees:** Those with a predetermined end date, categorized by gender.
- **Headcount of non-guaranteed hours employees :** Those without guaranteed working hours, categorized by gender.
- **Headcount per country:** Includes countries with 50+ employees, representing at least 10% of the total workforce.
- **Employees who have left the company:** Total number of employees who left during the reporting period, excluding contingent workers.
- **Employee turnover** is calculated by dividing the number of employees who left (voluntarily or involuntarily) during the reporting period by the average number of employees for that period. The average number of employees is determined by adding the starting and ending employee counts and dividing by two. This includes both active and on-leave employees.

The total headcount cannot be reconciled with Note 3.1 of the Financial Statements, as it represents full-time equivalents.

S1-7 Characteristics of non-employees in the undertaking's own workforce

Headcount of non-employees

Data indicator	Unit	2024
Non-employees in own workforce - self-employed people	Number	85
Non-employees in own workforce - people provided by undertakings primarily engaged in employment activities	Number	-
Total non-employees	Number	**85**

S1-8 Collective bargaining coverage and social dialogue

Collective bargaining agreement coverage

Data indicator	Unit	2024
Employees covered by collective bargaining agreements	%	27%

Coverage rate	Collective bargaining coverage		Social dialogue
Data indicator	Employees - EEA (for countries with > 50 empl. Representing > 10% empl.)	Employees - Non-EEA (estimate for regions with > 50 empl. Representing > 10% total empl)	Workplace representation (EEA only) (for countries with >50 empl. Representing >10% total empl)
0-19%	-	APAC	-
20-39%	-	Americas	-
40-59%	-	-	-
60-79%	-	-	-
80-100%	-	-	-

Accounting policy

Headcount of non-employees
Non-employees are contingent workers providing work for Nilfisk but not on Nilfisk payroll. Total headcount at the end of the reporting period defined as the number of individuals contracted by Nilfisk, and who perform work for its entities at the end of the reporting period, irrespective of the extent of working hours (full-time/part-time).

Accounting policy

Collective bargaining agreement coverage
The overall percentage of employees covered by collective bargaining agreements or workplace representation is provided for each country where Nilfisk has significant employment, defined as having at least 50 employees, representing at least 10% of the total workforce. Outside the EEA, this percentage is reported by region.

The percentage is calculated by dividing the number of employees covered by collective bargaining agreements in each country by the total number of employees in that country.

Workplace representation
The percentage is calculated as the number of employees covered by worker's representatives in each country divided by the total number of employees in the country.

S1-9 Diversity metrics

Gender distribution at top management levels

Data indicator	Unit	2024		2023		Target 2030
Male	Number & %	42	69%	44	70%	60%
Female	Number & %	19	31%	19	30%	40%
Total	Number & %	**61**	**100%**	**63**	**100%**	

Distribution of employees by age group

Data indicator	Unit	2024		2023	
Under 30 years old	Number & %	543	11%	514	11%
30-50 years old	Number & %	2,927	61%	2,899	62%
Over 50 years old	Number & %	1,343	28%	1,263	27%
Total	Number & %	**4,813**	**100%**	**4,676**	**100%**

§ Accounting policy

Gender distribution at top management levels
Gender distribution is based on the employee headcount per gender, at top management levels, relative to the total employee headcount at these levels at the end of the reporting period. Top management levels are defined as the highest-ranking management level (the Nilfisk Leadership Team) and their direct reports who have people management responsibilities, including employees on leave.

Distribution of employees by age group
Age distribution is determined by the employee's date of birth, relative to the total headcount.

S1-10 Adequate wages

Countries where employees earn below the applicable adequate wage benchmark and percentage of employees paid below applicable adequate wage benchmark

Data indicator	Unit	2024	2024
Singapore	Number of employees & %	2	7.4%
Total	Number of employees & %	**2**	**0.1%**

§ Accounting policy

Countries where employees earn below the applicable adequate wage benchmark
List of countries where at least one employee is paid under the adequate wage published by Wageindicator.org. The published wage is compared to the employee's Total Base Pay.

The percentage is calculated as the absolute number of the employees paid under the adequate wage in a given country divided by the total number of the employes in the country.

S1-11 Social protection

Employees covered by social protection through public programs or through benefits offered by Nilfisk, against loss of income due to any of the following major life events:

Data indicator	All employees covered
Sickness	Yes
Employment injury and acquired disability	Yes
Parental leave	Yes
Retirement	Yes
Unemployment starting from when the own worker is working from the undertaking	No*

*The following countries are not covered by protection: Hong Kong and Japan. The following countries are only covered in case of involuntary termination: Argentina, Mexico, Australia, India, New Zealand, Singapore, Czech Republic, Greece, Italy, Portugal, Spain, Türkiye, and United Arab Emirates

§ Accounting policy

Social protection coverage through public programs or through benefits offered by Nilfisk against loss of income
List of countries where at least one employee is not covered by social protection, the countries and the types of employees excluded are specified.

S1-12 Persons with disabilities

Employees with disabilities

Data indicator	Unit	2024
Percentage of employees with disabilities	%	0.5%

§ Accounting policy

Persons with disabilities
The percentage of employees with disabilities is calculated as the number of employees with disabilities divided by the total number of employees. Persons with disabilities is defined as employees that have reported a disability and provided supporting documentation based on the countries' legislation.

S1-13 Training and skills development metrics

Total employees who participated in regular performance and development reviews per gender and average number of training hours per gender

Data indicator	Unit	2024		Target 2025
Male	% & hours	12.5%	1.4	
Female	% & hours	12.7%	1.8	
Non-binary	% & hours	-	-	
Not declared	% & hours	2.4%	1.0	
Total	**% & hours**	**12.4%**	**1.5**	**25%**

§ Accounting policy

Employees who participated in regular performance and development reviews per gender
The percentage is calculated as the absolute number of the employees that completed the yearly performance and career review divided by the total number of the employees invited to the review (total employee headcount on the day of starting the review).

Average number of training hours per gender
The average number of training hours is calculated as the total training hours at the end of the reporting period divided by the total number of employees who completed any training in Nilfisk's Learning Management System, categorized by gender.

S1-14 Health and safety metrics

Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognized standards or guidelines

Data indicator	Unit	2024
Employees	%	26.5%
Non-employees	%	0.8%
Total	%	**27.3%**

Number of fatalities as result of work-related injuries and work-related injuries and work-related ill health

Data indicator	Unit	2024
Own workers	Number	-
Other workers working on Nilfisk's sites	Number	-

Number and rate of recordable work-related accidents for own workforce

Data indicator	Unit	2024		Target 2025
Employees	Number/rate	49	5.7	Rate below 10.5
Non-employees	Number/rate	-	-	

Number of cases of recordable work-related ill health of employees

Data indicator	Unit	2024
Employees	Number	-
Non-employees	Number	-

Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health, and fatalities from ill health related to employees

Data indicator	Unit	2024
Employees	Number	1,617
Non-employees	Number	-

§ Accounting policy

Percentage of people in its own workforce who are covered by health and safety management system
The percentage of employees that are covered by a health and safety management system, defined as the employee headcounts working at a site that is ISO45001 certified by an external certification divided by the total number of employees at the end of the reporting period.

Number of fatalities as result of work-related injuries and work-related injuries and work-related ill health
The number of fatality cases involving Nilfisk employees or contractors working on a Nilfisk site, as reported through Nilfisk's Safety Incidents application.

Number and rate of recordable work-related accidents
The number of cases resulting in a recordable injury, as reported through Nilfisk's Safety Incidents application. The rate measures the number of recordable injuries in relation to total hours worked (TRIFR = Number of recordable injuries in a defined period x 1,000,000 / total worked hours in the same defined period).

Number of cases of recordable work-related ill health
The number of cases resulting in a recordable work-related ill health, as reported through Nilfisk's Safety Incidents application.

Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health
The number of work-related lost days, as reported through Nilfisk's Safety Incidents application.

All data relating to health and safety incidents is collected directly from Nilfisk's Safety Incidents application.

S1-15 Work-life balance metrics

Percentage of entitled employees that took family-related leave

Data indicator	Unit	2024
Percentage of employees entitled to take family-related leave	%	97%

Percentage of entitled employees that took family-related leave by gender

Data indicator	Unit	2024
Male	%	9%
Female	%	12%
Total	**%**	**10%**

S1-16 Remuneration metrics

Gender pay gap as the average pay levels between female and male

Data indicator	Unit	2024	2023
Gender pay gap	%	19%	21%

The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees

Data indicator	Unit	2024	2023
Annual total remuneration ratio	Ratio	52:1	62:1

S1-17 Incidents, complaints and severe human rights impact

Incidents

Data indicator	Unit	2024
Number of incidents of discrimination, including harassment	Number	5

Other than stated above, no additional complaints have been filed through the designated channels for raising concerns, related penalties, or compensations. Additionally, there have been no severe human rights issues, incidents, or related fines.

§ Accounting policy

Percentage of employees entitled to take family-related leave
The percentage is calculated as the number of employees entitled to family-related leave divided by the total number of employees.

Percentage of entitled employees that took family-related leave by gender
The percentage is calculated as the number of employees that took family-related leave divided by the total number of employees, categorized by gender.

§ Accounting policy

Gender pay gap
The unadjusted gender pay gap is the difference between the average gross hourly earnings of men and women, expressed as a percentage of men's average gross hourly earnings. This average is calculated from the total base salary, excluding other compensation (e.g., allowances, target bonuses). The calculation excludes employees on leave.

Annual total renumeration ratio
The annual total remuneration ratio is calculated by dividing the CEO's annualized compensation (including base salary, short-term, and long-term incentives) by the median employee compensation (including base salary and target incentives) at year-end.

§ Accounting policy

Incidents, complaints, and severe human rights impacts
The number of incidents, complaints, and severe human rights incidents reported via the whistleblower system or internally.

S2 ESRS

Workers in the value chain

Nilfisk respects human and labor rights and actively seeks to reduce the risk of adverse impact on workers in our value chain in collaboration with our global network of suppliers

Targets

Value chain workers

70% of selected suppliers signed Supplier Code of Conduct
To minimize business risk

Progress towards 2030 target

2024	**2025**
N/A	**70%**

General information on workers in the value chain

This section presents a detailed introduction to Nilfisk's position and activities on human and labor rights across the value chain. Value chain workers materially impacted by Nilfisk's business model are those in the upstream supply chain. Typically, these workers are engaged in the manufacturing and mining industries, often in regions with a high risk of workers' rights violations.

Human and labor rights

Our commitment to upholding human rights, including labor rights, is outlined in our Global Human Rights policy and our Supplier Code of Conduct

Human Rights policy
We expect the companies we work with to run their business responsibly. We require our partners to comply with national laws and adhere to international labor and human rights standards, including the UN Guiding Principles on Business and Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work, and the Ten Principles of the UN Global Compact.

Our updated 2024 Human Rights policy encompasses all aspects of human rights for our own operations and value chain. The policy is designed to address adverse human rights impacts within Nilfisk's sphere of influence. Nilfisk will prioritize its actions based on material topics identified in the DMA. The policy details prioritization of human rights impacts based on their severity and likelihood.

Nilfisk commits to taking appropriate actions to address any adverse human rights impacts identified in our value chain. The policy emphasizes the importance of informing and training employees, business partners, and other key stakeholders about Nilfisk's human rights commitments and expectations as well as details a six-step process based on the OECD Due Diligence Guidance for Responsible Business, to ensure alignment with global human rights frameworks.

The policy is available to all stakeholders on Nilfisk's corporate intranet and websites and is part of our broader commitment to sustainability and ethical business practices. Implementation responsibilities lie with the EVP, Head of People, Organization & Culture, for our own operations, and the EVP, Head of Marketing, Sustainability & Consumer Business, and the EVP, Head of Operations for value chain workers.

Supplier Code of Conduct
The Supplier Code of Conduct, updated in 2024, outlines our human rights commitments and expectations for all suppliers, and is part of the contractual obligation with our direct suppliers. It aligns with our Code of Conduct, providing clear guidelines on climate, environment, health, safety, diversity, inclusion, and labor rights, including forced labor, child labor, and human trafficking. Should a supplier fail to meet these requirements, or if audits reveal nonconformities, Nilfisk will work with them to improve performance or, if necessary, end the collaboration. The EVP, CFO, owns this policy.

Engaging with value chain workers

Nilfisk engages indirectly with value chain workers through different processes.

Assessment of new suppliers
All new direct suppliers undergo an approval process that includes answering questionnaires on sustainability, legal, and compliance standards. Nilfisk's sustainability questionnaire collects information on how suppliers address ESG topics. In 2024, 395 suppliers were assessed for sustainability.

On-site audits - by Nilfisk and third party
Our primary form of engagement with value chain workers is through annual on-site assessments by the Nilfisk compliance team. In 2024, we conducted 25 assessments and interviews with high-risk suppliers. These interviews provide valuable insights into worker perspectives, particularly those vulnerable due to the nature of their work or location. In our regular supplier assessments (questionnaires and on-site audits), we request insights into labor conditions and specific management systems implemented by suppliers.

Focus areas include environmental and climate impacts, labor rights, health and safety, and anti-corruption. These interviews support ongoing supplier collaboration, leading to necessary improvements. Based on audit findings, we provide detailed training or guidance, strengthening performance and legal compliance in our value chain. Enhanced supplier compliance over recent years is due to increased global supply chain attention.

Nilfisk also assesses strategic suppliers through the Sedex Member Ethical Trade Audit performed by a third party. The Sedex platform ensures transparency on labor, health and safety, environmental, and business ethics conditions for key suppliers as well as our manufacturing sites.

Remediation and channels to raise concerns

Workers in Nilfisk's value chain can make use of existing channels to interact with Nilfisk.

Supplier Code of Conduct
The Supplier Code of Conduct sets clear expectations for our suppliers and business partners. It requires that their employees are able to report concerns through the suppliers' grievance mechanisms or Nilfisk's whistleblower system. In 2024, no violations of human rights issues have been reported or identified.

Whistleblower policy
The Whistleblower policy provides our value chain workers with a safe reporting mechanism, assures independent and fair assessment, and effective remediation proportionate to the occurred grievance. Read more about remediation and channels to raise concern in section G1 – Business conduct.

Policies and actions

Value chain workers

Material IRO

Nilfisk has identified potential negative impacts to individual value chain workers in the supply chain on the matters of health and safety, workers' rights, gender inequalities, and harassment and violence at suppliers.

We make efforts to mitigate impacts and risks by having policies, actions, targets, and supplier due diligence processes. We recognize that a potential violation of workers' rights and right to privacy of supply chain workers expose us to reputational and operational risks.

The supplier network at Nilfisk is extensive, and that means our initiatives aimed at upholding standards for workers in the supply chain have a significant impact. We collaborate with numerous direct suppliers who contribute to our cleaning solutions. Additionally, we engage with a larger network of indirect suppliers globally that are not linked to the products.

POLICIES

Policies related to our value chain workers encompass both direct and indirect suppliers and are governed by the Supplier Code of Conduct and Human Rights policy. Read more in the previous section S2 – Human and Labor Rights.

PROCESSES

Supplier due diligence
Nilfisk applies a due diligence approach to address supplier risks, subdividing it into legal, compliance, and sustainability due diligence. These screenings are conducted for both current and new, direct and indirect suppliers.

When it comes to legal and reputational risks, we aim for annual screenings of all direct suppliers, a target met in 2024. These screenings support our compliance in anti-corruption, competition law, foreign trade controls, and sustainability, including environmental protection. To identify sustainability risks, Nilfisk screens direct and selected indirect suppliers based on a combination of spend and risk. In 2024, we defined high-risk categories on three dimensions: sourcing category, geographical area of production, and strategic importance.

ACTIONS

Actions towards suppliers
We are committed to creating decent jobs within our value chain and have introduced independent SMETA Audit which is the Sedex Members Ethical Trade Audit for selected strategic suppliers. The updated Supplier Code of Conduct will be extended to additional key suppliers, with a goal of having at least 70% of selected suppliers signing in 2025.

New Sustainable Sourcing policy
In 2025, we will establish a Sustainable Sourcing policy on our due diligence process for the coming Corporate Sustainability Due Diligence Directive (CSDDD). This will cover direct suppliers, detailing collaboration with value chain partners. To support this, we will join Ethical Trading Denmark.

S4 ESRS

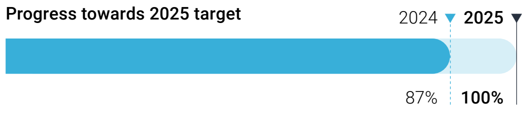
Consumers and end-users

Nilfisk prioritizes customer health and safety by developing ergonomic cleaning solutions. These innovations enhance working conditions, address labor shortages, and reduce costs in the professional cleaning industry.

Targets

Privacy

100% of new office employees to receive phishing training within three months of onboarding
Trainings will uphold our defense against cyber threats



Security of a person and health and safety

No product recalls
To avoid unacceptable levels of risks to end-user health and safety

Progress towards 2025 target

0	0	0
2023	2024	**2025**

Policies and actions

Human and labor rights

Nilfisk is committed to upholding human rights throughout our value chain, including customers and end-users. Our Human Rights policy, detailed in section S2 - Workers in the value chain, outlines a four-step process to ensure alignment with international standards and proactive efforts to maintain these standards.

Engaging with customers

We engage with customers to understand and address their needs. Our commitment to IT safety is reinforced through regulatory compliance. Nilfisk has received reports from our downstream value chain regarding product malfunctions and incidents that do not conform to health and safety standards. Nilfisk is investigating an allegation of a potential defect in one of our products that may have caused personal injury. We are diligently working to establish the facts and take appropriate action. To date, there have been no reports concerning privacy or access to information.

The Human Rights Policy, IT Security Policy, and Customer Health and Safety policy detail our commitments to the following human rights topics considered material to consumers and end-users:

- Right to Privacy
- Right to Access to Information
- Right to Health and Safety

We offer remedies for human rights impacts through a process available to customers and end-users. Read more in section G1 - Business conduct.

Security of a person and health and safety

Material IRO
Nilfisk has identified a potential negative impact to security of end-users of professional floorcare products, addressing incidents typically involving single product malfunctions. We mitigate this by having processes, policies, targets, and product quality measures in place.

At Nilfisk, we prioritize high-quality cleaning solutions to ensure customer safety and mitigate risks. Our commitment to user health and safety drives us to prevent accidents and maintain secure working environments.

POLICIES

Customer Health and Safety policy
Our Customer Health & Safety policy is central to delivering high-quality cleaning solutions while ensuring customer well-being. This policy, overseen by the EVP, Head of Operations and the VP, Legal & General Counsel, is implemented by our Quality Assurance department.

Our governance structure ensures compliance with industry regulations and best practices. Our Quality and Environmental Management systems ensure we promptly address quality reports, including end-user health and safety observations. Quality and Product teams monthly oversee quality and safety reports, and the VPs of Quality and VP of Legal oversee our formal product incident management process.

Code of Conduct
The Code of Conduct rule no. 10 includes product certification and quality rules. Read more in section G1 - Business conduct.

PROCESSES

Quality from high testing standards
To integrate user perspectives, we have implemented detailed procedures under the oversight of Quality Assurance and the respective function. During product development, we prioritize safety by incorporating the latest technologies and collaborating with experts to mitigate risks. We maintain stringent quality control in our manufacturing facilities to ensure every product meets safety standards.

We collaborate with third-party organizations for thorough testing and certification, validating our products' safety and reliability. Regular reviews and updates to safety protocols, guided by customer feedback and industry advancements, drive continuous improvement initiatives.

Customer insights and training
Customer training is crucial for safe product usage. The collection of customer insights continuously informs product development, and we provide comprehensive training and support for our end-users.

ACTIONS

Various methods of testing
To prevent negative impacts, we invest significantly in product safety, including IT security, employee training, and activity monitoring. We plan to integrate new IT security measures and develop automated testing solutions to further safeguard our products and users.

New product launches
The 2025 launch of the Nilfisk Dryft, a micro-scrubber dryer, features a flexible and ergonomic design for user comfort. The 2024 launch of Nilfisk's SC550, a walk-behind scrubber dryer, offers high adaptability, simple user interface and ergonomics. It includes an adjustable steering column, smart presets, enhanced maneuverability, and robust durability. The SC550 is user-friendly, minimizes physical effort, maximizes productivity, and operates quietly for noise-sensitive environments.

Privacy

Material IRO

IT safety is a top priority at Nilfisk, especially for new products, connectable machines, and e-commerce. Nilfisk identifies a risk in IT security breaches of machines, potentially affecting GDPR and privacy. Such breaches would negatively impact our reputation. We mitigate by having policies, actions, and governance activities in place to ensure appropriate activities and monitoring. Data storage safety is best practice for autonomous and data-enhanced machines.

POLICIES

IT Security policy
Nilfisk's IT Security policy, aligned with ISO 27001 & 27002, outlines measures for managing information security risks. The IT Security Steering Committee, led by the Chief IT Officer (CIO), owns and reviews the policy annually.

Information Security Vulnerability Disclosure policy
Our Information Security Vulnerability Disclosure policy promotes responsible disclosure for prompt action. Overseen by the Chief Information Security Officer (CISO), it facilitates external reporting of system vulnerabilities. Stakeholders can access our ambitions via the Code of Conduct, rule no. 2 and rule no. 11. Read more in section G1 - Business conduct.

PROCESSES

The terms for data collection, storage, and IT security for Nilfisk Autonomous machines are integral to all sales agreements governed by the CIO and CISO. GPS data is treated as pseudonymized personal information with specific storage requirements. Customers are continuously advised on processing obligations via our website.

We acknowledge companies representing end-users as legitimate representatives for IT security information. All business relationships can raise concerns through corporate channels. External parties can report vulnerabilities on our website for prompt mitigation. Read more in section G1 - Business conduct.

ACTIONS

Cyber security training
Ensuring the security of our digital environment is a top priority. To protect customer data, all Nilfisk employees undergo cyber security training. This training leverages AI and behavioral science for personalized sessions. Cyber security trainings were an ongoing activity in 2024 with no end date.

The Information Security Team also conducts tailor-made training for specific teams. In 2025, tailored cyber security training is planned for five Nilfisk departments.

New projects on IT resilience
We collaborate with third parties to implement new processes and ensure compliance with NIS2 and the EU Cyber Resilience Act, guaranteeing high-quality processes for our customers.

Tracking deactivation
Our advanced cleaning machines with tracking functionalities can deactivate tracking functionalities for customers that prioritize data security.

Progress on targets

Privacy

Phishing training

Data indicator	Unit	2024	Target 2025
New office employees who received phishing training within three months of their onboarding	%	87%	**100%**

To enhance information security, Nilfisk aims to ensure that 100% of office employees receive phishing avoidance training. This ambitious target highlights our commitment to protecting both our company and our customers. Meeting this goal will strengthen our defenses against cyber threats and maintain our reputation as a trusted provider of secure cleaning solutions. In 2024, 87% of new employees completed phishing training, which is in line with the plan towards the 2025 target. The target is monitored and reported to the IT Steering Committee annually.

§ Accounting policy

Phishing training
The percentage of new office employees who received phishing training is calculated by dividing the number of office employees, defined as employees with a work computer, who started at Nilfisk during the reporting period and completed the training within the same year by the total number of new office employees with at least 3 months' seniority at the end of the reporting year. The target has been set in consultation with key internal stakeholders.

Security of a person and health and safety

Product recalls

Data indicator	Unit	2024	Target 2025
Number of product recalls	number	0	**0**

Nilfisk has set an annual target of zero product recalls, which was achieved in 2024. If necessary, due to the level of risk, we will discontinue the shipment of a product or activate a recall campaign. Similarly, if a product on the market, as part of the quality monitoring process, is assessed to put end-user health and safety at risk, we may halt the distribution of the product or initiate a recall campaign.

§ Accounting policy

Product recalls
Product recalls shows the amount of product recalls in the reporting year.
The target has been set in consultation with key internal stakeholders.

Governance

123 **G1 Governance**
123 Targets
123 General information on business conduct and corporate culture
- Code of conduct
- High risk suppliers and due diligence processes
- Remediation and channels to raise concerns
- Training

125 Policies and actions
- Corruption and bribery
- Protection of whistleblowers

126 Progress on targets
126 Metrics

For three consecutive years, Nilfisk has received EcoVadis Gold, placing us in the top five percent of all global companies rated by EcoVadis in the categories Environment, Human & Labor Rights, Sustainable Procurement, and Ethics. EcoVadis is considered the world's largest provider of business sustainability ratings and working with this framework helps us drive continuous improvement.

G1 ESRS

Business conduct

As a global company, partner, and employer, Nilfisk is dedicated to integrity, ethical business conduct, and making a positive impact. We prioritize sustainable practices, inclusiveness, and adherence to ethical and legal standards.

Targets

Business conduct and corporate culture

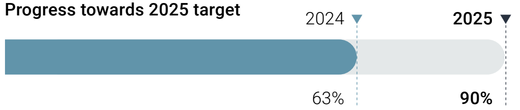
Awarded EcoVadis Gold

Ensuring strong governance processes

90% of employees to receive Code of Conduct training

To ensure Nilfisk acts in accordance with its Code of Conduct

Progress towards 2025 target

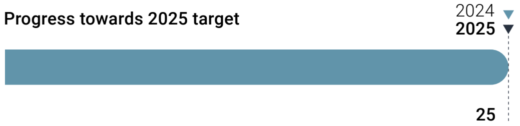


Corruption and bribery

25 on-site supplier audits to be conducted

To ensure insights and collaboration with high-risk suppliers

Progress towards 2025 target



General information on business conduct and corporate culture

Our commitment to good governance and our Code of Conduct remains fundamental to how we conduct our business activities and interact with internal and external stakeholders.

For the past five years, Nilfisk has reported through the EcoVadis framework to continually develop our internal processes and to support transparency. To achieve an EcoVadis Gold award, we must demonstrate an advanced sustainability management system. EcoVadis is a globally recognized platform for assessing companies' performance on ESG, and is considered the world's largest provider of business sustainability ratings.

Code of Conduct

Nilfisk's Code of Conduct, covering our own operation and value chain, includes fundamental principles such as our Integrity policy (honesty, fairness, and accountability) and 11 rules of behavior requiring compliance with applicable laws and global standards. These are:

- Anti-corruption
- Climate and environment
- Competition compliance
- Data privacy
- Foreign trade controls
- Fraud and conflicts of interest
- Health and safety
- Information security
- Labor rights
- Diversity and inclusion
- Product certification
- Quality

Ownership and execution

The Code of Conduct is approved by the Board of Directors and the Compliance Team is responsible for its implementation. It is available to all stakeholders on Nilfisk's corporate intranet and websites, in multiple languages, and through training as described in the following sections.

Additionally, the Code of Conduct is supplemented by the Nilfisk Governance Framework (NGF) which is a comprehensive web portal. It comprises the code of conduct rules and multiple binding operational rules, which enforce high global standards in key business areas such as Sales, Service, R&D, Communications, and Finance. These rules are further supported by standard operating procedures and other guidelines.

The Code of Conduct and operational rules must be followed and integrated into daily business. It places clear responsibility on managers at all levels globally to ensure this occurs. The Nilfisk Leadership Team is ultimately responsible for enforcing these rules and have all completed the Code of Conduct training in 2024. Beginning in 2026, the implementation of all NGF rules will be assessed annually. Any implementation gaps will be identified and addressed within fixed timelines.

High-risk supplier and due diligence processes

Nilfisk uses an online due diligence tool to evaluate compliance and sustainability risks among relevant suppliers and dealers in high-risk countries. The tool is based on criteria from Transparency International and watch lists from the US and the EU as well as other official guidelines. Nilfisk also has a dedicated supplier auditor based in China and utilizes third parties, such as Sedex, to evaluate key suppliers. Additionally, we actively pursue supplier diversity in the US in accordance with government requirements and guidance.

Other legal compliance tools include an online system to document processing personal data required by the EU's General Data Protection Regulation (GDPR).

Remediation and channels to raise concerns

This section describes Nilfisk's channels to raise concerns, and our remediation process.

Whistleblower policy
Nilfisk's Whistleblower policy outlines the procedures for reporting and investigating concerns. This policy, available in multiple languages on our corporate intranet and websites, has been approved by the Board of Directors and is managed by the Compliance Team.

Grievance mechanisms
Concerns can be reported through Nilfisk's multilingual online whistleblower system that ensures confidentiality and anonymity. This system complies with local reporting practices under the EU Whistleblower Directive (2019/1937). Additionally, concerns can be reported internally to managers, HR, or to the compliance team. The whistleblower process is available to all Nilfisk's stakeholders, including customers and end-users, and workers in the value chain.

All reports of possible legal or Code of Conduct violations, submitted through any channel, are directly investigated by the compliance team on a case-by-case basis and are always handled independently from the chain of management involved in the matter. The conclusions from these investigations are reported to the Audit Committee, and the General Counsel. Members of senior management review relevant reports on a need-to-know basis.

Our Global Compliance Officer provides feedback to employees who have reported concerns, informing them when the investigation is complete and giving an overview of the outcome. Employees may also be invited to follow-up meetings with the Compliance Team, if appropriate. Upon finalizing investigations, Nilfisk takes action on a case-by-case basis within the scope of our capabilities.

Supplier audits
Another channel for identifying and raising concerns is the local on-site supplier audits, conducted by Nilfisk or a third party. They form part of Nilfisk's interactions with suppliers and workers in the value chain.

Read more in section S2 - Workers in the value chain.

Training

In Q4 2023, Nilfisk launched its internal Learning Management System (LMS). By the end of 2024, more than half of Nilfisk's global workforce had completed the mandatory Code of Conduct training online in English, Chinese, German, French, Italian, and Hungarian. By the end of 2024, nearly 90% of the employees at our manufacturing sites had received in-person training in local languages. In Q4 2024, Nilfisk introduced Code of Conduct trainings in additional local languages for all global employees, via LMS or in person, depending on the local company size, and will continue this into 2025.

During 2024, Nilfisk carried out global online dialogue with board members and employees at all job levels and locations, discussing the importance of reporting concerns, how investigations are conducted, and how employees are protected. From 2026, all Nilfisk employees will be required to take Code of Conduct training every two to three years.

Currently, new hires receive and confirm the Code of Conduct for review, when they join Nilfisk. We anticipate that from 2025 onwards, the training will be a requirement for new hires. In addition, various Nilfisk entities use posters and events to promote the Code of Conduct and Whistleblower policy.

Policies and actions

Corruption and bribery

Material IRO

Nilfisk has identified a risk of fines and negative reputational effects from corruption and bribery incidents. We mitigate by having policies, actions, and targets to ensure appropriate activities and monitoring.

POLICIES

Nilfisk actively opposes bribery, as a company and as a participant in global organizations such as the UN Global Compact and the OECD's Business and Industry Advisory Committee.

Because we conduct business globally, there is a risk of corruption and bribery occurring in our own operations, particularly in high-risk countries where corruption is widespread. High-risk markets are identified based on Transparency International's Corruption Perception Index.

Integrity policy
In 2024, Nilfisk continued to comply with global anti-corruption laws through its Integrity policy and the anti-corruption rule no. 1 in the Code of Conduct. This rule prohibits employees and managers from directly or indirectly offering, giving, or receiving anything of value to secure an improper business advantage. It includes clear examples of permissible and impermissible actions. The Integrity policy is approved by the Board of Directors.

ACTIONS

High-risk subjects
Nilfisk evaluates corruption risks, particularly in high-risk functions like transport, logistics, and customs clearance, based on their interactions with external parties and where improper payments may be demanded.

Key risks are managed annually through our Enterprise Risk Management process, a third-party due diligence tool, and a new supplier compliance questionnaire. In 2024, we introduced a Supplier Code of Conduct prohibiting suppliers from engaging in bribery on Nilfisk's behalf. Similarly, new standard sales terms and conditions prohibit dealers from such actions.

Increased training and communication
Anti-corruption training is part of the Code of Conduct training. In 2025, Nilfisk will enhance anti-corruption efforts through compliance audits, training, and regular communication with managers in high-risk markets. Audits will include town hall meetings on the Code of Conduct and local compliance challenges. The supplier auditor in China will continue on-site and online audits of key suppliers.

Potential breaches can be reported via the whistleblower system. All reports follow the Code of Conduct investigation process led by Nilfisk's Compliance Manager.

Protection of whistleblowers

Material IRO

Nilfisk has identified a risk of fines and negative reputational effects failing to protect whistleblowers or breaching GDPR rules.

POLICIES

Protecting whistleblowers is crucial for maintaining transparency and accountability in any organization. By safeguarding those who report potentially unethical or illegal activities, we foster an environment where integrity and fairness prevail.

The Code of Conduct governs overall actions related to whistleblower activities. Our Whistleblower policy prohibits retaliation against employees who report possible wrongdoing or support investigations. Retaliation itself is a violation of the Code of Conduct and will have serious consequences, including termination of employment.

ACTIONS

Whistleblower reports are treated confidentially and investigated based on severity. All participants involved in the investigation are informed of Nilfisk's position on anti-retaliation, as stated in the Whistleblower policy, and are encouraged to make a new report if retaliation based on the investigation occurs.

Participants are also encouraged to report any new developments, even after the investigation is complete. If evidence supports the allegations, Nilfisk will impose appropriate consequences and take remedial action for harmed employees.

Progress on targets

Business conduct and corporate culture targets

EcoVadis and Code of Conduct training

Data indicator	Unit	2024	Target 2025
EcoVadis rating	Rating	Gold	**Gold**
Code of Conduct participation rate	%	63%	**90%**

EcoVadis: Nilfisk collaborates with EcoVadis to gather insights, drive improvements, and share performance transparently. Achieving EcoVadis Gold requires strong internal governance, enhancing transparency and awareness of business conduct. Nilfisk achieved this for the third consecutive year in 2024.

Code of Conduct: Nilfisk is committed to acting in alignment with our Code of Conduct. Therefore, we have set a target of 90% of employees completing the Code of Conduct training by the end of 2025. Having launched the Code of Conduct training in late 2023 and released local language versions in the seven most predominant languages in 2024, the 2024 performance of 63% is well on track towards the 90% target. The target has been set by the Head of Compliance and is monitored annually.

Corruption and bribery targets

On-site supplier audits

Data indicator	Unit	2024	Target 2025
Number of on-site supplier audits conducted	Number	25	**25**

Nilfisk has established a comprehensive supplier audit structure to facilitate dialogue and improvements with high-risk suppliers within our extensive global network. The highest level of engagement in this structure is on-site audits. In 2024, our highest-risk suppliers, identified based on known sustainability risks and business engagement size, were all located in China, resulting in all supplier audits being conducted there. Through these audits, we collaborate with suppliers to mitigate their negative impacts on employees and the environment, enhancing our business resilience and reducing the risks of corruption and bribery. In 2024, we achieved our annual target of 25 on-site supplier audits.

§ Accounting policy

EcoVadis rating
Represents the annual rating received from EcoVadis.

Code of Conduct training
The Code of Conduct participation rate is calculated by dividing the number of employees who completed the training by the total number of employee headcount at the end of the reporting period. This includes training completed through Nilfisk's Learning Management System (LMS) or in-person sessions. Data is collected directly from the LMS or manually for employees who completed in-person training and signed a completion slip.

Supplier audits
Represents the total number of completed on-site supplier audits during the reporting year.
All targets have been set in consultation with key internal stakeholders.

Metrics

G1-3 Prevention and detection of corruption and bribery

Percentage of at-risk-functions covered by training programs

Data indicator	Unit	2024
Training coverage		
Percentage of functions-at-risk covered by training programs	%	57%
Percentage of functions-at-risk receiving training	%	38%

Training of at-risk employees is primarily conducted as online-based training, with exceptions for countries with 50 employees or fewer, where in-person training is provided to optimize training resources. The training covers several topics, including anti-corruption, anti-fraud, conflicts of interest, and competition law. Training related to the detection of corruption and bribery shall be completed once every 2-3 years.

§ Accounting policy

Percentage of functions-at-risk covered by training programs
The number of employees that work in at-risk functions is calculated as the percentage of employees in at-risk functions that have received anti-bribery and anti-corruption training in Nilfisk's Code of Conduct.

G1-4 Incidents of corruption or bribery

Convictions and fines for violation of anti-corruption and anti-bribery laws

Data indicator	Unit	2024
Convictions for violation of anti-corruption and anti-bribery laws	Number	-
Amount of fines for violation of anti-corruption and anti-bribery laws	Number	-

§ Accounting policy

Incidents of corruption or bribery
The number of reported incidents regarding any convictions or fines for the violation of anti-corruption or anti-bribery laws.

Additional information

128 **ESRS disclosure overview**

130 **Data points deriving from other EU legislation**

131 **Statement on sustainability due diligence**

ESRS disclosure overview

Disclosure requirements		Section[1]	Page	Additional information
ESRS 2	**General disclosures**			
BP-1	General basis for preparation of sustainability statements	SS	68	
BP-2	Disclosures in relation to specific circumstances	SS	68	Phase-in option used [2]
GOV-1	The role of the administrative, management and supervisory bodies	MR, SS	47-55, 65	Incorporated by reference
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	SS	65	
GOV-3	Integration of sustainability-related performance in incentive schemes	FS	150	Incorporated by reference
GOV-4	Statement on due diligence	SS	131	
GOV-5	Risk management and internal controls over sustainability reporting	MR	48	Incorporated by reference
SBM-1	Strategy, business model and value chain	MR, SS	17-18, 20, 22, 24, 25-32, 36, 41, 58, 67	Incorporated by reference Phase-in option used [3]
SBM-2	Interests and views of stakeholders	SS	73	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SS	71-72, 74-77, 104, 117, 119	Phase-in option used [4]
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	SS	59, 66, 69-70	
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	SS	128-130	
ESRS E1	**Climate change**			
E1-1	Transition plan for climate change mitigation	SS	80	
E1-2	Policies related to climate change mitigation and adaptation	SS	80-82	
E1-3	Actions and resources in relation to climate change policies	SS	80-82	
E1-4	Targets related to climate change mitigation and adaptation	SS	79-80, 83	
E1-5	Energy consumption and mix	SS	84	
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	SS	85-86	
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	-	-	Phase-in option used

Disclosure requirements		Section[1]	Page	Additional information
ESRS E2	**Pollution**			
E2-1	Policies related to pollution	SS	87-88	
E2-2	Actions and resources related to pollution	SS	87-88	
E2-3	Targets related to pollution	SS	87-88	
E2-5	Substances of concern and substances of very high concern	SS	89	
E2	Entity-specific metrics	SS	87, 88, 90	
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	-	-	Phase-in option used
ESRS E3	**Water and marine resources**			
E3-1	Policies related to water and marine resources	SS	91	
E3-2	Actions and resources related to water and marine resources	SS	91	
E3-3	Targets related to water	SS	91	
E3-4	Water consumption	SS	92	
E3	Entity-specific metrics	SS	91-92	
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks, and opportunities	-	-	Phase-in option used
ESRS E5	**Resources and circular economy**			
E5-1	Policies related to resource use and circular economy	SS	93-94	
E5-2	Actions and resources related to resource use and circular economy	SS	93-94	
E5-3	Targets related to resource use and circular economy	SS	93, 95	
E5-4	Resource inflows	SS	95	
E5-5	Resource outflows	SS	96	
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks, and opportunities	-	-	Phase-in option used

[1] Financial Statements (FS), Management Review (MR), Sustainability Statements (SS)
[2] Phase-in option used for value chain data for metrics.
[3] Phase-in option used for information on ESRS sectors.
[4] Phase-in option used for information on anticipated financial effects.

ESRS disclosure overview – continued

Disclosure requirements		Section[1]	Page	Additional information
ESRS S1	**Own workforce**			
S1-1	Policies related to own workforce	SS	104-109	
S1-2	Processes for engaging with own workers and workers' representatives about impacts	SS	104	
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	SS	104	
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	SS	105-109	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	SS	103, 109-110	
S1-6	Characteristics of the undertaking's employees	SS	111	
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	SS	112	
S1-8	Collective bargaining coverage and social dialogue	SS	112	
S1-9	Diversity metrics	SS	113	
S1-10	Adequate wages	SS	113	
S1-11	Social protection	SS	114	
S1-12	Persons with disabilities	SS	114	
S1-13	Training and skills development metrics	SS	114	
S1-14	Health and safety metrics	SS	115	
S1-15	Work-life balance metrics	SS	116	
S1-16	Compensation metrics (pay gap and total compensation)	SS	116	
S1-17	Complaints and severe human rights impacts	SS	116	
ESRS S2	**Workers in the value chain**			
S2-1	Policies related to value chain workers	SS	117-118	
S2-2	Processes for engaging with value chain workers about impacts	SS	118	
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	SS	118	

Disclosure requirements		Section[1]	Page	Additional information
ESRS S2	**Workers in the value chain - continued**			
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	SS	118	
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	SS	117	
ESRS S4	**Consumers and end-users**			
S4-1	Policies related to consumers and end-users	SS	119-120	
S4-2	Processes for engaging with consumers and end-users about impacts	SS	119	
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	SS	119	
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	SS	119-120	
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	SS	119, 121	
ESRS G1	**Business conduct**			
G1-1	Corporate culture and business conduct policies and corporate culture	SS	123-125	
G1-3	Prevention and detection of corruption and bribery	SS	126	
G1-4	Confirmed incidents of corruption or bribery	SS	126	

[1] Financial Statements (FS), Management Review (MR), Sustainability Statements (SS)

Data points deriving from other EU legislation

Disclosure requirement	Datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate law reference	Page
ESRS 2 GOV-1	21 (d)	●		●		50
ESRS 2 GOV-1	21 (e)			●		47
ESRS 2 GOV-4	30	●				131
ESRS 2 SBM-1	40 (d) i	●	●	●		Not applicable
ESRS 2 SBM-1	40 (d) ii	●		●		Not applicable
ESRS 2 SBM-1	40 (d) iii	●		●		Not applicable
ESRS 2 SBM-1	40 (d) iv			●		Not applicable
ESRS E1-1	14				●	80
ESRS E1-1	16 (g)		●	●		Not applicable
ESRS E1-4	34	●	●	●		79-80, 83
ESRS E1-5	38	●				84
ESRS E1-5	37	●				84
ESRS E1-5	40-43	●				84
ESRS E1-6	44	●	●	●		85
ESRS E1-6	53-55	●	●	●		85
ESRS E1-7	56				●	Not applicable
ESRS E1-9	66			●		Not applicable
ESRS E1-9	66 (a); 66 (c)		●			Not applicable
ESRS E1-9	67 (c)		●			Not applicable
ESRS E1-9	69			●		Not applicable
ESRS E2-4	28	●				Not applicable
ESRS E3-1	9	●				91
ESRS E3-1	13	●				91
ESRS E3-1	14	●				Not applicable
ESRS E3-4	28 (c)	●				92
ESRS E3-4	29	●				92
ESRS 2- SBM 3 - E4	16 (a) i	●				Not applicable
ESRS 2- SBM 3 - E4	16 (b)	●				Not applicable
ESRS 2- SBM 3 - E4	16 (c)	●				Not applicable
ESRS E4-2	24 (b)	●				Not applicable
ESRS E4-2	24 (c)	●				Not applicable
ESRS E4-2	24 (d)	●				Not applicable
ESRS E5-5	37 (d)	●				96
ESRS E5-5	39	●				96
ESRS 2- SBM3 - S1	14 (f)	●				104
ESRS 2- SBM3 - S1	14 (g)	●				104
ESRS S1-1	20	●				104
ESRS S1-1	21			●		104
ESRS S1-1	22	●				104
ESRS S1-1	23	●				106
ESRS S1-3	32 (c)	●				104
ESRS S1-14	88 (b) and (c)	●		●		115
ESRS S1-14	88 (e)	●				115
ESRS S1-16	97 (a)	●		●		116
ESRS S1-16	97 (b)	●				116
ESRS S1-17	103 (a)	●				116
ESRS S1-17	104 (a)	●		●		116
ESRS 2- SBM3 – S2	11 (b)	●				117
ESRS S2-1	17	●				117
ESRS S2-1	18	●				118
ESRS S2-1	19	●		●		Not applicable
ESRS S2-1	19			●		117
ESRS S2-4	36	●				117-118
ESRS S3-1	16	●				Not applicable
ESRS S3-1	17	●		●		Not applicable
ESRS S3-4	36	●				Not applicable
ESRS S4-1	16	●				119-120
ESRS S4-1	17	●		●		119-120
ESRS S4-4	35	●				119
ESRS G1-1	10 (b)	●				Not applicable
ESRS G1-1	10 (d)	●				Not applicable
ESRS G1-4	24 (a)	●		●		126
ESRS G1-4	24 (b)	●				125

Statement on sustainability due diligence

Core elements of due diligence	Page
a) Embedding due diligence in governance, strategy and business model	65, 71-72, 74-77, 104, 117, 119, 150
b) Engaging with affected stakeholders in all key steps of the due diligence	65-66, 69-70, 73, 81-82, 87-88, 91, 93-94, 104-109, 117-120, 123-125
c) Identifying and assessing adverse impacts	66, 69-72, 74-77, 104, 117, 119
d) Taking actions to address those adverse impacts	80-82, 87-88, 91, 93-94, 104-109, 117-120, 123-125
e) Tracking the effectiveness of these efforts and communicating	65, 79-80, 83-85, 87-96, 103, 109-117, 119, 121, 123, 126

Financial Statements

133 **Consolidated financial statements**
134 Income statement
134 Statement of comprehensive income
135 Statement of financial position
136 Cash flow statement
137 Statement of changes in equity
138 Notes
182 Part of the management review

184 **Parent financial statements**
185 Income statement
185 Balance sheet
186 Statement of changes in equity
187 Notes
189 Accounting policies

190 **Statements & reports**
190 Management's statement
191 Independent auditor's report
194 Independent auditor's report ESG

Consolidated financial statements 2024

Income statement	**134**
Statement of comprehensive income	**134**
Statement of financial position	**135**
Cash flow statement	**136**
Statement of changes in equity	**137**
Notes	**138**
1 Basis for reporting	138
1.1 Basis for preparation	138
1.2 Key accounting estimates and judgments	139
1.3 Implementation of new or changed accounting standards and interpretations	139
2 Profit for the year	140
2.1 Segment information	142
2.2 Revenue	143
2.3 Research and development costs	144
2.4 Special items	145
2.5 Amortization, depreciation, and impairment	146
2.6 Financial items	146
2.7 Tax	147
3 Remuneration	149
3.1 Staff costs	150
3.2 Remuneration to the Board of Directors and the Nilfisk Leadership Team	150
3.3 Long-term incentive programs	151
4 Capital employed	153
4.1 Capital employed	154
4.2 Impairment test	154
4.3 Intangible assets	157
4.4 Property, plant, and equipment	159
4.5 Right-of-use assets	161
4.6 Pension liabilities	162
4.7 Provisions	164
5 Working capital	165
5.1 Working capital	166
5.2 Inventories	167
5.3 Trade receivables	168
6 Capital structure	169
6.1 Net interest-bearing debt	170
6.2 Investments in associates	171
6.3 Financial risks and financial instruments	172
6.4 Share capital	178
7 Cash flow	179
7.1 Other non-cash adjustments	179
8 Other notes	180
8.1 Fees to auditors elected at the annual general meeting	180
8.2 Related parties	180
8.3 Contingent liabilities, securities, and contractual obligations	180
8.4 Events after balance sheet date	181
8.5 Group companies	181
Part of the management review - not audited	182
Financial definitions	182
Non-IFRS financial measures	183

§ Accounting policy

Accounting policies are included in the notes to which they relate in order to facilitate understanding of the contents and the accounting treatment applied. Accounting policies not relating directly to individual notes are stated in Note 1.1.

Key accounting estimate

Key accounting estimates made by the Executive Management Board are included in the notes to which they relate in order to increase clarity.

! Key accounting judgments

Key accounting judgments made by the Executive Management Board are included in the notes to which they relate in order to increase clarity.

± Sensitivity

Sensitivity analysis often accompanies key accounting estimates and is included in the notes to which it relates in order to increase clarity.

Income statement

for the years ended December 31

EUR million	Note	**2024**	2023
Revenue	2.1, 2.2	1,027.9	1,033.6
Cost of sales	2.5, 3	-594.0	-611.1
Gross profit		**433.9**	**422.5**
Research and development costs	2.3, 2.5, 3	-28.7	-27.5
Sales and distribution costs	2.5, 3	-259.4	-251.7
Administrative costs	2.5, 3	-76.2	-74.6
Other operating income		2.0	4.7
Other operating expenses		0.3	-2.3
Operating profit before special items		**71.9**	**71.1**
Special items, net	2.4, 2.5	-6.4	-9.9
Operating profit		**65.5**	**61.2**
Share of profit from associates	6.2	4.0	0.8
Financial income	2.6	1.1	10.4
Financial expenses	2.6	-23.3	-25.1
Profit before income taxes		**47.3**	**47.3**
Tax on profit for the year	2.7	-11.9	-12.0
Profit for the year		**35.4**	**35.3**
To be distributed as follows:			
Profit attributable to shareholders of Nilfisk Holding A/S		35.4	35.3
Total		**35.4**	**35.3**
Earnings per share (based on 27,126,369 shares issued)			
Basic earnings per share (EUR)	6.4	1.31	1.30
Diluted earnings per share (EUR)		1.31	1.30

Statement of comprehensive income

for the years ended December 31

EUR million	Note	**2024**	2023
Profit for the year		35.4	35.3
Other comprehensive income			
Items that may be reclassified to the income statement:			
Exchange rate adjustments of subsidiaries		8.8	-9.0
Value adjustment of hedging instruments:			
Value adjustment for the year	6.3	-1.5	-3.0
Transferred to cost of sales	6.3	1.2	-0.7
Transferred to financial income and expenses	6.3	-	-9.6
Tax on value adjustment of hedging instruments	2.7	-0.1	3.1
Items that may not be reclassified to the income statement:			
Transferred to inventory	6.3	0.8	-0.6
Actuarial losses on defined benefit plans	4.6	-1.1	-
Tax on actuarial losses on defined benefit plans	2.7	0.3	-
Total comprehensive income for the year		**43.8**	**15.5**
To be distributed as follows:			
Comprehensive income attributable to shareholders of Nilfisk Holding A/S		43.8	15.5
Total		**43.8**	**15.5**

Statement of financial position

as of December 31

EUR million	Note	2024	2023
Assets			
Goodwill		170.7	168.7
Trademarks		3.7	4.7
Customer related assets		1.1	2.5
Development projects completed		32.6	32.1
Software, know-how, patents, and competition clauses		17.4	15.5
Development projects and software in progress		30.8	19.9
Total intangible assets	4.2, 4.3	**256.3**	**243.4**
Land and buildings		6.4	6.3
Plant and machinery		6.5	4.6
Tools and equipment		37.0	29.9
Assets under construction incl. prepayments		3.4	5.4
Right-of-use assets	4.5	62.1	66.6
Total property, plant, and equipment	4.2, 4.4	**115.4**	**112.8**
Investments in associates	6.2	37.6	34.9
Interest-bearing receivables	6.1	1.8	1.3
Other investments and receivables		3.2	2.8
Deferred tax	2.7	23.5	23.4
Total other non-current assets		**66.1**	**62.4**
Total non-current assets	4.1	**437.8**	**418.6**
Inventories	5.1, 5.2	233.1	200.5
Trade receivables	5.1, 5.3, 6.3	156.1	138.7
Interest-bearing receivables	6.1, 6.3	0.3	0.5
Income tax receivables	5.1	2.3	3.5
Other receivables	5.1, 6.3	37.7	28.9
Cash and cash equivalents		27.4	23.3
Total current assets		**456.9**	**395.4**
Total assets		**894.7**	**814.0**

EUR million	Note	2024	2023
Equity and liabilities			
Share capital	6.4	72.9	72.9
Reserves		4.2	-5.0
Retained earnings		242.3	207.1
Total equity		**319.4**	**275.0**
Deferred tax	2.7, 4.1	1.6	6.9
Pension liabilities	4.1, 4.6	4.4	3.8
Provisions	4.1, 4.7	7.4	4.9
Interest-bearing loans and borrowings	6.1, 6.3	229.1	205.9
Lease liabilities	6.1, 6.3	38.6	44.7
Other liabilities	6.3	3.3	3.5
Total non-current liabilities		**284.4**	**269.7**
Interest-bearing loans and borrowings	6.1, 6.3	5.5	2.1
Lease liabilities	6.1, 6.3	26.4	24.6
Trade payables	5.1, 6.3	127.7	123.5
Income tax payables	5.1	7.0	7.8
Other liabilities	5.1, 6.3	112.2	97.2
Provisions	4.1, 4.7	12.1	14.1
Total current liabilities		**290.9**	**269.3**
Total liabilities		**575.3**	**539.0**
Total equity and liabilities		**894.7**	**814.0**

Cash flow statement

for the years ended December 31

EUR million	Note	2024	2023
Operating profit		65.5	61.2
Depreciation, amortization, and impairment	2.5	63.9	61.9
Other non-cash adjustments	7.1	0.3	-1.0
Changes in working capital	5.1	-43.8	46.8
Cash flow from operations before financial items and income taxes		85.9	168.9
Financial income received		2.1	11.8
Financial expenses paid		-19.2	-22.6
Income tax paid		-16.9	-15.1
Cash flow from operating activities		**51.9**	**143.0**
Purchase of property, plant, and equipment	4.4	-13.9	-8.6
Sale/disposal of property, plant, and equipment		0.6	2.8
Purchase of intangible assets	4.3	-32.2	-22.4
Purchase of financial assets		-0.9	-1.7
Disposal of financial assets		0.2	0.6
Dividends received from associates	6.2	2.0	1.5
Cash flow from investing activities		**-44.2**	**-27.8**
Free cash flow		**7.7**	**115.2**
Changes in current interest-bearing loans and borrowings		-2.0	1.7
Changes in non-current interest-bearing loans and borrowings, proceeds		27.4	-85.1
Payment of lease liabilities		-28.6	-26.4
Cash flow from financing activities	6.1	**-3.2**	**-109.8**
Net cash flow for the year		**4.5**	**5.4**
Cash and cash equivalents, January 1		23.3	22.7
Exchange rate adjustments		-0.4	-4.8
Net cash flow for the year		4.5	5.4
Cash and cash equivalents, December 31		**27.4**	**23.3**

Statement of changes in equity

for the years ended December 31

	2024					2023				
EUR million	Share capital	Foreign exchange reserve	Hedging reserve	Retained earnings	**Total equity**	Share capital	Foreign exchange reserve	Hedging reserve	Retained earnings	**Total equity**
Equity, January 1	**72.9**	**-3.5**	**-1.5**	**207.1**	**275.0**	**72.9**	**5.5**	**9.3**	**173.0**	**260.7**
Other comprehensive income										
Exchange rate adjustments	-	8.8	-	-	8.8	-	-9.0	-	-	-9.0
Value adjustment of hedging instruments:										
Value adjustment for the year	-	-	-1.5	-	-1.5	-	-	-3.0	-	-3.0
Transferred to cost of sales	-	-	1.2	-	1.2	-	-	-0.7	-	-0.7
Transferred to financial income and expenses	-	-	-	-	-	-	-	-9.6	-	-9.6
Transferred to inventory	-	-	0.8	-	0.8	-	-	-0.6	-	-0.6
Actuarial losses on defined benefit plans	-	-	-	-1.1	-1.1	-	-	-	-	-
Tax on actuarial losses on defined benefit plans	-	-	-	0.3	0.3	-	-	-	-	-
Tax on value adjustment of hedging instruments	-	-	-0.1	-	-0.1	-	-	3.1	-	3.1
Total other comprehensive income	**-**	**8.8**	**0.4**	**-0.8**	**8.4**	**-**	**-9.0**	**-10.8**	**-**	**-19.8**
Profit for the year	-	-	-	35.4	35.4	-	-	-	35.3	35.3
Comprehensive income for the year	**-**	**8.8**	**0.4**	**34.6**	**43.8**	**-**	**-9.0**	**-10.8**	**35.3**	**15.5**
Share option program	-	-	-	0.6	0.6	-	-	-	-1.2	-1.2
Total changes in equity	**-**	**8.8**	**0.4**	**35.2**	**44.4**	**-**	**-9.0**	**-10.8**	**34.1**	**14.3**
Equity, December 31	**72.9**	**5.3**	**-1.1**	**242.3**	**319.4**	**72.9**	**-3.5**	**-1.5**	**207.1**	**275.0**

Section 1
Basis for reporting

This section describes the applied reporting framework, including a definition of materiality for disclosures as well as any changes in the accounting policies for the consolidated financial statements.

1.1 Basis for preparation

Nilfisk Holding A/S is a public limited company domiciled in Denmark.

The consolidated financial statements included in this Annual Report for the year 2024 are prepared in accordance with IFRS Accounting Standards, as adopted by the EU, and additional requirements under the Danish Financial Statements Act. The parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Measurement basis
The consolidated financial statements included in this Annual Report are presented in EUR million rounded to one decimal point.

The consolidated financial statements included in this Annual Report are prepared according to the historical cost principle. The only exceptions are derivatives and financial instruments in a trading portfolio, which are measured at fair value.

Material accounting policies
Apart from the accounting policies described in this section, accounting policies are described in each of the individual notes. The accounting policies are applied consistently during the financial year and for the comparative figures.

Applying materiality
The provisions in IFRS contain extensive disclosure requirements. The specific disclosures required according to IFRS are stated in the consolidated financial statements included in this Annual Report unless the disclosures concerned are considered irrelevant or immaterial for financial decisions made by the financial statement users.

The Group has operations in Argentina and Türkiye and is therefore subject to Hyperinflation accounting (IAS 29). Based on an assessment of materiality, IAS 29 has not been applied as it is immaterial to the Nilfisk Group.

Going concern
The Executive Management Board is required to decide whether the consolidated financial statements can be presented on a 'going concern' basis. Based on estimated future prospects, expectations of future cash flows, existence of credit facilities, etc., the Executive Management Board is of the opinion that there are no factors giving reason to doubt whether Nilfisk Holding A/S can continue operating for at least 12 months from the balance sheet date.

Principles of consolidation
The consolidated financial statements incorporate the financial statements of Nilfisk Holding A/S and entities controlled by Nilfisk Holding A/S. Control exists when Nilfisk Holding A/S has effective power over the entity and has the right to variable returns from the entity.

Where necessary, adjustments have been made to the financial statements of subsidiaries to bring their accounting policies in line with Nilfisk Group policies. All intragroup transactions, balances, income, and expenses are eliminated in full when consolidated.

Functional and presentation currency
Items included in the financial statements of each of Nilfisk Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Euro (EUR). The functional currency of Nilfisk Holding A/S is DKK.

The presentation currency is EUR as the Nilfisk Group's main business activities are EUR denominated and the internal reporting is presented in EUR.

ESEF regulation/ iXBRL-reporting
The Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) requires the use of a specific digital reporting format for annual reports of listed companies in the EU. More precisely, the ESEF regulation requires the annual report to be prepared in XHTML format with iXBRL tagging of the consolidated financial statements in the form of income statement, statement of comprehensive income, statement of financial position, cash flow statement, statement of changes in equity, and notes.

The iXBRL tagging of Nilfisk Holding A/S has been made using the ESEF taxonomy disclosed in the annexes to the ESEF Regulation and developed based on the IFRS taxonomy published by the IFRS Foundation. The 2023 version of the ESEF taxonomy has been used for the annual report for 2024.

The line items in the consolidated financial statements are XBRL-tagged to the elements of the ESEF taxonomy that are considered to match the content of those line items. For line items not considered to be covered by line items defined in the taxonomy, company-specific extensions to the taxonomy have been incorporated. Except for subtotals, these extensions are anchored to standard elements of the ESEF taxonomy.

Consistent with the requirements of the ESEF Regulation, the annual report approved by Management is comprised of a ZIP file identified as NIL-2024-12-31-en.zip, which includes an XHTML file that may be opened using standard web browsers, and a series of technical XBRL files enabling mechanical retrieval of the XBRL data incorporated.

1.2 Key accounting estimates and judgments

When preparing the consolidated financial statements, the use of reasonable estimates and judgments is essential.

Given the uncertainties inherent in Nilfisk's business activities, the Executive Management Board makes a number of accounting estimates and judgments. The estimates and judgments are based on assumptions that form the basis for recognition and measurement of assets, liabilities, cash flows, and related disclosures. Estimates and judgments are regularly reassessed.

Key accounting estimates are expectations of the future based on assumptions that to the extent possible are supported by historical experience, customer demands, competitor actions and other reasonable expectations. Estimates, by their nature, are associated with uncertainty and unpredictability. The actual amounts may differ from the amounts estimated as more detailed information becomes available. The Executive Management Board believe that the estimates are reasonable, appropriate, and the most likely outcome of future events under the given circumstances.

The key accounting estimates identified are those that potentially could have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities.

Key accounting judgments are made when applying accounting policies. Key accounting judgments are judgments made that can have a significant impact on recognition, classification, and disclosures of amounts in the financial statements.

Key accounting estimates and judgments applied in the preparation of the consolidated financial statements are listed in the table. Refer to the specific notes for further information on the key accounting estimates and judgments as well as the assumptions applied.

Particular risks referred to in the 'Risk management' section of the Management Review and in Note 6.3 may have substantial influence on the financial statements.

Key accounting estimates and judgments

Note	Key accounting estimates and judgments	Estimate/judgment	Impact of accounting estimates and judgments
2.4 Special items	Determine the classification of special items	Judgment	Medium
2.7 Tax	Estimate the value of the deferred tax assets and recognition of income taxes	Estimate	High
4.2 Impairment test	Estimate of the value-in-use for intangible assets based on assumptions used when impairment testing	Estimate	High
	Determine the allocation of goodwill to the reportable segments	Judgment	Medium
4.7 Provisions	Estimate the value of provisions related to uncertain legal cases	Estimate	Medium

1.3 Implementation of new or changed accounting standards and interpretations

Amendments to accounting standards that are mandatorily effective for the current reporting period
IASB has issued amended standards which apply for the first time in 2024. None of these amended standards and interpretations have had any significant impact on the Group's financial statements.

New and amended IFRS standards and interpretations not yet effective by the EU
IASB has issued new or amended accounting standards and interpretations that have not yet become effective and have consequently not been implemented in the consolidated financial statements for 2024. Nilfisk expects to adopt the accounting standards and interpretations as they become mandatory.

The new or amended standards or interpretations are not expected to have a significant impact on the consolidated Financial Statements.

Section 2
Profit for the year

This section relates to profit for the year, including revenue, segment information, research and development costs, special items, amortization, depreciation, and impairment, financial items, and income tax.

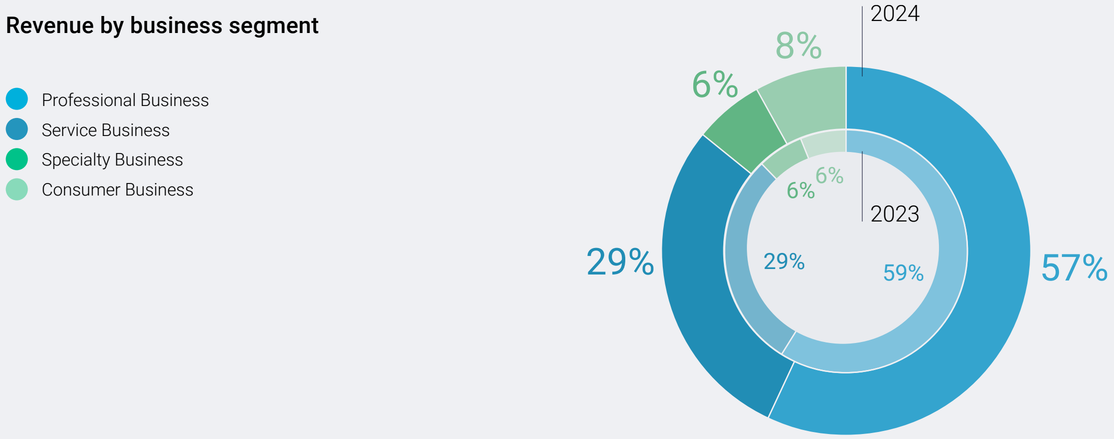
Key developments in 2024

Revenue
Revenue decreased from 1,033.6 mEUR in 2023 to 1,027.9 mEUR in 2024, corresponding to a decrease of 0.6%. The Consumer Business delivered strong organic growth, while Specialty delivered solid growth. Growth was limited in the Service Business, while the Professional Business declined organically.

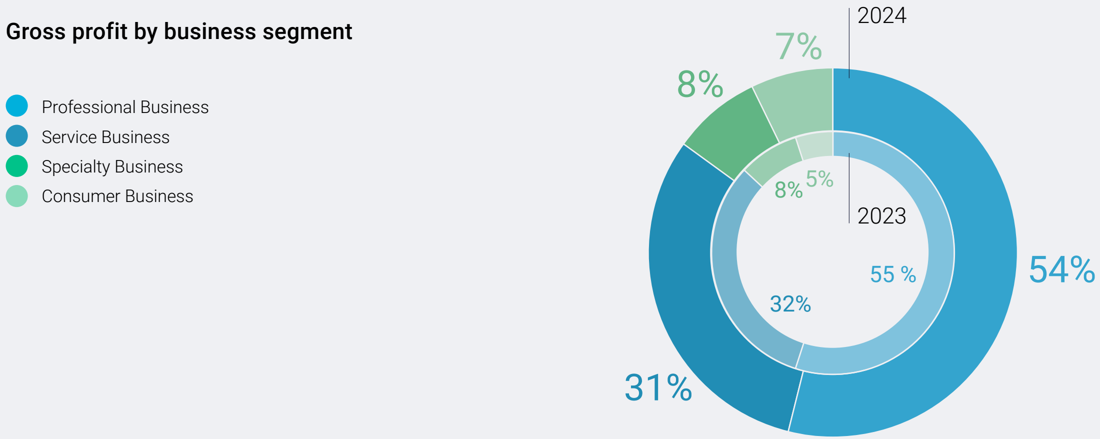
In the regions, APAC and Americas saw negative organic growth, while EMEA delivered positive organic growth mainly driven by key markets, including Germany, UK, France, and Spain.

Gross profit
Gross profit was 433.9 mEUR, up by 11.4 mEUR compared to last year. Gross margin was 42.2%, up by 1.3 percentage point compared to last year. The gross margin improvement was driven by continued diligent price management, operational efficiencies, and a favorable product mix.

Revenue by business segment



Gross profit by business segment



2. Profit for the year – continued

Accounting policy

Segment information
The segment information is based on internal management reporting and is presented in accordance with the Nilfisk Group's accounting policies.

Segment income and expenses include those items that are directly attributable to the individual segment and those items that can be reliably allocated to it.

Reportable segments
The reportable segments are generally referred to as business segments. The business segments consist of Professional, Service, Specialty, and Consumer.

The Executive Management Board assesses revenue, gross profit, and EBITDA before special items of the business segments separately to enable decisions concerning allocation of resources and measurement of performance.

Revenue in the reportable segments
The business segments are identified without aggregation of reportable segments.

Cost of sales in the reportable segments
Cost of sales consists of costs incurred in generating the revenue for the year. The cost of raw materials, consumables, inbound freight, production staff, and a proportion of production overheads, including maintenance, amortization, depreciation, and impairment of intangible and tangible assets used in production as well as operation, administration, and management of the production facilities are recognized as cost of sales.

Cost of sales also includes shrinkage, waste production, and any write-downs on inventory for obsolescence.

Assets in the reportable segments
Because the production units deliver products to several business segments and because the business segments in some cases use the same assets, it is not possible to attribute assets reliably to the individual segments.

Sales and distribution costs
Sales and distribution costs include costs incurred for distribution of goods and services sold and costs for sales and distribution personnel, advertising costs, and amortization, depreciation, and impairment of intangible and tangible assets used in the sales and distribution process.

Administrative costs
Administrative costs include costs of staff functions, administrative personnel, office costs, rent, lease payments, amortization, depreciation, and impairment of intangible and tangible assets not relating specifically to cost of sales, research and development, and sales and distribution activities.

2.1 Segment information

Nilfisk's reportable segments consists of the following:

- Professional Business covers all revenue from sales of professional machines including Private Label.
- Service Business contains service offerings, including service packages and parts, accessories, and consumables (PAC) for the Professional Business and IVS.
- Specialty Business contains IVS and Nilfisk Food. Service and PAC are included for Nilfisk Food.
- The Consumer Business covers consumer machines, service, and PAC related to consumer products.
- Headquarter (HQ) consists of overhead costs which relate to HQ activities.

No single customer accounts for more than 10% of revenue.

EUR million	Professional Business	Service Business	Specialty Business	Consumer Business	HQ	**Group**
2024						
Revenue	585.8	299.8	65.0	77.3	-	1,027.9
Gross profit	239.6	132.2	33.3	28.8	-	433.9
EBITDA before special items	79.4	71.0	19.1	6.5	-40.2	135.8
Reconciliation to profit before income taxes:						
Special items						-6.4
Amortization, depreciation, and impairment						-63.9
Share of profit from associates						4.0
Financial income						1.1
Financial expenses						-23.3
Profit before income taxes						**47.3**
Organic growth	-0.9%	0.6%	4.9%	19.7%	-	1.2%
Gross margin	40.9%	44.1%	51.2%	37.3%	-	42.2%
EBITDA margin before special items	13.6%	23.7%	29.4%	8.4%	-	13.2%
2023						
Revenue	603.6	302.4	62.6	65.0	-	1,033.6
Gross profit	232.0	134.4	33.2	22.9	-	422.5
EBITDA before special items	69.1	72.9	20.2	4.5	-34.3	132.4
Reconciliation to profit before income taxes:						
Special items						-9.9
Amortization, depreciation, and impairment						-61.3
Share of profit from associates						0.8
Financial income						10.4
Financial expenses						-25.1
Profit before income taxes						**47.3**
Organic growth	-1.8%	5.5%	-2.6%	-8.9%	-	-0.3%
Gross margin	38.4%	44.4%	53.0%	35.2%	-	40.9%
EBITDA margin before special items	11.4%	24.1%	32.3%	6.9%	-	12.8%

2.2 Revenue

Geographical information

Nilfisk has sales companies located in approximately 40 countries and reaches more than 100 countries through direct sales and dealers.

Revenue by country

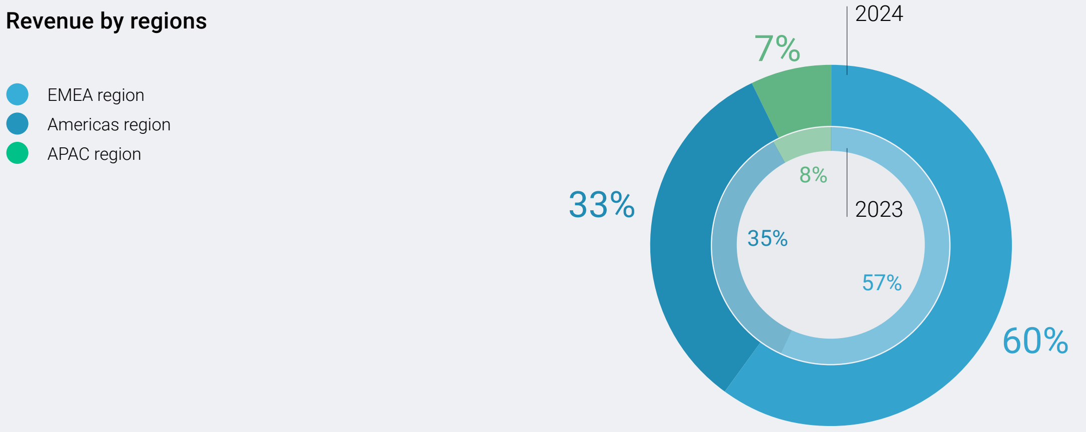
The table below shows a split of revenue based on the top 10 countries in which the sales companies are located.

EUR million / Percentage	2024		2023	
USA	282.7	28%	305.8	30%
Germany	148.8	14%	141.7	14%
France	107.4	10%	103.9	10%
Denmark	68.9	7%	66.7	6%
United Kingdom	39.9	4%	36.8	4%
Canada	28.8	3%	29.8	3%
Netherlands	25.8	3%	24.2	2%
Italy	25.1	2%	25.6	2%
Spain	22.8	2%	20.9	2%
Türkiye	22.2	2%	19.2	2%
Other	255.5	25%	259.0	25%
Total	**1,027.9**	**100%**	**1,033.6**	**100%**

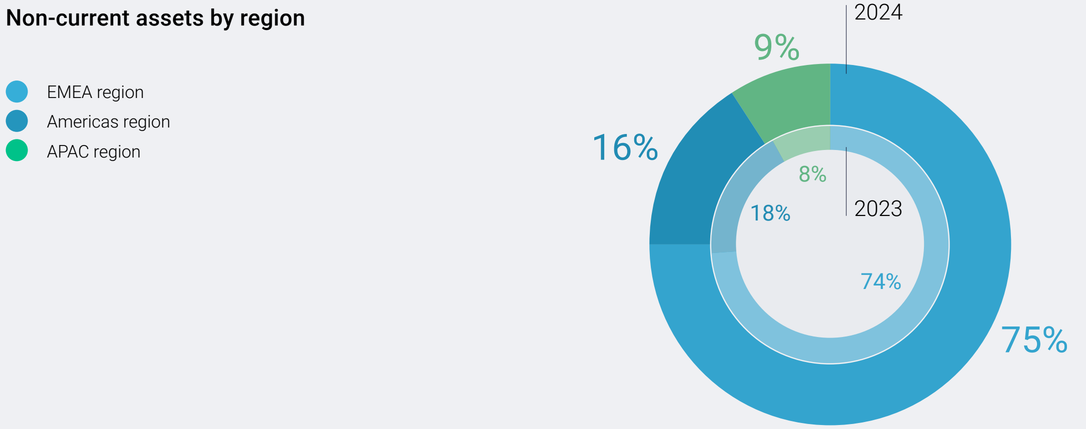
	Revenue		Organic growth	Non-current assets*	
EUR million	**2024**	2023	**2024**	**2024**	2023
EMEA region	612.4	585.6	5.9%	310.0	290.6
Americas region	341.2	365.9	-4.3%	68.3	70.3
APAC region	74.3	82.1	-8.0%	36.0	34.3
Total	**1,027.9**	**1,033.6**	**1.2%**	**414.3**	**395.2**

** Non-current assets less deferred tax assets.*

Revenue by regions



Non-current assets by region



2.2 Revenue – continued

Contract assets and liabilities

Generally, trade receivables are recognized at the same point in time as revenue recognition and invoicing. Payment terms vary within the different customer segments due to local and specific agreements but are generally due within 30 to 90 days. In some cases the Group receives upfront payments which result in contract liabilities. Nilfisk does not have contract assets.

The Group splits contract liabilities into either deferred revenue or prepayments from customers depending on the nature of the payment and activity. Prepayments from customers are primarily upfront payments for machines and services that have not yet been delivered. Deferred revenue covers unsatisfied performance obligations that have not yet been recognized as revenue. These are mostly services but can also be goods which have not yet been delivered or orders not yet fulfilled.

EUR million	December 31, 2024	December 31, 2023
Prepayments from customers	1.0	1.0
Deferred revenue (non-current)	2.3	2.7
Deferred revenue (current)	8.3	7.8
Total contract liabilities	**11.6**	**11.5**

Set out below is the amount of revenue recognized from:

EUR million	2024	2023
Amounts included in contract liabilities at the beginning of the year	8.8	9.5

§ Accounting policy

Revenue from sale of goods for resale, finished goods, and service is recognized in the income statement when transfer of control of products or services to a customer has taken place. Sales are recognized when control of the goods has transferred, meaning when the goods are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Revenue from the Service Business includes field service, packages relating to products and contracts, as well as the sale of parts, accessories, and consumables, which are recognized concurrently with the supply of those services. Depending on the type of contract, service revenue is recognized over time or at a point in time.

Some contracts include multiple deliverables, such as the sale of machines and related installation services. However, the installation is simple and does not include an integration service and could be performed by another party. Installation is not accounted for as a separate performance obligation.

Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

Revenue is measured at the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognized in the revenue.

2.3 Research and development costs

Research and development costs specification

EUR million	2024	2023
Staff costs	20.9	18.8
Other costs	17.5	14.3
Total research and development spend	**38.4**	**33.1**
Recognized as follows:		
Expensed in the income statement	17.6	16.2
Capitalized	20.8	16.9
Total	**38.4**	**33.1**
R&D ratio (% of revenue)	3.7%	3.2%
Presented in the income statement:		
Expensed in the income statement, cf. above	17.6	16.2
Amortization, depreciation, and impairment	11.1	11.3
Research and development costs excluding special items	**28.7**	**27.5**
Special items	0.1	1.2
Total research and development costs	**28.8**	**28.7**

The research and development spend increased by 5.3 mEUR compared to the same period last year and total research and development spend as a percentage of revenue increased by 0.5 percentage point. For further information see the research and development comments in the Management Review.

2.4 Special items

EUR million	2024	2023
Business restructuring	6.4	10.1
Divestment	-	-0.2
Total	**6.4**	**9.9**

Special items are disclosed separately in the income statement and have been reconciled to the income statement line items as specified in the table to the right.

Special items recognized in 2024 came to 6.4 mEUR, mainly from advisory costs incurred for strategic improvement projects and restructuring costs from the consolidation of the two US high-pressure washer operations. In addition, the net impact of costs and expected insurance proceeds from Hurricane Milton, which negatively impacted the US high-pressure washer business, as well as costs related to the claim filed against Nilfisk by the owner of the US distribution center building in Springdale, Arkansas were included as special items during the year.

Special items recognized in 2023 were mainly legal, advisory, and redundancy costs incurred in connection with strategic projects. Divestment income in 2023 was related to the liquidation of Nilfisk Russia.

EUR million	2024	Special items	2024 adjusted	2023	Special items	2023 adjusted
Revenue	1,027.9	-	1,027.9	1,033.6	-	1,033.6
Cost of sales	-594.0	-1.4	-595.4	-611.1	0.2	-610.9
Gross profit	**433.9**	**-1.4**	**432.5**	**422.5**	**0.2**	**422.7**
Research and development costs	-28.7	-0.1	-28.8	-27.5	-1.2	-28.7
Sales and distribution costs	-259.4	-	-259.4	-251.7	-4.7	-256.4
Administrative costs	-76.2	-5.9	-82.1	-74.6	-4.5	-79.1
Other operating income/expenses, net	2.3	1.0	3.3	2.4	0.3	2.7
Special items, net	-6.4	6.4	-	-9.9	9.9	-
Operating profit	**65.5**	**-**	**65.5**	**61.2**	**-**	**61.2**

! Key accounting judgments

Identification and classification of income and expenses as special items is based on management's judgment of the individual income and expenses as being non-recurring by nature.

§ Accounting policy

Special items consist of non-recurring income and expenses that the Nilfisk Group does not consider to be a part of its ordinary operations such as restructuring projects and gains and losses on divestments, including impairment write-downs which are not presented as discontinued operations.

2.5 Amortization, depreciation, and impairment

This note shows the split of amortization, depreciation, and impairment for the Nilfisk Group in the income statement.

	Intangible assets		Property, plant and equipment		**Total**	
EUR million	**2024**	2023	**2024**	2023	**2024**	2023
Amortization and depreciation:						
Cost of sales	0.1	0.1	20.9	19.2	21.0	19.3
Research and development costs	10.6	10.8	0.4	0.5	11.0	11.3
Sales and distribution costs	2.6	2.5	11.9	10.8	14.5	13.3
Administrative costs	8.0	7.6	9.1	9.7	17.1	17.3
Special items	-	-	-	0.6	-	0.6
Total amortization and depreciation	**21.3**	**21.0**	**42.3**	**40.8**	**63.6**	**61.8**
Impairment:						
Research and development costs	0.1	-	-	-	0.1	-
Sales and distribution costs	-	0.1	-	-	-	0.1
Administrative costs	0.2	-	-	-	0.2	-
Total impairment	**0.3**	**0.1**	**-**	**-**	**0.3**	**0.1**
Total amortization, depreciation, and impairment	**21.6**	**21.1**	**42.3**	**40.8**	**63.9**	**61.9**

For 2024, amortization of acquisition-related intangibles was 2.7 mEUR (2023: 2.7 mEUR), hereof 0.1 mEUR in cost of sales (2023: 0.1 mEUR) and 2.6 mEUR included in sales and distribution costs (2023: 2.6 mEUR).

For further information on impairment see note 4.3 Intangible assets.

2.6 Financial items

Specification of financial items

	Financial income		Financial expenses	
EUR million	**2024**	2023	**2024**	2023
Interest on financial assets (liabilities) measured at amortized costs	0.1	9.9	14.8	11.8
Foreign exchange losses	-	-	2.6	7.7
Interest, lease liabilities	-	-	3.2	2.7
Other financial items	1.0	0.5	2.7	2.9
Total	**1.1**	**10.4**	**23.3**	**25.1**

Financial items, net represented a cost of 22.2 mEUR in 2024 compared to a cost of 14.7 mEUR in 2023. Financial income decreased by 9.3 mEUR, while financial expenses decreased by 1.8 mEUR compared to 2023.

The decrease in the interest income was primarily due to the realization of an interest cap of 9.6 mEUR in 2023.The decrease in financial expenses was primarily driven by lower foreign exchange losses, partly offset by higher interest expenses.

§ Accounting policy

Financial income includes interest, dividends, gains on receivables and transactions denominated in foreign currencies, amortization of financial assets etc. Positive changes in the fair value of derivative financial instruments not designated as hedging arrangements are also included.

Financial expenses include interest, losses on and impairment of securities, payables and transactions denominated in foreign currencies, and amortization of financial liabilities, including lease commitments etc. Negative changes in the fair value of derivative financial instruments not designated as hedging arrangements are also included.

2.7 Tax

Tax recognized in the income statement

EUR million	2024	2023
Tax for the year is specified as follows:		
Tax on profit for the year	11.9	12.0
Tax on other comprehensive income	-0.2	-3.1
Total tax for the year	**11.7**	**8.9**
Tax on profit for the year is specified as follows:		
Current tax on profit for the year	14.1	17.2
Deferred tax current year	1.4	-1.4
Prior year adjustment, current and deferred tax	-3.6	-3.8
Total tax on profit for the year	**11.9**	**12.0**
Tax on other comprehensive income is specified as follows:		
Tax on value adjustment of hedging instruments	0.1	-3.1
Tax on actuarial gains on defined benefit plans	-0.3	-
Total tax on other comprehensive income	**-0.2**	**-3.1**

The effective tax rate in 2024 of 25.2% was in line with 2023, where the effective tax rate came to 25.4%. The effective tax rate was impacted negatively by an increase in the provision for uncertain tax positions of 2.4 mEUR and positively impacted by prior year tax adjustments of 3.6 mEUR.

The uncertain tax positions include considerations, created by complex legislation subject to interpretation, in the countries where the Group operates. In response to the tax risks connected to cross border activities, Nilfisk has made tax-related provisions in accordance with IAS 12, IAS 37 and relevant interpretations, such as IFRIC 23. Nilfisk is engaged in dialogue with tax authorities regarding cases of varying scope. Appropriate provisions and recognition of uncertain tax positions has been made where the aggregated probability of the tax position being upheld is considered to be less likely than not.

Tax rate

EUR million	2024		2023	
Reconciliation of the effective tax rate for the year:				
Calculated tax on profit before income taxes	10.4	22.0%	10.4	22.0%
Adjustment of calculated tax in foreign subsidiaries relative to 22%	1.1	2.3%	0.2	0.5%
Tax effect of:				
Non-deductible expenses/non-taxable income	1.1	2.3%	1.8	3.8%
Uncertain tax position	2.4	5.1%	0.2	0.4%
Tax assets valuation allowances	0.5	1.1%	0.2	0.4%
Change in tax rate	-	-	-0.2	-0.4%
Other taxes and adjustments	-	-	1.0	2.1%
Prior year adjustment	-3.6	-7.6%	-1.6	-3.4%
Effective tax rate	**11.9**	**25.2%**	**12.0**	**25.4%**

Pillar II

The legislation related to the OECD Pillar II initiative is in force and applies to financial years beginning on or after January 1, 2024. Nilfisk is not expected to be materially impacted by the rules and local implementation hereof. Most countries where Nilfisk has operations impose taxation in excess of 15%, meaning that most countries are covered by the transitional Safe Harbour rules.

For 2024 two countries were not covered by the transitional Safe Harbour rules and also showed a GloBE effective tax rate lower than 15%, resulting in a tax provision of 11 kEUR. Other countries not covered by the transitional Safe Harbour rules are subject to a GloBE effective tax rate in excess of 15%.

As such, the new rules and local implementation hereof are not expected to result in either materially increased tax payments or changes to the effective tax rate.

Key accounting estimates

The Group recognizes deferred tax assets, including the expected value of tax losses carried forward, based on an assessment of the recoverability of the deferred tax assets. The assessment of the recoverability of the deferred tax assets involves estimates by the Executive Management Board as to the likelihood of the realization of the deferred tax assets within a foreseeable future. This depends on a number of factors including whether there will be sufficient taxable profits available in future periods, against which the tax losses carried forward can be utilized.

The Executive Management Board's assessment of the recoverability of the deferred tax assets is based on taxable income projections which contain estimates of and tax strategies for taxable income for the next five years, taking into account general market conditions and the Nilfisk Group's future development outlook. The projections are based on the Group's budget and mid-term targets, and are inherently subject to uncertainty, as the realization of the projections are dependent on the outcome of future events. In the event that actual future taxable profits generated are less than expected, and depending on the tax strategies that the Nilfisk Group may be able to implement, impairment of the deferred tax assets may be required.

It is the Executive Management Board's assessment that the budgets and mid-term targets are achievable and support the recognized deferred tax assets. Nilfisk operates in a large number of tax jurisdictions where tax legislation is complex and subject to interpretation. Management makes judgments on uncertain tax positions to ensure recognition and measurement of tax assets and liabilities. Nilfisk applies the exception available in IAS 12 from calculating the effects of deferred taxes relating to the OECD Pillar II initiative. A limited proportion of Nilfisk's profits may be under the risk of being subject to Pillar II income taxes, with an estimated immaterial impact on the effective tax rate.

2.7 Tax – continued

Deferred tax assets and liabilities

EUR million	Temporary differences at January 1	Foreign currency translation adjustment	Recognized in profit for the year	Recognized in other comprehensive income	**Temporary differences at December 31**
2024					
Intangible assets	-13.5	-0.2	4.4	-	-9.3
Property, plant, and equipment	-1.3	-0.2	2.7	-	1.2
Other non-current assets	0.8	-	-0.6	-	0.2
Current assets	-0.6	0.1	-1.1	-	-1.6
Other non-current liabilities	5.0	0.1	0.8	0.2	6.1
Current liabilities	15.2	0.2	-2.0	-	13.4
Tax base of tax loss carryforwards and credits	14.2	0.1	-1.1	-	13.2
Valuation allowances	-3.3	-0.2	2.2	-	-1.3
Net deferred tax	**16.5**	**-0.1**	**5.3**	**0.2**	**21.9**
2023					
Intangible assets	-15.0	-0.1	1.6	-	-13.5
Property, plant, and equipment	-2.4	-0.1	1.2	-	-1.3
Other non-current assets	-0.3	-	1.1	-	0.8
Current assets	-1.1	0.1	0.4	-	-0.6
Other non-current liabilities	4.0	0.0	-2.1	3.1	5.0
Current liabilities	15.7	-0.2	-0.3	-	15.2
Tax base of tax loss carryforwards and credits	13.8	-	0.4	-	14.2
Valuation allowances	-1.4	-	-1.9	-	-3.3
Net deferred tax	**13.3**	**-0.3**	**0.4**	**3.1**	**16.5**

EUR million	**2024**	2023
Presentation of deferred tax:		
Deferred tax assets	23.5	23.4
Deferred tax liabilities	-1.6	-6.9
Net deferred tax, December 31	**21.9**	**16.5**

§ Accounting policy

Current tax payable and receivable is recognized in the statement of financial position as tax computed on the taxable income for the year, adjusted for tax on taxable income for prior years and for prepaid tax.

Tax for the year is comprised of current and deferred tax on profit for the year, including adjustments to previous years and changes due to changing tax rates. Tax for the year is recognized in the income statement, unless the tax expense relates directly to items included in other comprehensive income or equity.

Deferred tax is measured according to the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax is, however, not recognized with respect to temporary differences on initial recognition of goodwill and other items, apart from business combinations, where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

In cases where the computation of the tax base may be made according to different tax rules, deferred tax is measured on the basis of management's intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax losses allowed for carry-forward, are recognized under other non-current assets at their expected utilization value, either as a set-off against tax on future income, or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Section 3 Remuneration

This section relates to the remuneration to the Board of Directors, Nilfisk Leadership Team, and Nilfisk employees, including long-term incentive programs

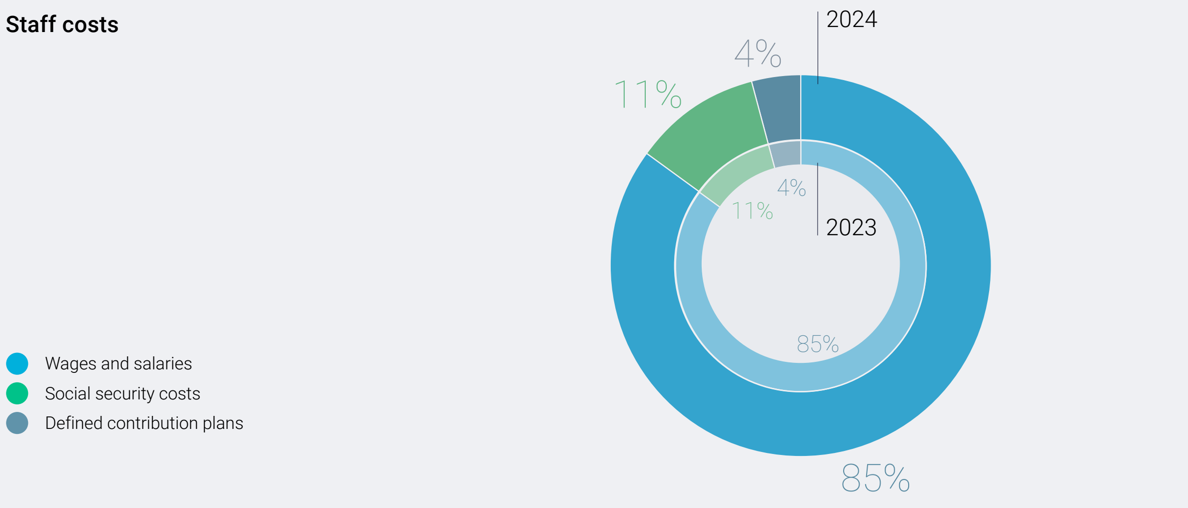
Key developments 2024
Staff costs increased by 3.0% to 310.9 mEUR, and the number of average full-time equivalents increased by 2.4% corresponding to 114 employees. The increase in total staff costs was driven by investments across service and R&D and merit increases.

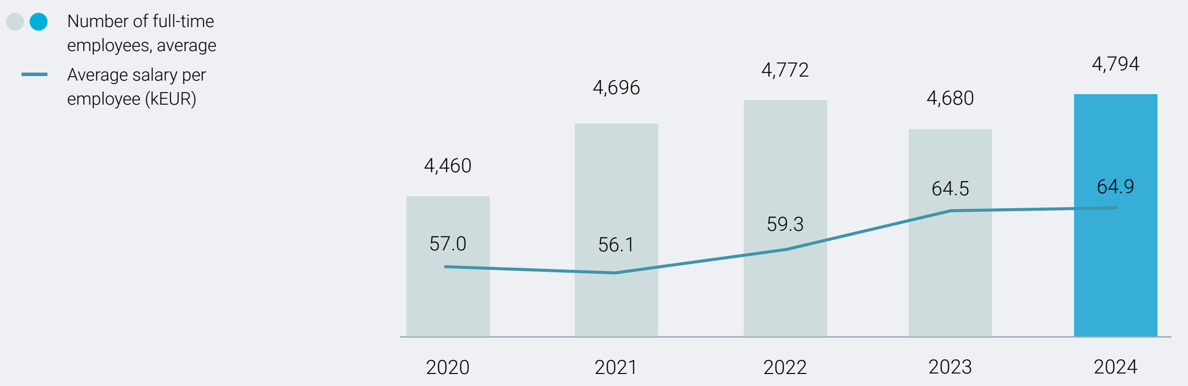
Remuneration policy
Nilfisk's remuneration policy contains guidelines for setting and approving the remuneration to the Board of Directors and the salaries of the Nilfisk Leadership Team.

The Board of Directors receives a fixed remuneration, while the members of the Nilfisk Leadership team receive a fixed salary base, including pension and other customary non-monetary benefits such as a company car. The remuneration further includes a short-term cash-based bonus program and a long-term incentive program. This structure ensures alignment of interest between Management and shareholders of Nilfisk and maintains Management's motivation to achieve both short- and long-term strategic goals.

More information on the compensation of the Board of Directors and the Nilfisk Leadership Team is available in Nilfisk's Remuneration Report available online at Nilfisk's Investor Relations site, where the Remuneration Policy is also located.

Staff costs





3.1 Staff costs

Staff costs specification

EUR million	2024	2023
Wages and salaries	261.8	255.8
Long-term incentive programs	0.6	-0.3
Social security costs	35.4	33.9
Defined contribution plans	12.7	11.8
Defined benefit plans	0.4	0.5
Total	**310.9**	**301.7**

Number of full-time equivalents, average	4,794	4,680
Staff costs per full-time equivalents (EUR thousand)	64.9	64.5

§ Accounting policy

Staff costs are comprised of wages and salaries, remuneration, expenses under long-term incentive programs, pensions, etc.

3.2 Remuneration to the Board of Directors and the Nilfisk Leadership Team

Remuneration to the Nilfisk Leadership Team

EUR thousand	Executive Management Board	Nilfisk Leadership Team	Total[1]
2024			
Salary and pension	2,366.9	2,252.3	4,619.2
Annual bonus	146.0	148.9	294.9
Long-term incentive programs	247.0	196.4	443.4
Other benefits	67.3	146.2	213.5
Total	**2,827.2**	**2,743.8**	**5,571.0**
2023			
Salary and pension	2,303.4	2,272.2	4,575.6
Annual bonus	451.4	379.7	831.0
Long-term incentive programs	-162.3	283.4	121.1
Other benefits	98.0	137.5	235.5
Total	**2,690.5**	**3,072.7**	**5,763.2**

[1] Amounts disclosed also includes payments for former Nilfisk Leadership team members that have been a part of the Executive Management Board and the Nilfisk Leadership team during the reporting period. In addition to remuneration included in this table, termination costs including salary during garden leave related to former members were 0.4 mEUR in 2024 and 2.5 mEUR in 2023, partly included in special items.

Nilfisk Leadership Team

The remuneration to the Executive Management Board and the Nilfisk Leadership Team has decreased from 5.8 mEUR in 2023 to 5.6 mEUR in 2024, primarily due to lower annual bonus, partly offset by higher costs from long-term incentive programs.

Remuneration to the Board of Directors

EUR thousand	2024	2023
Board of Directors	610.4	599.6
Audit Committee	43.6	40.0
Remuneration Committee	20.0	16.3
Nomination Committee	29.1	29.1
Total remuneration to the Board of Directors	**703.1**	**685.0**

Board of Directors

The remuneration to the Board of Directors covers 11 board members in 2024 (2023: 12 board members) whereof no members have waived the remuneration (2023: 1 member).

Sustainability-targets in incentive schemes

To ensure the organization is working towards Nilfisk's sustainability commitments and targets, sustainability targets are an integral part of both long- and short-term incentive programs, supplementing the financial targets for the Nilfisk Leadership Team. The sustainability-related targets included in the incentive programs are:

- Long-term incentive program (LTIP): The GHG Scope 3, Category 11 emissions reduction target, and is weighted at 20%.
- Short-term incentive program (STIP): The GHG Scope 1, 2, and 3 emissions reduction targets, along with employee engagement and EcoVadis rating targets, and are weighted at 10%.

In 2024, 28% of the expensed variable remuneration to the Nilfisk Leadership Team was related to sustainability-related targets, while climate-related targets made up 2% of their total remuneration for the same year. The STIP and LTIP are governed by the Remuneration Policy and were approved at the Annual General Meeting in March 2023. Read more about Nilfisk's incentive programs in the Remuneration Report.

ESRS data points incorporated by reference in this section: ESRS 2, GOV-3; ESRS E1, GOV-3

3.3 Long-term incentive programs

The expense for all long-term incentive programs is calculated under the provision for share-based payments in accordance with IFRS 2.

The performance share program is recognized under equity with an amount of 1.5 mEUR (2023: 1.2 mEUR).

In 2024, the 2021 performance share program vested with no conditions being met. Remaining program costs for good leavers from the 2021 program were reversed in accordance with IFRS 2. The 2022 program costs were adjusted based on the performance in the vesting period, and therefore came to an income of 0.1 mEUR in 2024. The 2023 and 2024 were a cost of 0.4 mEUR in 2024. Total long-term incentive programs including the warrant program came to a cost of 0.3 mEUR compared to 0.0 mEUR in 2023.

The table below shows the costs recognized for share-based payments in the income statement.

Recognition of long-term incentive programs

EUR million	2024[1]	2023[1]
2020 performance share program	-	-0.1
2021 performance share program	-0.3	-0.4
2022 performance share program	-0.1	0.1
2023 performance share program	-	0.3
2024 performance share program	0.4	
Warrant program	0.3	0.1
Total long-term incentive programs	**0.3**	**-**

[1] *Includes reversals and costs for long-term incentive program to former Nilfisk Leadership Team members, partly included in special items*

Performance share program
In line with the remuneration policy approved by the Annual General Meeting in March 2023, the Nilfisk Leadership Team and selected key employees have been awarded performance shares with a three-year cliff vesting depending on performance measures on EBITDA before special items, Total Shareholder Return (TSR), and Sustainability targets.

In 2024, 40 employees were offered participation in the 2024 program with a total of 143,504 performance shares equal to 0.53% of the total number of shares in Nilfisk Holding A/S.

Below is an overview of outstanding performance shares at December 31.

Outstanding performance shares

Shares	2024	2023
2021 performance share program	-	56,169
2022 performance share program	48,041	48,041
2023 performance share program	87,955	96,877
2024 performance share program	139,472	-
Total outstanding performance shares	**275,468**	**201,087**

The performance share program measures have been divided into three separate categories:

1. EBITDA bsi	EBITDA bsi is defined as a non-market condition and is based on the company's expectations for future financial results.
2. TSR	TSR is defined as a market condition which is based on a Monte Carlo simulation to determine the expected increase in share price over the period. Since the TSR is defined as a market condition the valuation is fixed at grant date.
3. Sustainability	Sustainability performance is based on Nilfisk performance in relation to CO_2 emissions from the use of sold products, according to category 11 of the Greenhouse Gas Protocol, corresponding to scope 3 targets. Actual performance is reported annually in the Sustainability Statements of the annual report.

Performance shares

	Number of performance shares		Avg. exercise price per performance share (DKK)		Avg. exercise price per performance share (EUR)	
	2024	2023	**2024**	2023	**2024**	2023
Outstanding, January 1	201,087	289,097	162	165	22	22
Granted during the period	143,504	151,456	129	203	17	27
Forfeited during the period	-12,954	-111,189	132	167	18	22
Exercised during the period	-	-51,231	-	133	-	18
Expired during the period	-56,169	-77,046	171	133	23	18
Outstanding, December 31	**275,468**	**201,087**	**143**	**162**	**19**	**22**
Weighted average remaining contractual life (months)					16	15
Fair value at grant date (mEUR)					2.5	2.7

3.3 Long-term incentive programs – continued

Warrant program

In line with the remuneration policy approved by the Annual General Meeting in March 2023, new members of the Nilfisk Leadership Team have been awarded warrants which give the holder the right to convert one warrant into one share after a three-year vesting period at a fixed strike price, provided applicable conditions are fulfilled. In 2024, 137,197 warrants have been issued.

Below is an overview of outstanding warrants at December 31.

Outstanding warrants

Warrants	2024	2023
Warrant program June, 2023	113,145	113,145
Warrant program September, 2023	28,965	28,965
Warrant program March, 2024	46,728	-
Warrant program June, 2024	90,469	-
Total outstanding warrants	**279,307**	**142,110**

Warrants

	Number of warrants		Avg. exercise price per warrant (DKK)		Avg. exercise price per warrant (EUR)	
	2024	2023	**2024**	2023	**2024**	2023
Outstanding, January 1	142,110	-	200	-	27	-
Granted during the period	137,197	165,332	200	200	27	27
Forfeited during the period	-	-23,222	-	200	-	27
Outstanding, December 31	**279,307**	**142,110**	**200**	**200**	**27**	**27**
Weighted average remaining contractual life (months)					24	31
Fair value at grant date (mEUR)					1.1	0.6

The Black-Scholes model has been applied for calculation of the fair value of the warrants. The expected volatility is based on the historical share price volatility for the Nilfisk Holding share over a period of 3 years. It is expected that the warrants on average will be exercised between the vesting date and the expiry date.

Average assumptions for Black-Scholes calculation	2024
Share price (DKK)	134.6
Strike price (DKK)	200
Time to maturity (years)	2.0
Risk-free rate	2.9%
Volatility	41.9%
Dividends	0%

§ Accounting policy

The Nilfisk Group's long-term incentive programs include a performance share program and a warrant program for Nilfisk Leadership Team and selected key employees.

Performance share program

The performance share program is accounted for as an equity-settled share-based payment to employees and measured at the fair value of the option.

The Total Shareholder Return (TSR vesting condition) is measured at grant date, whereas estimated EBITDA (vesting condition) will be updated based on the plans approved by the board.

The fair value is expensed on a straight-line basis over a period of three years. At the end of the period the participants will be awarded shares corresponding to the achieved targets.

Warrant program

The warrant program is accounted for as an equity-settled share-based payment to employees and measured at the fair value of the option. The fair value of the program is measured at grant date.

The fair value is expensed on a straight-line basis over a period of three years. At the end of the period the participants will have the right to convert each warrant into one share, provided applicable conditions are fulfilled. For accounting policy for hedging of LTI programs see Note 6.3.

Section 4
Capital employed

This section covers Nilfisk Group's investments in non-current assets that form the basis for the Group's operations, and non-current liabilities arising as a result thereof.

The non-current liabilities in this section are regarded as non-interest-bearing and are comprised of employee pension benefits and provisions. Interest-bearing receivables and liabilities are covered in Note 6.

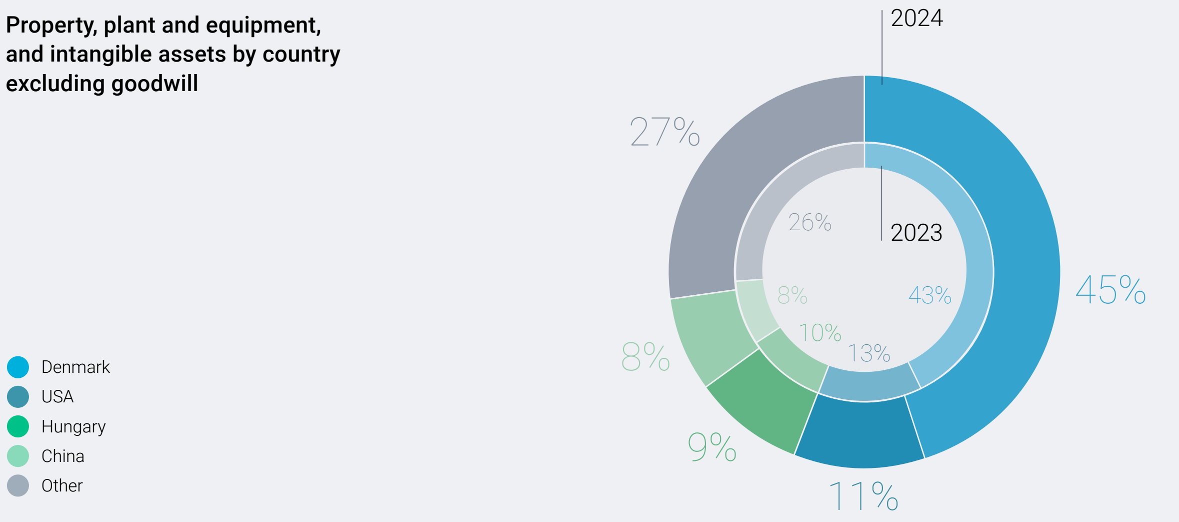
The Nilfisk Group mainly invests in production equipment to ensure satisfactory delivery flow to customers. Furthermore, rental machines have become an increasing part of the non-current assets. Investments in intangible assets are driven by development projects focusing on renewing and optimizing the product portfolio and on software in relation to front-end applications and ERP systems.

Production sites in Nilfisk are mostly assembly lines, and they are therefore not capital-intensive in terms of fixed assets.

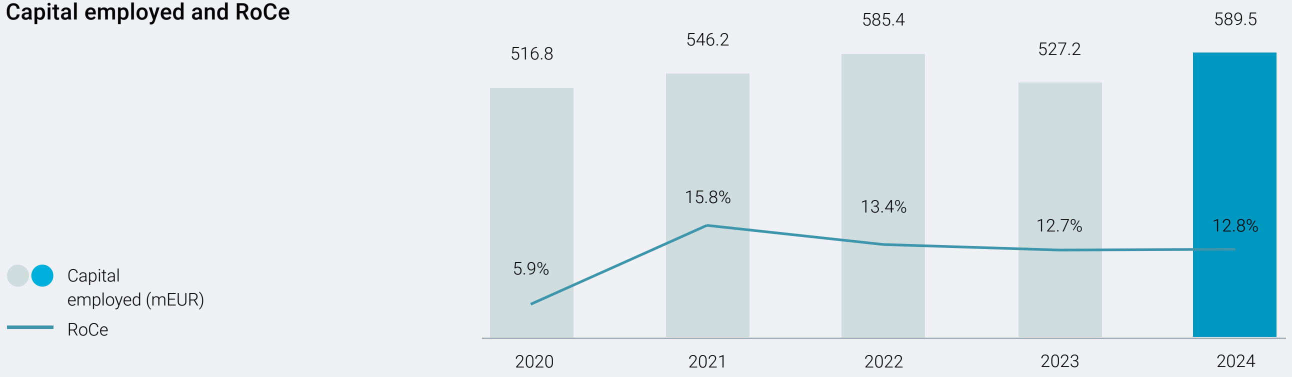
Key developments 2024
Capital employed increased by 62.3 mEUR compared to 2023. The development in capital employed was largely driven by an increase in working capital.

In 2024, Nilfisk's return on capital employed (RoCE) increased by 0.1 percentage point to 12.8% from 12.7% in 2023. The increase was mainly driven by the development in capital employed.

Property, plant and equipment, and intangible assets by country excluding goodwill



Capital employed and RoCe



4.1 Capital employed

EUR million	2024	2023
Intangible assets	256.3	243.4
Property, plant, and equipment	115.4	112.8
Investments in associates	37.6	34.9
Other investments and receivables	3.2	2.8
Deferred tax	21.9	16.5
Provisions	-19.5	-19.0
Pension liabilities	-4.4	-3.8
Working capital	179.0	139.6
Capital employed	**589.5**	**527.2**

4.2 Impairment test

Accounting policy

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment. Development and software projects in progress are also tested annually for impairment.

The carrying amount of goodwill is tested for impairment together with the other non-current assets in the cash-generating unit to which goodwill is allocated and written down to the recoverable amount over the income statement if the carrying amount is higher. The recoverable amount is generally computed as the present value of the expected future net cash flows (value in use) from the business or activity (cash-generating unit) to which goodwill is allocated.

Other non-current assets
The carrying amount of other non-current assets is reviewed annually for indication of impairment. If such an indication exists, the recoverable amount of the asset is determined. The recoverable amount is the fair value of the asset less anticipated costs of disposal, or its value in use, whichever is higher. The value in use is calculated as the present value of expected future cash flows from the asset or the cash-generating unit of which the asset is part.

Impairment loss
Impairment is recognized if the carrying amount of an asset or a cash-generating unit exceeds the respective recoverable amount thereof. The impairment is recognized in the income statement under the functions it relates to. Gain or loss of divestment of businesses is recognized as special items. Impairment of goodwill is not reversed. Impairment of other assets is reversed in the event of changes having taken place in the conditions and estimates on which the impairment calculation was based. Impairment is only reversed if the new carrying amount of the asset does not exceed the carrying amount that would have applied after amortization if the asset had not been impaired.

Key accounting judgments

Allocation of goodwill on cash-generating units
Goodwill is allocated to the reportable segments.

The calculation of EBITDA for each cash-generating unit is based on certain judgment relating to allocation of future EBITDA which is allocated to the cash-generating units. The change in the goodwill balances from January 1, 2024 to December 31, 2024 relates to exchange rate adjustments during the year.

The carrying amount of goodwill per cash-generating unit as of December 31, is as follows:

EUR million	2024	2023
Professional	67.5	66.6
Service	20.0	19.8
Specialty	82.1	81.2
Consumer	1.1	1.1
Total	**170.7**	**168.7**

4.2 Impairment test - continued

Key accounting estimates

Impairment test on goodwill allocated to cash-generating units as of December 31, 2024
Impairment tests are performed for each cash-generating unit (CGU) based on budgets for 2025 and forecasts for the period 2026-2029. The impairment tests performed for the CGUs show comfortable headroom as of December 31, 2024. No indication of impairment exists in any of the CGUs.

Key assumptions applied
The future cash flow projections are based on Management's estimates of the Nilfisk Group's development in the next five years, which are based on key assumptions and considerations. Risks and uncertainties posed by a broader industrial macroeconomic slowdown are included in Management's estimates.

Macroeconomic environment factors
Macroeconomic challenges, global conflict, and natural disasters continued to impact markets in 2024. These had economic implications, including muted demand across several key markets. Global instability contributed to the deterioration of the overall geopolitical and economic climate.

In the future cash flow projection, Nilfisk has assessed and considered the impact from global instability, and natural disasters that could trigger an increase in material costs in both the short and long term. The negative impact from increasing material costs is countered by continued investment initiatives that strengthen Nilfisk's supply chain robustness, as well as investments in more sustainable products that support growth.

Scarcity and the rising cost of labor, tighter regulatory requirements for health and safety standards, and a sharp increase in sustainability requirements have also been taken into consideration. To counter this, investment initiatives towards digital transformation, marketing initiatives, and sustainable products combine to enhance Nilfisk's value proposition and are expected to drive demand for Nilfisk products and services in the longer term. Nilfisk's customers face increasing requirements for more sustainable production, energy efficiency, and reporting requirements.

As a result, Nilfisk's customers are increasingly focused on having a reliable partner that can support them in their own sustainability journey. These matters were followed up from last year and continue to be discussion points in the cash flow projection considerations. These are addressed through Nilfisk's strong sustainability position and sustainability growth targets for each CGU, both short- and long-term.

Climate-related risk and uncertainties related to Nilfisk's business and increased compliance requirements were assessed in the cash flow projection period, both from a short- and long-term perspective. Based on experience from the incidents in 2022 caused by a tornado destroying Nilfisk's US Distribution Center and in 2024 caused by a hurricane damaging Nilfisk's site in Fort Pierce, Florida. Nilfisk acknowledges the ongoing climate change, and the long-term effect hereof was included in the projection of future growth on CGU level.

Revenue growth
Projections in the forecasting period for the individual CGUs are estimated on the basis of expected market development including strategic initiatives, autonomous machines, and the macroeconomic environment. Past experience is taken into consideration as well as the expected impact from growth initiatives.

Gross margin development
When estimating the CGUs margin development in the forecasting period, past experience and improvements are taken into consideration. The expected impact of initiatives such as component standardization through value engineering and platforming, macroeconomic environment factors, and other initiatives is taken into consideration for the relevant CGUs.

Terminal growth
The terminal growth rate does not exceed the expected long-term average growth rate including inflation for the segments and countries in which Nilfisk operates. The applied terminal growth rate for all cash generating units was 1.0%, unchanged from 2023.

Discount rate
A pre-tax discount rate of 7.7% and a post-tax discount rate of 7.3% compared to 7.5% and 7.2% respectively in 2023 has been applied in the performed impairment tests. The discount rate has been applied to all CGUs, assuming the targeted ratio between the market value of the debt and equity value. The increase in interest rates has not impacted the calculated discount rate significantly compared to 2023.

Net working capital
The development is linked to the current level of net working capital, budgets, and revenue growth.

Capital expenditure
The development is linked to the budgets and expected future activity level, including only reinvestments.

4.2 Impairment test - continued

Key accounting estimates (continued)

Development projects
Development projects/products in progress includes capitalized development costs for projects that support the strategic direction to become a global leading cleaning provider with focus on digitalization and development of new products within autonomous cleaning.

The value of the development projects is dependent on a number of factors, including the timely and successful completion of development projects currently underway. Since the products are under development or in the early stages of the product life cycle, any assessment of market potential, product performance and viability, customer demand, potential impact from technological innovations and competitor actions, marketing and services cost, the ability to scale production and reduce production costs etc. is inherently subject to uncertainty. These uncertainties are assessed throughout the maturity of the projects and as such, the risk is reduced the closer the projects get to the completion stage. Where possible, the estimates are based on past experience, but are also dependent on the outcome of future events, which will be highly project dependent. It is the Executive Management Board's assessment that a significant market potential exists, and that the value-in-use of development projects in progress exceed the carrying amounts under the assumptions mentioned above.

Sensitivity

The Group has conducted an analysis of the sensitivity of the impairment test to determine the lowest forecast growth rates and/or highest discount rates (WACC) that can occur in the CGUs leading to any impairment loss. The sensitivity tests calculate the impact of higher interest rates and challenging macroeconomic situations. Management believes that any reasonable possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of the related segments (CGUs).

4.3 Intangible assets

	2024							2023						
EUR million	Goodwill	Trademarks[1]	Customer related assets	Development projects completed	Software, know-how, patents and competition clauses	Development projects and software in progress	**Total**	Goodwill	Trademarks[1]	Customer related assets	Development projects completed	Software, know-how, patents and competition clauses	Development projects and software in progress	**Total**
Costs, January 1	168.7	23.7	30.9	185.3	100.3	23.1	532.0	170.4	24.1	31.6	168.6	98.2	23.6	516.5
Exchange rate adjustments	2.0	0.7	1.3	0.1	0.9	-	5.0	-1.7	-0.4	-0.7	-0.8	-0.8	-	-4.4
Additions	-	-	-	1.4	1.5	29.3	32.2	-	-	-	7.6	1.2	13.6	22.4
Disposals	-	-	-	-22.3	-4.0	-0.1	-26.4	-	-	-	-0.6	-1.9	-	-2.5
Transferred between classes of assets	-	-	-	9.6	8.6	-18.2	-	-	-	-	10.5	3.6	-14.1	-
Costs, December 31	**170.7**	**24.4**	**32.2**	**174.1**	**107.3**	**34.1**	**542.8**	**168.7**	**23.7**	**30.9**	**185.3**	**100.3**	**23.1**	**532.0**
Amortization and impairment, January 1	-	-19.0	-28.4	-153.2	-84.8	-3.2	-288.6	-	-18.0	-27.8	-143.7	-79.6	-3.1	-272.2
Exchange rate adjustments	-	-0.4	-1.3	-	-0.9	-	-2.6	-	0.2	0.7	0.6	0.8	-	2.3
Amortization for the year	-	-1.3	-1.4	-10.6	-8.0	-	-21.3	-	-1.2	-1.3	-10.7	-7.8	-	-21.0
Impairment	-	-	-	-	-0.2	-0.1	-0.3	-	-	-	-	-	-0.1	-0.1
Disposals	-	-	-	22.3	4.0	-	26.3	-	-	-	0.6	1.8	-	2.4
Amortization and impairment, December 31	**-**	**-20.7**	**-31.1**	**-141.5**	**-89.9**	**-3.3**	**-286.5**	**-**	**-19.0**	**-28.4**	**-153.2**	**-84.8**	**-3.2**	**-288.6**
Carrying amount, December 31	**170.7**	**3.7**	**1.1**	**32.6**	**17.4**	**30.8**	**256.3**	**168.7**	**4.7**	**2.5**	**32.1**	**15.5**	**19.9**	**243.4**
Investment ratio (% of amortizations)	-	-	-	104%	126%	-	237%	-	-	-	169%	62%	-	174%

[1]*Trademarks with a carrying amount of 2.6 mEUR (2023: 2.6 mEUR) are not amortized, as they are regarded as having an indefinite useful life.*

Impairment losses

In 2024 impairment losses of 0.3 mEUR were realized. Hereof, 0.1 mEUR was related to an outphased R&D project and 0.2 mEUR related to an outphased software project.

In 2023 impairment losses of 0.1 mEUR were included in sales and distribution costs, related to outphased software.

4.3 Intangible assets – continued

§ Accounting policy

Intangible assets are initially recognized in the statement of financial position at cost. Subsequently, intangible assets are measured at cost less accumulated impairment losses.

Goodwill
The carrying amount of goodwill is allocated to the Nilfisk Group's cash-generating units at the acquisition date. The identification of cash-generating units is based on the managerial structure and internal financial control.
As a result of the integration of acquisitions in the existing Nilfisk Group, and identification of operating segments based on the presence of segment managers, the Executive Management Board has assessed that the smallest cash-generating units to which the carrying amount of goodwill can be allocated during testing for impairment are the reportable segments. The reportable segments are comprised of the Nilfisk Group's operating segments without aggregation (Note 2.1 Segment information).

Development projects
Development projects are recognized as intangible assets when the projects are clearly defined and identifiable, for which technical feasibility, adequacy of resources and a potential future market or internal utilization can be demonstrated, and where it is intended to manufacture or utilize the asset. This assumes that the costs can be reliably determined, and that there is also adequate certainty that the future earnings or net selling price can cover the carrying amount as well as the development costs necessary for finalizing the project.

Capitalized development projects are measured at cost less accumulated amortization and impairment losses. The costs include wages, amortization and other costs relating to the Nilfisk Group's development activities.

Development projects and software in progress
Internally generated intangible assets are recognized when the technical feasibility, adequacy of resources, and a potential market or internal utilization can be demonstrated, provided the costs can be reliably determined and it is probable that the project will generate future earnings.

Initial cost of the internal generated asset is the sum of expenditures incurred from the date when the asset first meets the recognition criteria. This includes all directly attributable cost necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. This includes cost of material and services and employee benefits.

Modularity
Modularity projects include a platform and connected products. When the platform is at a maturity that can commence the development of the products, the modularity platform is assessed to be financially completed and amortization will start. Any future cost related to the platform will be capitalized as part of the development cost for the products.

Modularity products share a common platform but are capitalized as separate assets when the criteria for recognition is met. The useful life of the assets is assessed separately. The platform is expected to have a useful life of 15 years and the useful life of the products will be within the range of 3-8 years, depending on the type of product.

Amortization
Intangible assets are amortized on a straight-line basis over the expected useful life which is:

Trademarks, etc.	Indefinite or 3-10 years
Customer related assets	3-15 years
Development projects	3-8 years
Development projects, platform – modularity	15 years
Software, know-how, patents and competition clauses	2-15 years

Intangible assets with an indefinite useful life are not amortized but are tested annually for impairment.

4.4 Property, plant, and equipment

	2024					2023				
EUR million	Land and buildings	Plant and machinery	Tools and equipment	Assets under construction incl. prepayment	**Total**	Land and buildings	Plant and machinery	Tools and equipment	Assets under construction incl. prepayment	**Total**
Costs, January 1	14.3	15.0	124.7	5.4	159.4	18.4	17.4	145.2	4.3	185.3
Exchange rate adjustments	0.4	0.2	-0.7	-0.1	-0.2	-0.8	-0.2	-1.0	-	-2.0
Additions	0.2	0.4	11.7	11.4	23.7	-	0.1	8.5	7.0	15.6
Disposals	-0.1	-0.5	-10.4	-1.0	-12.0	-3.3	-3.2	-32.5	-0.5	-39.5
Transferred between classes of assets	-	2.5	9.8	-12.3	-	-	0.9	4.5	-5.4	-
Costs, December 31	**14.8**	**17.6**	**135.1**	**3.4**	**170.9**	**14.3**	**15.0**	**124.7**	**5.4**	**159.4**
Depreciation and impairment, January 1	-8.0	-10.4	-94.8	-	-113.2	-11.5	-12.5	-115.9	-	-139.9
Exchange rate adjustments	-0.2	0.1	0.2	-	0.1	0.4	0.1	1.1	-	1.6
Depreciation for the year	-0.3	-1.3	-11.9	-	-13.5	-0.2	-1.2	-12.2	-	-13.6
Disposals	0.1	0.5	8.4	-	9.0	3.3	3.2	32.2	-	38.7
Depreciation and impairment, December 31	**-8.4**	**-11.1**	**-98.1**	**-**	**-117.6**	**-8.0**	**-10.4**	**-94.8**	**-**	**-113.2**
Carrying amount, December 31	**6.4**	**6.5**	**37.0**	**3.4**	**53.3**	**6.3**	**4.6**	**29.9**	**5.4**	**46.2**
Investment ratio (% of depreciation)	67%	223%	181%	-	267%	-	83%	107%	-	154%

Impairment losses

No impairment losses have been recognized in 2024 in line with 2023.

4.4 Property, plant, and equipment – continued

Accounting policy

Land and buildings, plant and machinery, tools and equipment, and other property, plant, and equipment are measured at cost less accumulated depreciation and impairment losses.

The costs are comprised of the purchase price and any costs directly attributable to the acquisition until the asset is ready for use. The costs of self-constructed assets are comprised of costs of materials, components, subcontractors, and wages. The costs are supplemented by the present value of estimated liabilities related to dismantling and removing the asset and restoring the site on which the asset was utilized.

Subsequent costs, such as those relating to replacement of parts of an item of property, plant, and equipment, are recognized in the carrying amount of the asset if it is likely that the costs will result in future economic benefits for the Nilfisk Group. The carrying amount of the replaced parts is derecognized in the statement of financial position and recognized in the income statement. All other costs relating to ordinary repair and maintenance are recognized in the income statement as incurred.

If individual parts of an item of property, plant, and equipment have different useful lives, they are depreciated separately.

Property, plant, and equipment are depreciated on a straight-line basis over the expected useful lives which is:

Buildings	8-25 years*
Plant and machinery	3-20 years
Tools and equipment	3-15 years
Land	not depreciated

* In average 22 years

The basis of depreciation is calculated according to the residual value less impairment losses. The residual value is determined at the acquisition date and reviewed annually. If the residual value exceeds the carrying amount, depreciation is discontinued.

When changing the depreciation period or the residual value, the effect on the depreciation is recognized prospectively as a change in accounting estimates.

Property, plant, and equipment under construction and prepayments are measured at cost. When ready for use, the asset is transferred to the relevant category and depreciated.

4.5 Right-of-use assets

EUR million	2024 Land and buildings	Plant and machinery	Tools and equipment	Total	2023 Land and buildings	Plant and machinery	Tools and equipment	Total
Costs, January 1	101.5	4.9	46.0	152.4	87.6	4.8	39.0	131.4
Exchange rate adjustments	-	-	-0.5	-0.5	-0.8	-	-0.6	-1.4
Additions	11.6	1.0	15.4	28.0	21.9	1.5	15.1	38.5
Disposals	-4.8	-0.7	-6.3	-11.8	-7.2	-1.4	-7.5	-16.1
Costs, December 31	**108.3**	**5.2**	**54.6**	**168.1**	**101.5**	**4.9**	**46.0**	**152.4**
Depreciation and impairment, January 1	-57.4	-3.5	-24.9	-85.8	-48.8	-3.3	-21.9	-74.0
Exchange rate adjustments	0.3	-	0.6	0.9	0.7	-	0.2	0.9
Depreciation for the year	-16.5	-0.9	-11.4	-28.8	-16.0	-0.9	-10.3	-27.2
Impairment	-	-	-	-	-	-	-	-
Disposals	2.0	0.3	5.4	7.7	6.7	0.7	7.1	14.5
Depreciation and impairment, December 31	**-71.6**	**-4.1**	**-30.3**	**-106.0**	**-57.4**	**-3.5**	**-24.9**	**-85.8**
Carrying amount, December 31	**36.7**	**1.1**	**24.3**	**62.1**	**44.1**	**1.4**	**21.1**	**66.6**

Impairment losses
No impairment losses have been recognized in 2024 and 2023.

Not recognized right-of-use assets and liabilities
The Group has signed lease contracts in which the assets were not available for use by the Group at year-end. The value of these right-of-use assets and corresponding liabilities are not included in the statement of financial position but will be included when the assets are available for use by the Group. Total minimum payments for signed but not recognized contracts are 2.4 mEUR (2023: 1.7 mEUR)

Lease contracts recognized as overhead costs
Short-term and low value lease contracts are expensed directly as overhead costs. For 2024, the overhead costs amounted to 1.5 mEUR (2023: 0.8 mEUR). The expected overhead costs for 2025 relating to short-term and low value lease contracts are 1.5 mEUR (2023: 1.6 mEUR for 2024).

Payments relating to lease arrangements
Total cash-out for right-of-use assets recognized in the statement of financial position in the year was 31.8 mEUR (2023: 29.1 mEUR). The amount is made up of repayment of lease liabilities of 28.6 mEUR (2023: 26.4 mEUR) and interest of 3.2 mEUR (2023: 2.7 mEUR). As of December 31, 2024 the estimated useful life can be summarized as follows:

Leased buildings: 1-7 years, with a remaining average of 1.9 years (2023: 1-9 years with average of 1.8 years)

Other leases: 1-6 years with a remaining average of 2.0 years (2023: 1-6 years with average of 1.6 years). Average discount rate for active contracts as of December 31, 2024 was 5.3% (2023: 4.5%).

See Note 6.1 for development of the lease liabilities.
See Note 6.3 for maturity analysis of the lease liabilities.

§ Accounting policy

Leases are recognized as right-of-use assets with the corresponding liability at the time the asset is available for use by the Group. Assets and liabilities arising from a lease are measured on a present value basis.

Lease liabilities are comprised of expected fixed payments throughout the expected lease period (including options to extend the lease when exercise is reasonably certain), less any lease incentives. The lease payments are discounted using the contract's internal discount rate or the Group's incremental borrowing rate.

The costs of right-of-use assets are comprised of the calculated lease liabilities, payments made prior to entering the lease, initial direct costs, and expected restoration costs.

Right-of-use assets and lease liabilities are re-measured when a factual or contractual change is executed or if a significant event or change affects the expected use of the assets. The impact is discounted to a present value basis.

Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses. When changing the value of right-of-use assets through remeasurement or when changing the depreciation period, the effect on the depreciation is recognized prospectively as a change in accounting estimates.

Right-of-use assets are depreciated on a straight-line basis of the expected length of the contract or the expected useful lives of the assets, whichever is the shorter.

Lease costs for low value assets and short-term leases are included as overhead costs throughout the period based on a straight-line basis.

4.6 Pension liabilities

Most employees in the Nilfisk Group are covered by pension plans, primarily in the form of defined contribution-based plans or alternatively by defined benefit plans.

The Nilfisk Group companies contribute to these plans either directly or by contributing to pension funds administered independently. The nature of such plans varies according to legislative and regulatory regimes, rules regarding tax, and the economic conditions in the countries in which the employees work. The contributions are usually based on employee salary and seniority. The liability relates to pensions for already retired staff as well as for employees retiring in the future.

The Nilfisk Group's defined benefit plans primarily relate to the UK, France, and Switzerland.

Net liabilities recognized in the statement of financial position

	2024			2023		
EUR million	Present value of obligations	Fair value of plan assets	**Net obligation**	Present value of obligations	Fair value of plan assets	**Net obligation**
Obligations and assets, January 1	26.2	22.4	3.8	25.5	21.1	4.4
Recognized under staff costs in the income statement:						
Current service cost	0.4	-	0.4	0.4	-	0.4
Calculated interest expenses/income	0.8	0.8	-	0.9	0.8	0.1
Total	**1.2**	**0.8**	**0.4**	**1.3**	**0.8**	**0.5**
Recognized in other comprehensive income:						
Actuarial gains from changes in demographic assumptions	-	-	-	-0.2	-	-0.2
Actuarial gains from changes in financial assumptions	0.6	-	0.6	-	-	-
Other return on plan assets	-	-0.5	0.5	-	-0.2	0.2
Total actuarial gains on defined benefit plans	**0.6**	**-0.5**	**1.1**	**-0.2**	**-0.2**	**-**
Other changes:						
Contributions to plans	0.2	1.0	-0.8	0.7	0.9	-0.2
Benefits paid/received	-1.5	-1.3	-0.2	-1.7	-1.1	-0.6
Exchange rate adjustments	0.5	0.4	0.1	0.6	0.9	-0.3
Total	**-0.8**	**0.1**	**-0.9**	**-0.4**	**0.7**	**-1.1**
Net recognized plan obligations and assets, December 31	**27.2**	**22.8**	**4.4**	**26.2**	**22.4**	**3.8**

EUR million	**2024**	2023
Plan assets recognized as follows:		
Securities with quoted market price	16.4	14.4
Cash	1.0	-
Other	5.4	8.0
Total	**22.8**	**22.4**

4.6 Pension liabilities – continued

Accounting policy

The Nilfisk Group has contracted pension plans and similar arrangements with the majority of its employees.

Liabilities with respect to defined contribution-based pension plans for which the Nilfisk Group makes fixed regular payments to independent pension companies are recognized in the income statement in the period to which they relate. Any contributions outstanding are recognized in the statement of financial position under other payables.

In the case of defined benefit plans, an annual actuarial calculation (the Projected Unit Credit Method) is made of the present value of future benefits payable under the plan. The present value is determined based on assumptions about the future development in variables such as salary levels, interest rates, inflation, and mortality. The present value is determined only for benefits earned by employees from their employment with the Nilfisk Group. The actuarial present value less the fair value of any plan assets is recognized in the statement of financial position under employee benefits.

Pension expenses for the year are recognized in the income statement based on actuarial estimates and financial expectations at the start of the year. The differences between calculated return and realized return on plan assets and liabilities are designated actuarial gains or losses and recognized in other comprehensive income.

If a pension plan constitutes a net asset, the asset is only recognized if it offsets cumulative actuarial losses or future refunds from the plan, or if it will lead to reduced future payments to the plan.

Sensitivity

The table below shows the sensitivity of the pension liability to changes in the key assumptions

EUR million	2024	2023
0.5% point increase in the discount rate	-1.6	-1.5
0.5% point decrease in the discount rate	1.8	1.7
0.5% point increase in the future salary increases	0.2	0.1
0.5% point decrease in the future salary increases	-0.1	-0.1

4.7 Provisions

Development in provisions

EUR million	Warranties	Other	Total
2024			
Provisions, January 1	10.5	8.5	19.0
Exchange rate adjustments	0.1	0.2	0.3
Provisions made during the year	9.6	3.5	13.1
Used during the year	-10.0	-2.5	-12.5
Reversed during the year	-	-0.4	-0.4
Provisions, December 31	**10.2**	**9.3**	**19.5**
Provisions are presented as:			
Non-current liabilities	-	7.4	7.4
Current liabilities	10.2	1.9	12.1
Total	**10.2**	**9.3**	**19.5**
2023			
Provisions, January 1	10.5	7.4	17.9
Exchange rate adjustments	-0.2	-0.1	-0.3
Provisions made during the year	10.8	5.4	16.2
Used during the year	-10.3	-4.1	-14.4
Reversed during the year	-0.3	-0.1	-0.4
Provisions, December 31	**10.5**	**8.5**	**19.0**
Provisions are presented as:			
Non-current liabilities	-	4.9	4.9
Current liabilities	10.5	3.6	14.1
Total	**10.5**	**8.5**	**19.0**

Key accounting estimates

The amount recognized as a provision is the Executive Management Board's best estimate of the amount required to settle the obligation.

Provisions for legal cases represent management's best estimate of the Group's liability and the estimate is further supported by external legal assessment.

Accounting policy

Provisions are recognized when, as a result of events arising before or at the balance sheet date, the Nilfisk Group has a legal or a constructive obligation, and it is more likely than not that the settlement is expected to result in an outflow of resources.

When measuring provisions, the costs required to settle the obligation are discounted if this significantly affects the measurement of the liability. A pre-tax discount rate is applied that reflects the current market interest rate and the specific risks relating to the obligation. Changes in present values during the year are recognized under financial expenses.

Warranty commitments are recognized in step with sale of goods and services based on the level of warranty expenses incurred in previous years. Serial fault is included as a warranty provision. Serial faults only become a warranty at the time the items have left the factory and are up for sale. Until then, handling faults are part of the quality review and are recognized as such cost under cost of sales.

Other provisions include mainly provisions related to restoration of leased facilities, restructuring of business, and legal cases.

Provisions for restoring leased facilities when vacated are measured at the present value of the expected clearance and closure obligation at the balance sheet date. The provision is based on existing encumbrances and estimated costs discounted to present value. Specific risks considered attached to the obligation are included in the estimated costs. A discount rate is applied that reflects the current market interest rate. The obligations are included as they occur and are continuously adjusted to reflect changed requirements and price levels, etc. The present value of the costs is included in the costs of the relevant tangible assets and depreciated accordingly. The increase in the present value over time is recognized in the income statement under financial expenses.

The timing of the restoration provision will depend on the expected length of the contract and will be reassessed when contract terms change. The amount will be reassessed if there are significant market changes or if there are changes in contract terms.

The timing and amount of the restructuring provision will be assessed on a case-by-case basis and will depend on the type of restructuring and hence the cost associated with the restructuring. The uncertainties will naturally depend on the specific project and will be reduced the closer to the completion date the project gets.

Provision for legal cases is assessed on an ongoing individual basis and at least quarterly based on the developments in the case. The amount of the legal provisions is based on internal and external legal advice and established precedent. Timing of the provision is assessed at least annually.

Section 5
Working capital

This section covers the Nilfisk Group's working capital.

Working capital represents the assets and liabilities necessary to support day-to-day operations. Working capital is defined as current assets, less current liabilities and other non-current liabilities, excluding interest-bearing items and provisions, but including derivatives.

Key developments in 2024

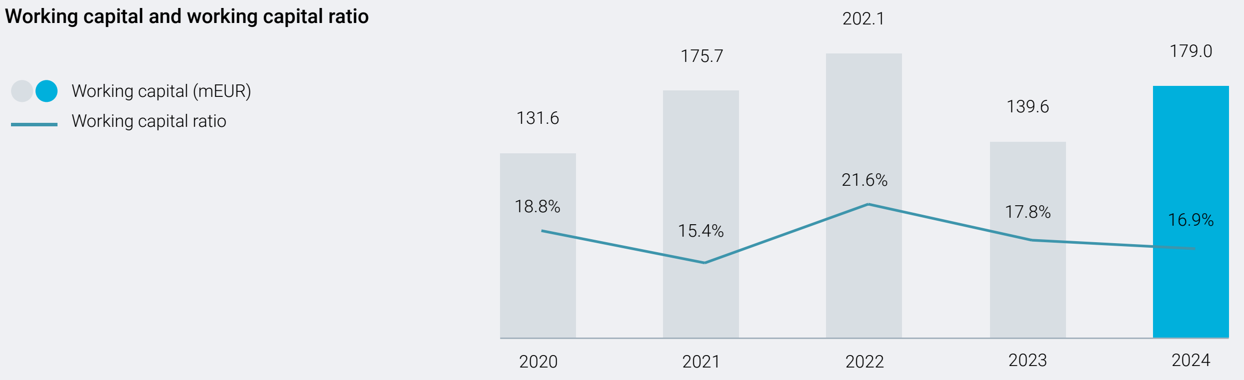
Inventory levels increased during 2024, ending 32.6 mEUR higher than at the end of 2023. This was due to stock built up for new product launches and consumer products, alongside timing in deliveries leading to higher goods in transit.

Trade receivables ended 17.4 mEUR above last year and amounted to 156.1 mEUR, mainly from higher sales activities at the end of the year and partly from the non-recourse factoring program. Days sales outstanding increased compared to 2023.

Working capital overall increased by 39.4 mEUR ending at 179.0 mEUR with a working capital ratio of 16.9%.

Development in working capital (mEUR)

Working capital and working capital ratio



5.1 Working capital

The working capital bridge is split between cash flows and non-cash changes.

Cash flows
Cash flows in working capital reflect the working capital disclosed in the cash flow statement.

Non-cash changes

Foreign exchange translations
As per the cash flow accounting policy, the cash flow is calculated by applying to the foreign currency amount the average exchange rate between the functional currency of the Group and the foreign currency at the date of the cash flow.

As the working capital in the Statement of Financial Position is translated into the year-end exchanges rates, the working capital bridge will be impacted by a foreign exchange translation.

Provision
Provision includes provision for expected credit loss and provision for inventory obsolescence.

Reclassifications
Reclassification is comprised of both reclassifications within working capital but also reclassification from different sections in the Statement of Financial Position. The net movement of -6.1 mEUR includes mainly tax, leasing assets (with Nilfisk as lessor) and hedging.

Working capital bridge

	2024						2023					
			Non-cash changes						Non-cash changes			
EUR million	January 1	Cash flows	Exchange rate adjustments	Provisions	Reclas-sifications	**December 31**	January 1	Cash flows	Exchange rate adjustments	Provisions	Reclas-sifications	**December 31**
Inventories	200.5	40.6	0.7	-1.0	-7.7	233.1	220.2	-7.8	-3.3	-1.7	-6.9	200.5
Trade receivables	138.7	15.0	0.2	2.2	-	156.1	166.7	-22.3	-5.4	-0.3	-	138.7
Other receivables	28.9	7.5	-0.7	-	2.0	37.7	34.7	0.5	-0.7	-	-5.6	28.9
Income tax receivable	3.5	-	-	-	-1.2	2.3	3.8	-	-	-	-0.3	3.5
Other non-current liabilities	-3.5	0.3	-0.2	-	0.1	-3.3	-3.1	0.2	0.1	-	-0.7	-3.5
Trade payables	-123.5	-3.1	-1.1	-	-	-127.7	-113.2	-10.5	0.2	-	-	-123.5
Other liabilities	-97.2	-16.5	1.6	-	-0.1	-112.2	-96.2	-6.9	7.3	-	-1.4	-97.2
Income tax payable	-7.8	-	-	-	0.8	-7.0	-10.8	-	-	-	3.0	-7.8
Working capital	**139.6**	**43.8**	**0.5**	**1.2**	**-6.1**	**179.0**	**202.1**	**-46.8**	**-1.8**	**-2.0**	**-11.9**	**139.6**
Working capital ratio (LTM)	17.8%					16.9%	21.6%					17.8%

5.2 Inventories

Composition and drivers

The Nilfisk Group manufactures products and operates in different markets. The Group's operating model, with several assembly locations and a number of distribution hubs for finished products, leads to a relatively high level of inventory.

The Nilfisk Group's entities carry inventory to support their operations. Inventory days increased from 147 to 176 by the end of December 2024.

Specification of inventories

EUR million	2024	2023
Raw materials, consumables, and goods for resale	65.7	61.6
Work in progress	0.4	0.8
Finished goods	167.0	138.1
Total	**233.1**	**200.5**

Movements in inventory write-down

EUR million	2024	2023
Write-down on inventories, January 1	11.6	10.1
Exchange rate adjustments	0.1	-0.2
Write-down on inventories for the year	2.5	3.6
Reversal/disposal of write-downs	-1.5	-1.9
Write-down on inventories, December 31	**12.7**	**11.6**

§ Accounting policy

Inventories are measured at cost in accordance with the FIFO method. If the net realizable value is lower than cost, inventories are written down to this lower value.

Raw materials, consumables, and goods for resale are measured at cost, comprised of purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, which includes the costs of raw materials, consumables, direct wages/salaries, and production overheads. Production overheads include indirect materials and wages/salaries, as well as maintenance and depreciation of production machinery, buildings, and equipment, along with costs for production administration and management.

The net realizable value of inventories is calculated as the sales amount less costs of completion and costs incurred in effecting the sale, and is determined taking into account marketability, obsolescence, and development in expected sales price.

5.3 Trade receivables

Trade receivables increased by 17.4 mEUR amounting to 156.1 mEUR. The outstanding balances are being monitored closely with a continued focus on collecting receivables. The days sales outstanding was 50.6 and increased compared to the same period last year (2023: 44.4).

At December 31, 2024, non-recourse factoring amounted to 31.8 mEUR (2023: 33.7 mEUR).

Specification of trade receivables

EUR million	**2024**	2023
Trade receivables, gross incl. VAT	161.2	145.8
Allowance for expected credit losses	-5.1	-7.1
Total	**156.1**	**138.7**

Movements in allowance for expected credit losses

EUR million	**2024**	2023
Allowance, January 1	7.1	6.9
Exchange rate adjustments	0.2	-0.1
Allowance losses recognized	0.8	1.2
Reversal of allowance losses	-2.4	-0.6
Realized allowance losses	-0.6	-0.3
Allowance, December 31	**5.1**	**7.1**

The following table details the risk profile of trade receivables based on the Group's provision matrix. The Group's historical credit losses do not show different patterns for different customer segments.

Specification of expected credit losses

	2024			2023		
EUR million	Trade receivables	**Lifetime expected credit losses**	Expected weighted average credit loss rate	Trade receivables	Lifetime expected credit losses	Expected weighted average credit loss rate
Not past due	118.3	0.2	0.1%	103.0	0.1	0.1%
Overdue < 1 months	19.5	0.1	0.5%	22.1	0.1	0.5%
Overdue 1-2 months	6.9	0.1	2.4%	5.4	0.1	2.3%
Overdue 2-4 months	6.2	0.6	10.4%	4.5	0.4	10.1%
Overdue 4-12 months	5.5	1.0	20.0%	5.7	2.1	42.1%
Overdue > 12 months	4.8	3.1	73.0%	5.1	4.3	98.5%
Total	**161.2**	**5.1**		**145.8**	**7.1**	

§ Accounting policy

Receivables are recognized initially at their transaction price and subsequently measured at amortized cost, which usually corresponds to the nominal value less lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix with reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the market in which the debtor operates. The Group recognizes a loss allowance for expected credit losses and writes off trade receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The amount of write-downs is recognized in the income statement under other operating expenses. Subsequent recoveries of amounts previously written down are credited against other operating expenses.

In certain markets, the Group has entered into factoring agreements on a non-recourse basis, which involves selling trade receivables to a factor. Trade receivables subject to factoring agreements are derecognized once the criteria for derecognition have been met and all substantial risk and rewards transferred.

Prepaid expenses are measured at cost.

Section 6
Capital structure

This section covers the Nilfisk Group's capital structure and financial risks.

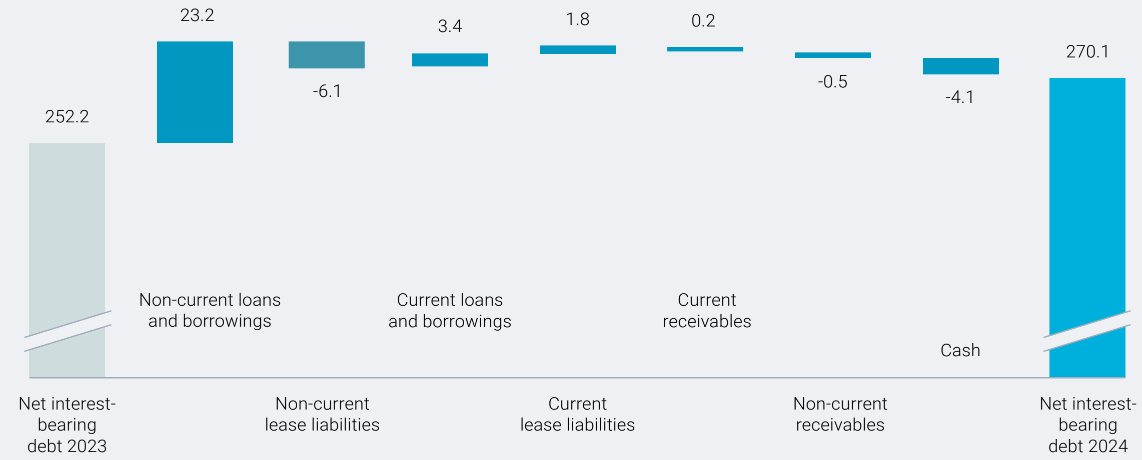
The Group's objective is to have capital resources to meet operating needs as well as capital for potential acquisitions. To achieve and maintain an efficient capital structure, the Group's financial gearing target is set to ensure that the net interest-bearing debt should be between 1.5 – 2.0x EBITDA before special items.

Total committed credit facilities available to Nilfisk are 425 mEUR (2023: 400 mEUR) split between a Revolving Credit Facility (RCF) of 200 mEUR and a newly established Schuldschein loan (SSD) of 225 mEUR. The RCF is provided by a bank consortium consisting of BNP Paribas, Danske Bank A/S, HSBC Continental Europe, Nordea Danmark, a branch of Nordea Bank Abp, Finland, and Unicredit Bank Austria AG. It is linked to Nilfisk's sustainability targets towards 2030 and includes a financial covenant with reference to the ratio between net interest-bearing debt and EBITDA. It is not expected that non-current liabilities with financial covenants will become repayable within the next twelve months. The SSD is a debt capital market product and provides Nilfisk with diversity in debt maturity (3, 5, and 7 years), plus a higher grade of financing flexibility for future investment opportunities when they arise. The SSD includes a step-up coupon if the ratio between net interest-bearing debt and EBITDA exceeds a given level.

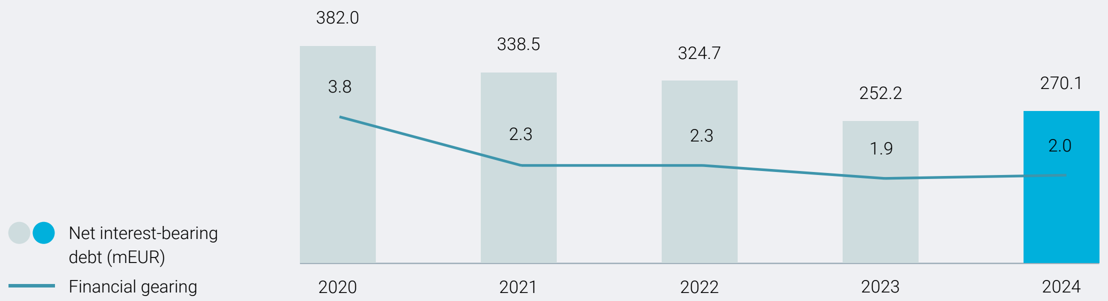
The facilities are available for general funding purposes.

Key developments in 2024
Net interest-bearing debt at December 31, 2024 was 270.1 mEUR and hence increased by 17.9 mEUR compared to December 31, 2023, mainly from investments in working capital, partly offset by cash generation from operating profit. As of December 31, 2024 the net interest-bearing debt primarily consisted of short- and long-term credit facilities, cash, and cash equivalents. The interest-bearing debt was denominated primarily in EUR. The financial gearing at the end of the year was 2.0x, corresponding to an increase of 0.1x from 2023.

Development interest-bearing debt (mEUR)



Net interest-bearing debt and financial gearing



6.1 Net interest-bearing debt

Specification of net interest-bearing debt

EUR million	2024 January 1	2024 Cash flows	2024 Non-cash changes: Foreign exchange and other movements	2024 Non-cash changes: Leases	2024 December 31	2023 January 1	2023 Cash flows	2023 Non-cash changes: Foreign exchange and other movements	2023 Non-cash changes: Leases	2023 December 31
Non-current interest-bearing loans and borrowings	205.9	27.4	-4.2	-	229.1	288.2	-85.1	2.8	-	205.9
Non-current lease liabilities	44.7	-	0.3	-6.4	38.6	36.9	-	4.8	3.0	44.7
Current interest-bearing loans and borrowings	2.1	-2.0	5.4	-	5.5	1.7	1.7	-1.3	-	2.1
Current lease liabilities	24.6	-28.6	0.1	30.3	26.4	23.0	-26.4	-5.9	33.9	24.6
Interest-bearing liabilities	**277.3**	**-3.2**	**1.6**	**23.9**	**299.6**	**349.8**	**-109.8**	**0.4**	**36.9**	**277.3**
Current interest-bearing receivables	-0.5	-	0.2	-	-0.3	-0.4	-	-0.1	-	-0.5
Interest-bearing receivables	**-0.5**	**-**	**0.2**	**-**	**-0.3**	**-0.4**	**-**	**-0.1**	**-**	**-0.5**
Net liabilities from financing activities	**276.8**	**-3.2**	**1.8**	**23.9**	**299.3**	**349.4**	**-109.8**	**0.3**	**36.9**	**276.8**
Non-current interest-bearing receivables	-1.3	-	-0.5	-	-1.8	-2.0	-	0.7	-	-1.3
Non-current interest-bearing receivables	**-1.3**	**-**	**-0.5**	**-**	**-1.8**	**-2.0**	**-**	**0.7**	**-**	**-1.3**
Net liabilities from investing activities	**-1.3**	**-**	**-0.5**	**-**	**-1.8**	**-2.0**	**-**	**0.7**	**-**	**-1.3**
Cash and cash equivalents	23.3	4.5	-0.4	-	27.4	22.7	5.4	-4.8	-	23.3
Net interest-bearing debt	**252.2**	**-7.7**	**1.7**	**23.9**	**270.1**	**324.7**	**-115.2**	**5.8**	**36.9**	**252.2**

§ Accounting policy

Payables to credit institutions, etc. are initially recognized at the amount of proceeds received at the date of borrowing, net of transaction costs paid. In subsequent periods the financial liabilities are measured at amortized costs using 'the effective interest method', the difference between the proceeds and the nominal value therefore being recognized in the income statement under financial expenses over the term of the loan.

The carrying amount of payables to credit institutions and other payables corresponds in all material respects to fair value and nominal value.

6.2 Investments in associates

Associated companies comprise M2H, CFM Lombardia and Thoro.

The primary activity of M2H is the sale of industrial equipment and associated services to cleaning companies.

The primary activity of CFM Lombardia is the design and sale of industrial vacuum cleaners for dusts, solids and liquids in Italy. CFM Lombardia is a distributor for Nilfisk Italy, and was created to promote Nilfisk IVS products in the north of Italy.

Thoro is a joint venture with Carnegie Robotics LLC established in 2020. The primary activity of Thoro Inc. is the development and sale of autonomous technology software and services.

Carrying amount of associated companies

EUR million	2024	2023
Carrying amount, January 1	34.9	33.2
Exchange rate adjustments	0.7	-0.2
Share of profit recognized in the income statement	4.0	0.8
Additions	-	2.6
Dividends	-2.0	-1.5
Carrying amount, December 31	**37.6**	**34.9**

Details of associated companies

	2024				2023			
	M2H	CFM Lombardia	Thoro	Total	M2H	CFM Lombardia	Thoro	Total
EUR million	**France**	**Italy**	**US**		**France**	**Italy**	**US**	
Revenue	89.7	2.2	0.9	92.8	85.2	2.5	1.0	88.7
Profit (loss) after tax	9.8	0.1	-2.4	7.5	7.7	0.1	-7.5	0.3
Non-current assets	14.8	0.2	8.8	23.8	16.2	0.2	10.6	27.0
Current assets	78.9	1.3	-	80.2	73.6	1.5	-	75.1
Total assets	93.7	1.5	8.8	104.0	89.8	1.7	10.6	102.1
Equity	68.8	0.5	8.8	78.1	62.2	0.5	10.6	73.3
Non-current liabilities	14.4	0.2	-	14.6	17.1	0.2	-	17.3
Current liabilities	10.5	0.8	-	11.3	10.5	1.0	-	11.5
Equity and liabilities	93.7	1.5	8.8	104.0	89.8	1.7	10.6	102.1
Ownership in %	49%	33%	32%		49%	33%	32%	
Share of profit after tax	4.8	-	-0.8	4.0	3.7	-	-2.9	0.8
Share of equity	33.7	0.2	2.8	36.7	30.5	0.1	3.4	34.0
Goodwill recognized	0.9	-	-	0.9	0.9	-	-	0.9
Carrying amount	**34.6**	**0.2**	**2.8**	**37.6**	**31.4**	**0.1**	**3.4**	**34.9**
Goods sold to associated companies	21.6	0.9	-	22.5	20.4	0.9	-	21.3
Goods purchased from associated companies	-	-	0.5	0.5	-	-	0.4	0.4
Dividends received from associated companies	2.0	-	-	2.0	1.5	-	-	1.5
Receivables from associated companies	0.5	0.5	-	1.0	0.8	0.5	-	1.3

§ Accounting policy

An associated company is an entity in which the Nilfisk Group has significant influence, but not control, which in general will be when holding 20% to 50% of the voting rights. Such investments are accounted for using the equity method of accounting. The investment is adjusted by the Nilfisk Group's share of the results after tax of the associated company. The Nilfisk Group's share of the results is recognized in a separate line in the income statement. The share of results will be recognized based on the associated company's full-year outlook, with adjustment for the actual full-year result in the following year.

6.3 Financial risks and financial instruments

Risk management policy

The Nilfisk Group is exposed to and manages financial risk through its operations, investments, and financing activities. As a matter of policy, the Nilfisk Group does not actively speculate in financial risks.

The overall objectives and policies for the Nilfisk Group's financial risk management are outlined in an internal Treasury Policy, which is approved by the Board of Directors. The general principle is that only financial risk exceeding a defined risk threshold is hedged. The risk thresholds are defined to provide the Nilfisk Group with sufficient risk protection while taking hedging costs into consideration.

The Nilfisk Group uses financial instruments to hedge exposures relating to currency, interest rate, and remuneration risks.

The financial risks are divided into:

- Interest rate risks
- Remuneration risks
- Credit risks
- Liquidity risks
- Currency risks

Interest rate risks

Interest rate risks refer to the influence of changes in market interest rates on future cash flows concerning the Nilfisk Group's net interest-bearing debt.

Nilfisk Group has entered into interest rate cap and collar agreements and is hedging 50% of gross debt at December 31, 2024 compared to 54% in 2023.

The table to the right shows the carrying amount of interest caps and collars at December 31 for the Nilfisk Group which are used for and fulfill the conditions for hedge accounting.

Interest caps and collars

Effective date	Maturity date	Notional value (mEUR)	Cap floor	Cap strike	**Carrying amount (mEUR)**
2024					
July 30, 2024	July 30, 2026	150	-	4.00% p.a.	-0.8
July 30, 2026	July 30, 2029	110	1.51% p.a.	3.00% p.a.	0.1
Total					**-0.7**
2023					
June 30, 2023	June 30, 2026	75	-	4.00% p.a.	-0.4
June 30, 2023	June 30, 2026	75	-	4.00% p.a.	-0.4
Total					**-0.8**

Sensitivity

The table below shows the sensitivity of profit before tax and other comprehensive income to changes in the market interest rate for Nilfisk's Group's interest-bearing liabilities.

EUR million	Change recognized in OCI	Change recognized in P&L
1%-point decrease	-1.8	2.7
2%-points decrease	-4.1	5.4
3%-points decrease	-6.8	7.4
1%-point increase	1.5	-2.7
2%-points increase	4.0	-4.3
3%-points increase	7.8	-5.5

Remuneration risks

Nilfisk has an exposure on its share-based incentive schemes (LTI programs) – equity-settled performance share programs. The exposure is the development in the price of the Nilfisk share that impacts the liquidity required to settle the equity-settled schemes by own shares.

To mitigate the risk, Nilfisk has entered into a Total Return Swap (TRS). For 2024, the interest expense amounted to 0.0 mEUR, compared to 0.0 mEUR in 2023. Nilfisk is obligated to exercise all shares within the TRS at the date of expiration.

Total Return Swap

Shares	Maturity date	Strike price (DKK)	Notional value (mDKK)	Interest rate	**Carrying amount (mEUR)**
2024					
144,580	February 24, 2025	105.60	15.3	5.70%	-
Total					**-**
2023					
167,804	January 15, 2024	109.00	18.3	6.65%	0.2
Total					**0.2**

6.3 Financial risks and financial instruments – continued

Credit risks

The Nilfisk Group's credit risks relate partly to receivables and cash and cash equivalents, and partly to derivative financial instruments with positive fair values. The maximum credit risk attached to financial assets corresponds to the values recognized in the statement of financial position.

The Nilfisk Group has no material risks relating to a single customer or partner. The Nilfisk Group's policy for acceptance of credit risks entails ongoing credit rating of important customers and other partners.

Nilfisk has chosen to sell some of its trade receivables in selected European markets in non-recourse factoring agreements to expedite cash collection from groups of customers. Nilfisk does not carry any credit risk on these customers.

Insurance cover and similar measures to hedge receivables are rarely applied as this is not deemed necessary.

Liquidity risks

It is the Nilfisk Group's policy to maintain adequate cash resources for implementing planned operating activities and to be able to operate effectively in the event of unforeseen fluctuations in liquidity. The Nilfisk Group's cash resources consist of cash, cash equivalents, and undrawn credit facilities.

Liabilities due within one year do not include interest. The forward contracts are recognized at fair value and the discount element is considered insignificant due to short maturity.

Payables to credit institutions are consequently recognized in the statement of financial position at the amounts stated in the following table.

Maturity of the Nilfisk Group's liabilities

EUR million	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
2024							
Forward contracts	4.2	-	-	-	-	-	4.2
Other hedging instruments	-	0.8	-	-	-0.1	-	0.7
Interest-bearing loans and borrowings	5.5	0.4	44.1	0.3	144.2	40.1	234.6
Lease liabilities	26.4	17.7	11.4	2.8	1.2	5.5	65.0
Trade payables	127.7	-	-	-	-	-	127.7
Other financial liabilities	108.0	1.4	0.7	0.3	0.2	-	110.6
Total	**271.8**	**20.3**	**56.2**	**3.4**	**145.5**	**45.6**	**542.8**
2023							
Forward contracts	3.5	-	-	-	-	-	3.5
Other hedging instruments	-	-	0.8	-	-	-	0.8
Interest-bearing loans and borrowings	2.1	199.4	1.1	0.4	0.3	4.7	208.0
Lease liabilities	24.6	19.8	12.5	4.4	1.2	6.8	69.3
Trade payables	123.5	-	-	-	-	-	123.5
Other financial liabilities	93.7	1.6	0.7	0.3	0.1	-	96.4
Total	**247.4**	**220.8**	**15.1**	**5.1**	**1.6**	**11.5**	**501.5**

6.3 Financial risks and financial instruments – continued

Currency risks

With sales to more than 100 countries, the Nilfisk Group is exposed to currency risks that could have considerable impact on the income statement and statement of financial position.

Currency risks refer to the risks of losses (or opportunities for gains) resulting from changes in currency rates. Currency risks arise through transactions, financial assets, and liabilities denominated in currencies other than the functional currency of the individual Group businesses.

Translation risks relating to net investments in subsidiaries

As a basic principle, the hedging of currency risks is not performed for net assets (equity) in foreign subsidiaries. Gains and losses relating to unhedged net assets in foreign subsidiaries are accounted for directly in other comprehensive income. Currency risks relating to other investments in foreign entities are not deemed significant.

Sensitivity

The table below shows the sensitivity of the Nilfisk Group's equity, if the exchange rate decreased by 10% for the most significant currencies, excluding EUR/DKK.

EUR million	2024	2023
USD	-10.3	-13.9
CNY	-3.6	-4.2
GBP	-2.4	-2.1

Net financing

Significant currency risks relating to receivables and payables that influence the Nilfisk Group's net income are hedged. Balances with credit institutions are denominated in the functional currency of the businesses concerned.

Future cash flows

The Nilfisk Group's principal currency exposure relates to sales and purchases in currencies other than the functional currency of the individual Nilfisk Group businesses. Hedging of these currency risks is based on assessments of the likelihood of the future transaction being performed and whether the associated currency risk is significant.

Expected cash flows with significant currency risk can be hedged up to 18 months applying a rolling hedging ladder strategy. The fair value of the effective part of the hedge is recognized in other comprehensive income on a continuous basis.

The table to the right shows net outstanding forward exchange hedging contracts at December 31 for the Nilfisk Group which are used for and fulfill the conditions for hedge accounting of future transactions. Forward exchange contracts relate to hedging of product sales/purchase.

Outstanding FX hedging contracts

	2024		2023	
EUR million	Notional value[1]	Recognized in OCI	Notional value[1]	Recognized in OCI
AUD/DKK	-7.0	0.1	-6.8	-0.1
CNH/DKK[2]	58.7	1.7	39.1	-0.7
GBP/DKK	-22.7	-0.6	-17.1	-0.2
HUF/DKK	8.9	-0.2	9.1	0.4
NOK/DKK	-7.7	0.1	-7.6	-0.2
PLN/DKK	-9.3	-0.2	-9.3	-
SEK/DKK	-10.2	-	-8.7	-0.3
SGD/DKK	-	-	-0.6	-
TRY/DKK	-11.6	-1.4	-7.7	0.2
USD/DKK	-15.9	-0.8	-17.2	-
CAD/USD	-12.7	0.6	-13.6	-0.3
Total	**-29.5**	**-0.7**	**-40.4**	**-1.2**

[1] *Forward exchange contracts with positive notional values are purchases of the relevant currency; negative notional values are sales.*
[2] *The Chinese yuan traded offshore (CNH) is used as a proxy when hedging the CNY currency exposure for the Group.*

6.3 Financial risks and financial instruments – continued

The following table details the foreign currency forward contracts outstanding at the end of the reporting period, as well as information regarding their related hedged items.

Foreign currency forward contract assets are presented as “Other receivables” in the statement of financial position and foreign currency forward contract liabilities are presented in “Other liabilities” in the statement of financial position.

During the year, no ineffectiveness on hedge contracts has been recognized, and the change in value used for the calculated ineffectiveness is therefore equal to the carrying amount.

Cash flow hedges		**2024**					2023				
		Average exchange rate		Notional value: Foreign currency	Notional value: Local currency	Carrying amount of cash flow hedges, net	Average exchange rate		Notional value: Foreign currency	Notional value: Local currency	Carrying amount of hedges, net
				(tFCY)	**(tLCY)**	**EUR thousand**			**(tFCY)**	**(tLCY)**	**EUR thousand**
Sell AUD	0-6 months	4.5485	AUD/DKK	-8,018 AUD	-36,470 DKK	76.2	4.5717	AUD/DKK	-6,886 AUD	-31,479 DKK	-45.5
	7-12 months	4.5735	AUD/DKK	-3,685 AUD	-16,853 DKK	40.4	4.5089	AUD/DKK	-4,115 AUD	-18,554 DKK	-61.9
Buy CNH	0-6 months	0.9550	CNH/DKK	255,535 CNH	244,026 DKK	968.0	0.9785	CNH/DKK	192,397 CNH	188,265 DKK	-713.6
	7-12 months	0.9606	CNH/DKK	189,930 CNH	182,445 DKK	751.8	0.9521	CNH/DKK	114,800 CNH	109,303 DKK	17.1
Sell GBP	0-6 months	8.8021	GBP/DKK	-11,690 GBP	-102,897 DKK	-446.6	8.5738	GBP/DKK	-9,011 GBP	-77,254 DKK	-148.2
	7-12 months	8.9069	GBP/DKK	-7,160 GBP	-63,773 DKK	-152.7	8.6298	GBP/DKK	-5,893 GBP	-50,855 DKK	-37.3
Sell HUF	0-6 months	0.0189	HUF/DKK	2,054,750 HUF	38,857 DKK	-141.4	0.0195	HUF/DKK	1,988,180 HUF	38,856 DKK	358.5
	7-12 months	0.0186	HUF/DKK	1,599,370 HUF	29,810 DKK	-89.0	0.0196	HUF/DKK	1,486,600 HUF	29,201 DKK	24.9
Sell NOK	0-6 months	0.6501	NOK/DKK	-49,770 NOK	-32,355 DKK	86.7	0.6532	NOK/DKK	-51,848 NOK	-33,868 DKK	-94.9
	7-12 months	0.6350	NOK/DKK	-40,910 NOK	-25,979 DKK	0.1	0.6498	NOK/DKK	-33,532 NOK	-21,790 DKK	-79.3
Sell PLN	0-6 months	1.7281	PLN/DKK	-23,030 PLN	-39,799 DKK	-151.8	1.7210	PLN/DKK	-21,200 PLN	-36,485 DKK	-3.6
	7-12 months	1.7370	PLN/DKK	-16,800 PLN	-29,182 DKK	-59.9	1.7207	PLN/DKK	-19,200 PLN	-33,037 DKK	-21.6
Sell SEK	0-6 months	0.6566	SEK/DKK	-73,928 SEK	-48,540 DKK	32.9	0.6509	SEK/DKK	-58,937 SEK	-38,360 DKK	-189.3
	7-12 months	0.6499	SEK/DKK	-43,360 SEK	-28,178 DKK	-15.2	0.6480	SEK/DKK	-37,300 SEK	-24,170 DKK	-139.6
Sell SGD	0-6 months	-	SGD/DKK	-	-	-	5.2613	SGD/DKK	-848 SGD	-4,459 DKK	4.7
	7-12 months	-	SGD/DKK	-	-	-	-	SGD/DKK	-	-	-
Sell TRY	0-6 months	0.2101	TRY/DKK	-240,000 TRY	-50,420 DKK	-999.5	0.2807	TRY/DKK	-118,004 TRY	-33,119 DKK	136.9
	7-12 months	0.2018	TRY/DKK	-185,000 TRY	-37,336 DKK	-403.3	0.2405	TRY/DKK	-135,000 TRY	-32,468 DKK	15.6
Sell USD	0-6 months	6.9413	USD/DKK	-9,483 USD	-65,824 DKK	-416.7	6.8332	USD/DKK	-11,536 USD	-78,827 DKK	-10.7
	7-12 months	6.8743	USD/DKK	-7,080 USD	-48,670 DKK	-324.9	6.8262	USD/DKK	-7,447 USD	-50,835 DKK	16.8
Sell CAD	0-6 months	0.7285	CAD/USD	-11,420 CAD	-8,319 USD	376.7	0.7362	CAD/USD	-11,377 CAD	-8,376 USD	-166.0
	7-12 months	0.7207	CAD/USD	-7,580 CAD	-5,463 USD	187.1	0.7413	CAD/USD	-8,480 CAD	-6,286 USD	-99.7
Total						**-681.1**					**-1,236.7**

6.3 Financial risks and financial instruments – continued

The following table details the effectiveness of the hedging relationships and value adjustments reclassified from the hedging reserve to the income statement.

Hedging reserve

	2024			2023		
EUR million	Currency risk	Interest rate risk	**Total**	Currency risk	Interest rate risk	**Total**
Hedging reserve, January 1	-1.0	-0.5	-1.5	1.0	8.3	9.3
Value adjustment for the year	-1.4	-0.1	-1.5	-1.2	-1.8	-3.0
Value adjustment reclassified to cost of sales	1.2	-	1.2	-0.7	-	-0.7
Value adjustment reclassified to financial income and expenses	-	-	-	-	-9.6	-9.6
Value adjustment reclassified to inventory	0.8	-	0.8	-0.6	-	-0.6
Tax on value adjustment of hedging instruments	-0.1	-	-0.1	0.5	2.6	3.1
Hedging reserve, December 31	**-0.5**	**-0.6**	**-1.1**	**-1.0**	**-0.5**	**-1.5**

Sensitivity

The sensitivity analysis demonstrates currency rate changes equal to the individual currency's historic volatility, with all other variables held constant. The impact on the income statement is due to changes in the fair value of monetary assets and liabilities including fair value hedges. The impact on other comprehensive income is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Group's exposure to foreign currency changes for all other currencies is not material. The analysis shows that for instance a 6% increase in the CNH/DKK rate will impact other comprehensive income by 3.6 mEUR.

	2024			2023		
EUR million	Historic volatility	Change recognized in OCI	Change recognized in P&L	Historic volatility	Change recognized in OCI	Change recognized in P&L
AUD/DKK	8%	-0.6	0.1	7%	-0.5	-
CNH/DKK	6%	3.6	-0.9	7%	2.7	-0.2
GBP/DKK	5%	-1.2	-	6%	-1.0	-0.1
HUF/DKK	7%	0.6	-0.1	10%	0.9	-0.1
NOK/DKK	8%	-0.6	-	10%	-0.8	-0.1
PLN/DKK	6%	-0.5	-0.1	7%	-0.6	0.1
SEK/DKK	6%	-0.6	-	8%	-0.7	-0.2
SGD/DKK	5%	-	-0.1	5%	-	-0.1
TRY/DKK	22%	-2.5	0.1	28%	-2.1	-
USD/DKK	8%	-1.2	4.6	7%	-1.3	0.4
CAD/USD	5%	-0.1	0.2	6%	-0.9	-

6.3 Financial risks and financial instruments – continued

Fair values

Financial instruments measured at fair value in the statement of financial position are designated as belonging to one of the following three categories (the 'fair value hierarchy'):

Level 1: Listed prices (unadjusted) in active markets for identical assets and liabilities

Level 2: Input, other than listed prices on Level 1, which is observable for the asset or liability either directly (as prices) or indirectly (derived from prices)

Level 3: Input for the asset or liability which is not based on observable market data (non-observable input)

Financial instruments measured at fair value consist of derivative financial instruments. The fair value of the Nilfisk Group's forward transactions is measured in accordance with Level 2 as the fair value is based on official exchange rates and forward rates at the balance sheet date. The fair value of the TRS is measured in accordance with Level 2 as the fair value is based on inputs of which most are observable including the share price of Nilfisk. There are no financial instruments measured at Level 1 and 3.

Financial assets and liabilities by category

EUR million	2024	2023
Financial assets:		
Trade receivables	156.1	138.7
Interest-bearing receivables	0.3	0.5
Other financial receivables	33.9	26.8
Financial assets at amortized cost	**190.3**	**166.0**
Derivative financial instruments	3.0	1.2
Fair value through other comprehensive income	**3.0**	**1.2**
Derivative financial instruments	0.8	0.9
Fair value through profit and loss	**0.8**	**0.9**
Total	**194.1**	**168.1**
Financial liabilities:		
Interest-bearing loans and borrowings	234.6	208.0
Trade payables	127.7	123.5
Lease liabilities	65.0	69.3
Other financial liabilities	110.6	96.4
Financial liabilities at amortized cost	**537.9**	**497.2**
Derivative financial instruments	4.4	3.0
Fair value through other comprehensive income	**4.4**	**3.0**
Derivative financial instruments	0.5	1.3
Fair value through profit and loss	**0.5**	**1.3**
Total	**542.8**	**501.5**
Financial instruments, net	**-1.1**	**-2.2**

§ Accounting policy

Derivative financial instruments

Derivative financial instruments are recognized from the trade date and measured in the statement of financial position at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and liabilities, respectively. Fair values of derivative financial instruments are computed on the basis of current market data and generally accepted valuation methods.

Fair value hedges

Changes in the effective portion of the fair value of derivative financial instruments designated and qualifying as a fair value hedge of a recognized asset or a recognized liability are recognized in the income statement together with changes in the value of the hedged asset or hedged liability.

Apart from foreign currency hedging, hedge of future cash flows according to a firm commitment is treated as a fair value hedge.

The ineffective portion of the change in the fair value of a derivative financial instrument is presented under financial items.

Cash flow hedges

Changes in the effective portion of the fair value of derivative financial instruments designated and qualifying as hedges of future cash flows are recognized in other comprehensive income and accumulated in a separate hedging reserve under equity until the hedged item influences the income statement. Gains or losses relating to such hedging transactions are then transferred through other comprehensive income and recognized in the income statement in the same item as the hedged item. However, when the

6.3 Financial risks and financial instruments – continued

hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income.

If the hedging instrument no longer meets the criteria for hedge accounting, the hedging relationship is discontinued prospectively. The accumulated reserve in equity remains in equity if it is still probable that the hedged cash flows will occur and is transferred through other comprehensive income to the income statement when the hedged cash flows influence the income statement.

If the hedged cash flows are no longer expected to be realized, the accumulated reserve in equity is immediately transferred to the income statement.

The ineffective portion of the change in the fair value of a derivative financial instrument is recognized immediately in the income statement and presented under financial items.

LTI program hedges
Hedge accounting cannot be applied on equity-based programs as fluctuations in the price of the Nilfisk share do not affect the income statement. Thus, changes in the fair value of derivative financial instruments hedging the liquidity risk related to the settlement of equity-settled programs are recognized in the income statement under financial items.

Other derivative financial instruments
Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized under financial items as they arise.

6.4 Share capital

The total number of shares is 27,126,369 with a nominal value of 20 DKK each. The share capital is unchanged from 2023. All shares have been fully paid up and no shares carry special rights. The Nilfisk Holding A/S Articles of Association specifies no limits in respect of ownership or voting rights, and the Executive Management Board is unaware of any agreements in this regard.

Outstanding shares

Shares	2024	2023
Number of shares at January 1	27,126,369	27,126,369
Total number of shares at December 31	**27,126,369**	**27,126,369**

Shares	2024	2023
Weighted average number of shares	27,126,369	27,126,369
Dilutive effect of outstanding shares (average)	-	-
Diluted weighted average number of shares	**27,126,369**	**27,126,369**

Earnings per share

EUR million	2024	2023
Profit for the year used for calculation of earnings per share	35.4	35.3
Dilutive effect of profit for the year	-	-
Profit for the year used for the calculation of diluted earnings per share	**35.4**	**35.3**

EUR	2024	2023
Basic earnings per share	1.31	1.30
Diluted earnings per share	1.31	1.30

Dividends
At the Annual General Meeting to be held on March 19, 2025, the Board of Directors will propose not to distribute dividends for the financial year of 2024 (2023: 0.0 mEUR).

§ Accounting policy

Dividends are recognized as a liability at the date of adoption at the Annual General Meeting (declaration date). Proposed dividend payments for the year are disclosed as a separate item under equity.

Interim dividends are recognized as a liability at the date when the decision to pay such dividends is made.

Foreign exchange reserve
The foreign exchange reserve includes exchange rate adjustments arising on translation of the financial statements of foreign entities with a currency that is not the Group's functional currency.

Hedging reserve
Hedging reserve covers:
- cash flow hedging of interest payments
- hedging of currency risk of cash flows
- hedging of LTI program

Section 7
Cash flow

This section contains notes related to cash flow

Key developments in 2024
In 2024, Nilfisk focused on prioritizing its strategic agenda for sustainable growth through innovative product launches. Stock of new products built up during 2024 resulting in a cash outflow of 43.8 mEUR, compared to an inflow of 46.8 mEUR in 2023.

Overall, total cash flow from operating activities decreased by 91.1 mEUR and came to 51.9 mEUR at the end of 2024.

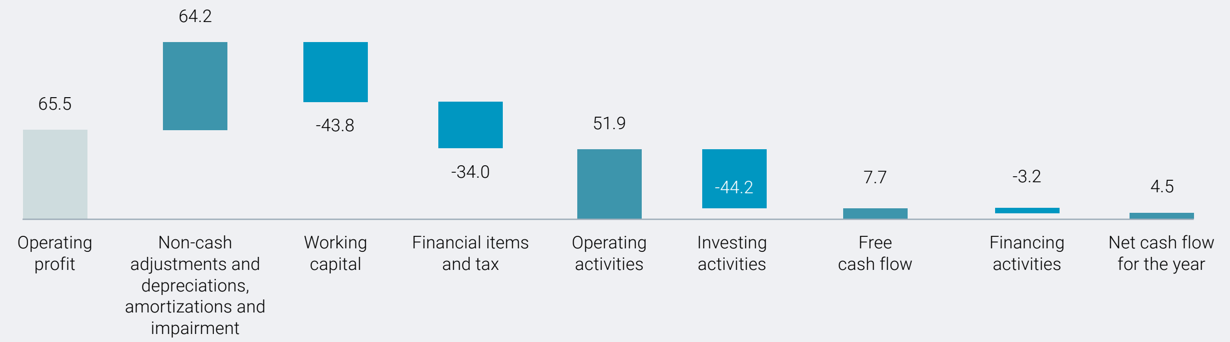
As per the strategic direction Nilfisk continued to invest into a new product generation and the upgrade of the current portfolio, alongside the roll out of SAP. Hence, investing activities amounted to a net cash outflow of 44.2 mEUR.

Free cash flow came to 7.7 mEUR. With cash outflow from financing activities amounting to 3.2 mEUR, the net cash flow for the period ended at 4.5 mEUR, bringing cash and cash equivalents at the end of 2024 to 27.4 mEUR.

7.1 Other non-cash adjustments

EUR million	2024	2023
Change in provisions	-1.2	2.6
Other non-cash items	1.5	-3.6
Total	**0.3**	**-1.0**

Cash flow development 2024



§ Accounting policy

Cash flow from operating activities includes all cash transactions other than cash flows arising from investing and financing activities. Cash flow from operating activities is determined using the indirect method, whereby operating profit or loss is adjusted for non-cash items such as depreciations, amortization and impairment, provision, and capitalized borrowing cost. The actual payment of borrowing costs is included in cash flow from financing activities.

Cash flow from investing activities is comprised of the cash outflow related to investment in properly, plant and equipment, internal generated development and software projects, and lease payments related to right-of-use assets. Cash flow from financial assets is mainly linked to investment in associated companies with received dividends as cash inflow and new investments, increase of ownership in existing companies, or increase of loan facility as cash outflow.

Cash flow from financing activities is the net change in the long-term external financing including the use of credit facilities.

Foreign currency
Cash flows arising from transactions in a foreign currency has been recorded in the Group's functional currency by applying to the foreign currency amount the average exchange rate between the functional currency of the Group and the foreign currency at the date of the cash flow. The average exchange rate is an average of the previous month's end rate, including the end rate from December prior year.

Cash and cash equivalents
Cash is comprised of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to a known amount of cash, and which are subject to an insignificant risk of change in value.

Section 8
Other notes

This note contains other statutory notes and notes considered less essential to the understanding of the Nilfisk Group's financial development.

8.1 Fees to auditors elected at the annual general meeting

EUR million	2024	2023
Deloitte:		
Statutory audit	1.2	1.1
Tax and VAT services	0.1	-
Other assurance service	0.3	0.3
Other services	0.4	-
Total	**2.0**	**1.4**

In 2024, the fee for other services provided to the Group by Deloitte Statsautoriseret Revisionspartnerselskab Denmark amounted to 0.4 mEUR (2023: 0.0 mEUR), relating to advisory costs for strategic improvement projects and other assessments and opinions.

8.2 Related parties

The Nilfisk Group has had the following transactions and balances with related parties:

EUR million	2024	2023
Goods sold to associated companies	22.5	21.3
Goods purchased from associated companies	0.5	0.4
Dividends received from associated companies	2.0	1.5
Receivables from associated companies	1.0	1.3

Goods were sold to associates during the year based on the price lists in force and terms that would be available to third parties. Read more about remuneration to the Executive Management Board in note 3.2 and 3.3, and for investments in associates see note 6.2.

8.3 Contingent liabilities, securities, and contractual obligations

EUR million	2024	2023
Guarantees to support local bank facilities	11.2	10.9
Rental guarantees	7.6	7.2
Other guarantees	5.6	6.1
Total issued guarantees	**24.4**	**24.2**

Claims filed against Nilfisk

On October 15, 2022, Nilfisk's insurer filed a lawsuit in Denmark against Nilfisk with respect to the insurance payout for the destruction of the US Distribution Center in a tornado. The insurer's total claim stood at 19 mEUR at the end of 2024. The Court in the first instance has ruled in favor of Nilfisk. Subsequently, the insurer has appealed the first instance ruling. The Executive Management Board continues to see a degree of uncertainty related to the potential costs for this claim.

On September 15, 2022, a claim was filed against Nilfisk by the owner of the US Distribution Center building with respect to contractual obligations related to terminating the contract. The resulting costs may exceed the insurance coverage that has already been paid to the owner of the US Distribution Center building. The Court issued a summary judgment on February 22, 2024, and the bench trial was completed on February 26-28, 2024. On summary judgment the Court found that Nilfisk was in material breach of its contractual obligations. Nilfisk has received the Court's ruling on damages where the Court determines that Nilfisk should pay damages in the amount of 13.8 mEUR excluding post-judgment interest and lawyers' fees. Nilfisk disagrees with the Court's rulings, and has filed an appeal of both the summary judgment and the ruling now received on damages. Nilfisk will also file for a stay of execution of the Court's ruling on damages in due course. The appeal is further supported by external legal assessment of merit. Based on additional legal fees and external legal assessment, Nilfisk has provided for this dispute based on Executive Management Board's best estimate. The dispute with the owner of the US Distribution Center building is considered special items and will not affect Nilfisk's operating results. The Executive Management Board continues to see a degree of uncertainty related to potential costs for this claim. Depending on the final outcome an adverse decision may impact special items.

Other contingent liabilities

The Nilfisk Group is engaged in certain other disputes, legal proceedings, and inquiries from authorities, including tax authorities, the outcome of which is not expected to materially impact the Group's financial position.

§ Accounting policy

Contingent assets and liabilities

Disclosure concerning contingent assets and liabilities and when they must be recognized takes place against the background of evaluations of the expected outcome of the individual issues. These evaluations are based on legal opinions of the agreements contracted, which in significant issues also include opinions obtained from external advisors, including lawyers.

Assets are recognized when it is virtually certain that the issue will have a positive outcome for the company. A liability is recognized when it is likely that, at the balance sheet date, there will be an outflow from the Nilfisk Group's financial resources and when the liability can be reliably stated. If this is not the case, the matter is disclosed in the notes to the financial statements. Decisions relating to such situations may in future accounting periods lead to realized gains or losses that may differ significantly from the recognized amounts or disclosures.

8.4 Events after the balance sheet date

Other than as set out above, we are not aware of events subsequent to December 31, 2024 that materially affect the assessment of the consolidated financial statements.

8.5 Group companies

EMEA

Denmark	
Nilfisk Holding A/S	Denmark
Nilfisk A/S	Denmark
Nippon Investment Corporation ApS	Denmark

Rest of EMEA	
Nilfisk GmbH	Austria
Nilfisk N.V./S.A.	Belgium
Nilfisk s.r.o.	Czech Rep.
Nilfisk Oy	Finland
Nilfisk S.A.S.	France
Nilfisk-Advance Eppingen GmbH *(under liquidation)*	Germany
Nilfisk GmbH	Germany
Nilfisk Hellas Single Member S.A.	Greece
Nilfisk Production Kft.	Hungary
Nilfisk Commercial Kft.	Hungary
Nilfisk Ltd.	Ireland
Nilfisk S.p.A.	Italy
Nilfisk B.V.	Netherlands
Nilfisk AS	Norway
Nilfisk Polska Sp.z.o.o.	Poland
Nilfisk Lda.	Portugal
Nilfisk-Advance S.R.L.	Romania

Rest of EMEA (continued)	
Nilfisk s.r.o.	Slovakia
Nilfisk SA.	Spain
Nilfisk AB	Sweden
Nilfisk AG	Switzerland
Nilfisk Profesyonel Temizlik Ekipmanlari Ticaret A.S.	Türkiye
Nilfisk Trading LLC	UAE
Nilfisk Ltd.	United Kingdom
Floor Cleaning Machines Ltd.	United Kingdom
Industrial Cleaning Machines Ltd.	United Kingdom

Americas	
Nilfisk S.R.L.	Argentina
Nilfisk Equipamentos de Limpeza Ltda.	Brazil
Nilfisk Canada Company	Canada
Nilfisk Chile S.p.A.	Chile
Nilfisk de Mexico S. de R.L. de C.V.	Mexico
Nilfisk de Mexico Manufacturing S. de R.L. de C.V.	Mexico
Nilfisk S.A.C.	Peru
Nilfisk U.S Holding Inc.	US
Nilfisk Inc.	US
Nilfisk Robotics, Inc.	US
Hathaway North America Inc.	US
Nilfisk Pressure-Pro, LLC.	US

APAC	
Nilfisk Pty. Ltd.	Australia
(Dongguan) Viper Cleaning Equipment Co. Ltd.	China
Nilfisk Cleaning Equipment (Shanghai) Co. Ltd	China
Suzhou Nilfisk Research and Development Co. Ltd.	China
Nilfisk Ltd.	Hong Kong
Nilfisk India Private Ltd.	India
Nilfisk Inc.	Japan
Nilfisk Korea Co. Ltd.	Korea
Nilfisk Sdn Bhd	Malaysia
Nilfisk Limited	New Zealand
Nilfisk Pte. Ltd.	Singapore
Nilfisk Ltd. (Branch)	Taiwan
Nilfisk Co. Ltd.	Thailand
Nilfisk Company Ltd.	Vietnam
Nilfisk Ltd. (Branch)	Macau

Associates	
M2H S.A. (49%)	France
CFM Lombardia S.r.l. (33%)	Italy
Thoro LLC. (32%)	US

Ownership below 100% is disclosed in brackets.

Financial definitions

(Part of the management review - not audited)

Item	Key figures and ratios	Definition
1	Cash conversion	Cash flow from operations before financial items and income taxes as a percentage of EBITDA
2	Capital employed	Non-current assets less interest-bearing receivables, provisions, pensions, and deferred tax liabilities and working capital
3	CAPEX	Capital expenditure (investments in property, plant, and equipment, and intangible assets)
4	CAPEX ratio	CAPEX as a percentage of revenue
5	Days sales outstanding	Accounts receivables (excluding VAT), minus bad debt provision, divided by latest three months' net sales accumulated up to twelve months, and multiplied by 365
6	Diluted earnings per share	Profit (loss) attributable to shareholders of Nilfisk Holding A/S as a percentage of diluted average number of outstanding shares
7	EBITDA before special items	Earnings (profit) before interest, tax, depreciation, amortization, impairment, and special items
8	EBITDA	Earnings (profit) before interest, tax, depreciation, amortization, and impairment
9	EBITDA margin before special items	EBITDA before special items as a percentage of revenue
10	EBITDA margin	EBITDA as a percentage of revenue
11	EBIT before special items	Earnings before interest, tax, and special items (operating profit before special items)
12	EBIT	Earnings before interest and tax (operating profit)
13	EBIT margin before special items	EBIT before special items as a percentage of revenue
14	EBIT margin	EBIT as a percentage of revenue
15	Earnings per outstanding share (EPS)	Profit (loss) attributable to shareholders of Nilfisk Holding A/S relative to average number of outstanding shares
16	Equity value per outstanding share	Equity attributable to shareholders of Nilfisk Holding A/S per outstanding share at December 31
17	Financial gearing	Net interest-bearing debt divided by EBITDA before special items LTM
18	Free cash flow	Cash flow from operating activities less cash flow from investing activities
19	Free cash flow excluding acquisitions and divestments	Free cash flow plus cash flow from acquisition of businesses and less cash flow from divestment of businesses
20	Full-time equivalent (FTE)	Full-time equivalent is calculated as the number of total hours worked divided by the number of hours for a full-time worker
21	Gross margin	Gross profit as a percentage of revenue
22	Inventory days	Gross inventory divided by latest three months cost of sales excluding amortizations and service department costs accumulated up to twelve months and multiplied by 365
23	Investment ratio	Additions as a percentage of depreciations/amortizations
24	LTM	Latest twelve months
25	Net interest-bearing debt	Current and non-current interest-bearing loans and borrowings less interest-bearing receivables and cash
26	OCI	Other comprehensive income
27	Organic growth	Organic growth in local currency excluding acquisitions and divestments and foreign exchange rates
28	Overhead cost ratio	Overhead costs as a percentage of revenue
29	R&D ratio	Research and development spend as a percentage of revenue
30	Return on capital employed (RoCE)	EBIT before special items LTM as a percentage of average capital employed, calculated by taking the capital employed at December 31 and at the end of the preceding four quarters
31	Working capital	Current assets minus current and non-current liabilities (excluding interest-bearing items and provisions)
32	Working capital ratio	Average working capital LTM as a percentage of revenue

Non-IFRS financial measures

(Part of the management review - not audited)

Alternative performance measures

The Group assesses its performance using a variety of alternative performance measures which are not defined under IFRS. A reconciliation from these alternative performance measures to the nearest IFRS measure is presented below.

Organic growth

Organic growth is a measure that reflects the underlying performance of the Group. It excludes the impact of acquisitions or divestments and foreign exchange movements. Below is a reconciliation from the movement in reported revenue according to IFRS to organic growth.

	2024	2023
Revenue growth (according to income statement)	-0.6%	-3.4%
Foreign exchange	1.8%	2.9%
Other	-	0.2%
Organic growth	**1.2%**	**-0.3%**

EBITDA and EBITDA before special items

In addition to measuring financial performance of the Group based on operating profit, EBITDA and adjusted EBITDA figures are also used. We consider EBITDA to be a useful measure because it approximates the underlying performance by eliminating depreciations, amortizations, and impairment losses.

EUR million	**2024**	2023
Operating profit (EBIT)	65.5	61.2
Depreciation, amortization, and impairment	63.9	61.9
EBITDA	**129.4**	**123.1**
Special items (excl. depreciation and impairment)	6.4	9.3
EBITDA before special items	**135.8**	**132.4**

Overhead costs

Below is a breakdown of overhead costs, as presented in the income statement. Overhead costs consist of operating expenses, depreciations, amortizations, and impairment as well as other operating income and expenses.

EUR million	**2024**	2023
Research and development costs	-28.7	-27.5
Sales and distribution costs	-259.4	-251.7
Administrative costs	-76.2	-74.6
Other operating income	2.0	4.7
Other operating expenses	0.3	-2.3
Total overhead costs	**-362.0**	**-351.4**

Parent company financial statements 2024

185 **Income statement**

185 **Balance sheet**

186 **Statement of changes in equity**

187 **Notes to the parent financial statements**
187 1 Other income
187 2 Administrative costs
187 3 Fees to auditors elected at the annual general meeting
187 4 Financial items
187 5 Tax
188 6 Proposed distribution of loss for the year
188 7 Investments in subsidiaries
188 8 Prepayments
188 9 Related parties
188 10 Major shareholders
188 11 Contingent liabilities, securities, and contractual obligations
188 12 Events after the balance sheet date

189 **Accounting policies**

Income statement

for the period January 1 to December 31

EUR million	Note	2024	2023
Other income	1	2.7	3.0
Administrative costs	2, 3	-5.1	-5.2
Operating loss		**-2.4**	**-2.2**
Financial expenses	4	-6.3	-4.0
Loss before income taxes		**-8.7**	**-6.2**
Income taxes	5	2.6	-0.2
Loss for the year		**-6.1**	**-6.4**
To be distributed as follows:			
Loss attributable to shareholders of Nilfisk Holding A/S	6	-6.1	-6.4
Total		**-6.1**	**-6.4**

Balance sheet

as of December 31

EUR million	Note	2024	2023
Assets			
Investments in subsidiaries	7	215.9	216.0
Deferred tax	5	2.9	1.4
Total non-current assets		**218.8**	**217.4**
Prepayments	8	-	0.3
Income tax receivable		0.8	0.3
Receivables from Group companies	9	4.1	3.8
Total current assets		**4.9**	**4.4**
Total assets		**223.7**	**221.8**
Equity and liabilities			
Share capital		72.9	72.9
Retained earnings		-1.2	4.7
Total equity		**71.7**	**77.6**
Interest-bearing loans and borrowings		54.5	42.6
Loans from Group companies	9	96.2	100.0
Total non-current liabilities		**150.7**	**142.6**
Trade payables and other liabilities		1.3	1.6
Total current liabilities		**1.3**	**1.6**
Total liabilities		**152.0**	**144.2**
Total equity and liabilities		**223.7**	**221.8**

Statement of changes in equity

for the years ended at December 31

EUR million	Share capital	Retained earnings	Total equity
2024			
Equity, January 1	**72.9**	**4.7**	**77.6**
Loss for the year	-	-6.1	-6.1
Share option program	-	0.2	0.2
Total changes in equity	**-**	**-5.9**	**-5.9**
Equity, December 31	**72.9**	**-1.2**	**71.7**
2023			
Equity, January 1	**72.9**	**12.0**	**84.9**
Loss for the year	-	-6.4	-6.4
Exchange rate adjustments	-	-0.2	-0.2
Share option program	-	-0.7	-0.7
Total changes in equity	**-**	**-7.3**	**-7.3**
Equity, December 31	**72.9**	**4.7**	**77.6**

The total number of shares is 27,126,369 with a nominal value of 20 DKK each. The share capital is unchanged from 2023. All shares have been fully paid up and no shares carry special rights. The Nilfisk Holding A/S Articles of Association specifies no limits with respect to ownership or voting rights, and the Executive Management Board is unaware of any agreements in this regard.

See Section 3 of the consolidated financial statements for a description of the share option programs to the Executive Management Board. Changes in equity in 2024 are comprised of a loss for the year, and changes to the share option program.

No dividends are proposed for 2024.

Note 1-5

Nilfisk Holding A/S is the parent company of the Nilfisk Group.

The parent company holds transactions related to holding of the subsidiaries, see the Management Review.

1. Other income

Other income is comprised of a management fee of 2.7 mEUR (2023: 3.0 mEUR) received by Nilfisk Holding A/S.

2. Administrative costs

EUR million	2024	2023
Wages and salaries	3.2	3.1
Bonus	0.1	0.5
Long-term incentive programs	0.2	-0.2
Total staff costs	**3.5**	**3.4**
Number of full-time employees, average	2	2
Number of full time employees, year-end	2	2
Remuneration to Board of Directors	0.7	0.7
Remuneration to the Executive Management Board	2.8	2.7
Other administrative costs[1]	1.6	1.8
Total administrative costs	**5.1**	**5.2**

[1] *In addition to remuneration included in total staff costs, termination costs including salary during garden leave related to former members of the Executive Management Board were 0 mEUR in 2024 (2023: 0.3 mEUR).*

The Executive Management Board are granted short-term bonus agreements contingent upon the fulfilment of the prerequisites, goals and conditions defined in a bonus agreement and long-term incentive programs. Refer to Section 3 Remuneration of the consolidated financial statements.

3. Fees to auditors elected at the annual general meeting

EUR million	2024	2023
Deloitte:		
Statutory audit	0.2	0.2
Other assurance services	0.3	-
Total	**0.5**	**0.2**

4. Financial items

EUR million	2024	2023
Foreign exchange losses	-0.1	-0.2
Interest to Group companies	-6.2	-3.8
Total	**-6.3**	**-4.0**

5. Tax

Tax recognized in the income statement

EUR million	2024	2023
Deferred tax	-1.5	0.2
Adjustment, prior years	-1.1	-
Total	**-2.6**	**0.2**
Reported tax rate	-29.8%	-3.4%
Reconciliation of tax:		
Calculated tax of 22.0% (2023: 22%) on loss before income taxes	-1.9	-1.4
Tax effect of:		
Non-taxable income/non-deductible expenses	0.4	1.4
Adjustment, prior years	-1.1	-
Tax assets valuation allowances	-	0.2
Total	**-2.3**	**0.2**

Deferred tax assets

EUR million	2024	2023
Deferred tax assets, January 1	1.4	1.6
Deferred tax recognized in the income statement	1.5	-0.2
Deferred tax assets, December 31	**2.9**	**1.4**

Note 6-12

6. Proposed distribution of loss for the year

EUR million	2024	2023
Proposed distribution of loss for the year:		
Loss attributable to shareholders of Nilfisk Holding A/S	-6.1	-6.4
Total	**-6.1**	**-6.4**

7. Investments in subsidiaries

EUR million	2024	2023
Carrying amount, January 1	216.0	216.5
Exchange rate adjustments	-0.1	-0.5
Carrying amount, December 31	**215.9**	**216.0**

8. Prepayments

EUR million	2024	2023
Prepayments	-	0.3
Total	**-**	**0.3**

9. Related parties

Transactions with affiliated undertakings comprise the following:

EUR million	2024	2023
Non-current interest-bearing loan from Nilfisk A/S	96.2	100.0
Receivables from Group companies	4.1	3.8

Management fee of 2.7 mEUR is included in the 4.1 mEUR as a net receivable (2023: 3.8 mEUR).

Other matters of interest in relation to related parties are disclosed in Section 8 Other notes of the consolidated financial statements.

10. Major shareholders

The following shareholders holds an excess of 5% of the share capital as of December 31, 2024:

	Number of shares	Share capital
Ferd AS, Oslo, Norway	6,587,923	24.3%
KIRKBI INVEST A/S, Billund, Denmark	5,493,200	20.3%
PrimeStone Capital LLP, London, United Kingdom	1,675,034	6.2%
Danske Bank A/S, Copenhagen, Denmark	1,526,848	5.6%
Boldhaven Management LLP, London, United Kingdom	1,376,114	5.1%

11. Contingent liabilities, securities, and contractual obligations

EUR million	2024	2023
Rental guarantees	6.7	6.3

Nilfisk Holding A/S has issued rental guarantees relating to rental contracts in subsidiaries.

Nilfisk Holding A/S and all its Danish subsidiaries are subject to mandatory joint taxation. As the ultimate parent company in the Nilfisk Group, Nilfisk Holding A/S acts as the administration company of the joint taxation scheme and consequently settles all payments of tax with the tax authorities. Joint taxation contributions to/from subsidiaries are recognized under income tax related to net profit. Tax payable and tax receivable are stated under current assets/liabilities.

Nilfisk Holding A/S is liable for obligations attributable to the activities, assets, and liabilities of NKT A/S that existed at the time of demerger in 2017, which is not expected to materially impact the Group's financial position.

12. Events after the balance sheet date

No events have occurred in the period from the balance sheet date until the presentation of the financial statements that materially affect the assessment of the financial statements of Nilfisk Holding A/S.

Accounting policies

§ Accounting policy

The financial statements for the parent company are included in this Annual Report in pursuance of the requirements of the Danish Financial Statements Act.

The financial statements for the parent company are prepared in accordance with the Danish Financial Statements Act for accounting class D companies.

The financial statement for the parent company covers the period from January 1 to December 31.

The Annual Report is presented in EUR million rounded to one decimal place. The presentation currency is EUR as the Nilfisk Group's main business activities are EUR denominated.

Description of accounting policies
In relation to the accounting policies described for the financial statements of the Nilfisk Group (see Note 1.1 to the consolidated financial statements), the accounting policies of the parent company differ in the following:

Income from investments in subsidiaries
Dividends from investments in subsidiaries companies are recognized in the income statement of the parent company in the year the dividends are declared.

Investments in subsidiaries
Investments in subsidiaries are measured at cost. If there is indication of impairment, impairment testing is carried out. Where the carrying amount exceeds the recoverable amount it is written down to the recoverable amount.

Tax
Nilfisk Holding A/S and all its Danish subsidiaries are subject to mandatory joint taxation. As the ultimate parent company in the Nilfisk Group, Nilfisk Holding A/S acts as the administration company of the joint taxation scheme and consequently settles all payments of tax with the tax authorities. Joint taxation contributions to/from subsidiaries are recognized under income tax related to net profit. Tax payable and tax receivable are stated under current assets/ liabilities. Companies that use tax losses in other companies pay joint taxation contributions to the parent company equivalent to the tax base of the tax losses utilized. Companies whose tax losses are used by other companies receive joint taxation contributions from the parent company equivalent to the tax base of the tax losses utilized (full absorption).

Cash flow statement
The parent company has in accordance with the Danish Financial Statements Act, Section 86 (4) not prepared separate cash flow statements. See the consolidated cash flow statements. For the following notes, see information in the consolidated financial statements:

- Remuneration – Section 3 Remuneration
- Share capital – Note 6.4 Share Capital

Management's statement

The Board of Directors and the Executive Management Board have today considered and approved the Annual Report of Nilfisk Holding A/S for January 1 – December 31, 2024

The Annual Report is prepared in accordance with IFRS Accounting Standards as adopted by the EU and disclosure requirements for listed companies in Denmark, and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at December 31, 2024 as well as of the results of their operations and the Group's cash flows for the financial year January 1 – December 31, 2024.

In our opinion, the Management Report is prepared in accordance with relevant laws and regulations and contains a fair review of the development of the Group's and the Parent's business and financial matters, the results for the year, and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the Group and the Parent face.

The Sustainability Statements are prepared in accordance with the European Sustainability Reporting Standards (ESRS) as required by the Danish Financial Statements Act as well as article 8 in the EU Taxonomy regulation.

Furthermore, in our opinion, the Annual Report of Nilfisk Holding A/S for the financial year January 1 – December 31, 2024, with the file name: NIL-2024-12-31-en.zip is prepared, in all material respects, in accordance with the ESEF Regulation.

We recommend the Annual Report for adoption at the Annual General Meeting.

Copenhagen, February 20, 2025

Executive Management Board

Jon Sintorn
President & CEO

Reinhard Josef Mayer
CFO

Board of Directors

Göran Peter Nilsson
Chair

René Svendsen-Tune

Are Dragesund

Franck Falezan

Bengt Anders Lennart Thorsson

Ole Kristian Jødahl

Viveka Marianne Ekberg

Gerner Raj Andersen

Claus Dalmose

Nadia Roya Damiri

Marcus Faber Kappendrup

Independent auditor's report

To the shareholders of Nilfisk Holding A/S

Report on the consolidated financial statements and the parent financial statements

Opinion
We have audited the consolidated financial statements and the parent financial statements of Nilfisk Holding A/S for the financial year January 1 – December 31, 2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including material accounting policy information, for the Group as well as the Parent, and the statement of comprehensive income and the cash flow statement of the Group. The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed entities in Denmark, and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at December 31, and of the results of its operations and cash flows for the financial year January 1 – December 31, 2024, in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed entities in Denmark.

Furthermore, in our opinion, the parent financial statements give a true and fair view of the Parent's financial position at December 31, and of the results of its operations for the financial year January 1 – December 31, 2024, in accordance with the Danish Financial Statements Act.

Our opinion is consistent with our audit book comments issued to the Audit Committee and the Board of Directors.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements and the parent financial statements for the financial year January 1 – December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements and the parent financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of development projects in progress
Management conducts quarterly impairment tests to determine whether the carrying amounts of recognised development projects in progress are considered to be impaired and, hence, should be written down to the recoverable amount. Management determines the recoverable amount of development projects using a discounted cash flow model (value in use).

Key assumptions used in the impairment test are estimated revenue, estimated margin, and the applied discount rate.

The audit of the recoverable amount has been considered a key audit matter as the determination of the recoverable amount is associated with significant estimation uncertainty.

Reference is made to note 4.2 and note 4.3 to the financial statements and the accounting policies.

How the matter was addressed in our audit
We have assessed the appropriateness of valuation of development projects in progress based on the quarterly impairment tests as well as the key assumptions used in the impairment tests and the consistency thereof with the Group's accounting policies. In this context, we

- evaluated the appropriateness of Management's procedures for identifying impairment indicators and preparing impairment tests, including budget and business cases
- tested relevant internal controls related to identification and evaluation of impairment needs
- assessed the appropriateness of models and the key assumptions applied by Management to calculate the values in use and performed recalculation
- tested the assumptions applied for sensitivity and consistency as well as traced to internal and external documentation that supports the key assumptions
- assessed adequacy and appropriateness of the disclosures; Note 4.2 Impairment test and Note 4.3 Intangible Assets in the financial statements and compliance with the IFRS requirements

additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, we have not provided any prohibited non-audit services as referred to in Article 5(1) of Regulation (EU) No 537/2014.

We were appointed auditors of Nilfisk Holding A/S for the first time on October 12, 2017 for the financial year 2017. We have been reappointed annually by decision of the general meeting for a total continuous engagement period of 8 years up to and including the financial year 2024.

Statement on the Management Review
Management is responsible for the Management Review.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the Management Review, and we do not as part of the audit express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the Management Review and, in doing so, consider whether the Management Review is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, we considered whether the Management Review includes the disclosures required by the Danish Financial Statements Act. This does not include the requirements in paragraph 99a related to the sustainability statement covered by the separate auditor's limited assurance report hereon.

Based on the work we have performed, in our view, Management Review is in accordance with the consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act except for the requirements in paragraph 99a related to the sustainability statement, cf. above. We did not identify any material misstatement in Management Review.

Management's responsibilities for the consolidated financial statements and the parent financial statements
Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed entities in Denmark as well as the preparation of parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the eff effectiveness of the Group's and the Parent's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, safeguards put in place and measures taken to eliminate threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on compliance with the ESEF Regulation
As part of our audit of the consolidated financial statements and the parent financial statements of we performed procedures to express an opinion on whether the annual report of Nilfisk Holding A/S for the financial year January 1 – December 31, 2024, with the file name NIL-2024-12-31-en.zip, is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation), which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;

- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for financial information required to be tagged using judgement where necessary;

- Ensuring consistency between iXBRL tagged data and the consolidated financial statements presented in human readable format; and

- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;

- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;

- Evaluating the completeness of the iXBRL tagging of the consolidated financial statements including notes;

- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;

- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and

- Reconciling the iXBRL tagged data with the audited consolidated financial statements.

In our opinion, the annual report of Nilfisk Holding A/S for the financial year January 1 – December 31, 2024, with the file name NIL-2024-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, February 20, 2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33 96 35 56

Kirsten Aaskov Mikkelsen	Sumit Sudan
State-Authorised Public Accountant	State-Authorised Public Accountant
Identification No (MNE) mne21358	Identification No (MNE) mne33716

Independent auditor's limited assurance report on Sustainability Statements

To the shareholders of Nilfisk Holding A/S

Limited assurance conclusion
We have conducted a limited assurance engagement on the Sustainability Statements of Nilfisk Holding A/S (the "Group") included in the Management Report (the "Sustainability Statements") for the financial year January 1 – December 31, 2024.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statements is not prepared, in all material respects, in accordance with the Danish Financial Statements Act paragraph 99 a, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the management to identify the information reported in the Sustainability Statements (the "Process") is in accordance with the description set out in the subsection "Double Materiality Assessment methodology"; and

- compliance of the disclosures in subsection "EU Taxonomy" within the environmental section of the Sustainability Statements with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion
We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information, and additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the "Auditor's responsibilities for the assurance engagement" section of our report.

Our independence and quality management
We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Deloitte Statsautoriseret Revisionspartnerselskab applies International Standard on Quality Management 1, ISQM1, 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.

Other matter
The comparative information included in the Sustainability Statements of the Group was not subject to an assurance engagement on sustainability information prepared in accordance with the Danish Financial Statements Act section 99a. Our conclusion is not modified in respect of this matter.

Inherent limitations in preparing the Sustainability Statements
In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Management's responsibilities for the Sustainability Statements
Management is responsible for designing and implementing a process to identify the information reported in the Sustainability Statements in accordance with the ESRS and for disclosing this Process in the subsection "Double Materiality Assessment methodology" of the Sustainability Statements. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or

could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;

- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statements, in accordance with the Danish Financial Statements Act paragraph 99a, including:

- compliance with the ESRS;
- preparing the disclosures in subsection "EU Taxonomy" within the environmental section of the Sustainability Statements, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the Sustainability Statements that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Auditor's responsibilities for the assurance engagement

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statements are free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statements as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Process include:

- obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- considering whether the information identified addresses the applicable disclosure requirements of the ESRS, and
- designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed the subsection "Double Materiality Assessment methodology" of the Sustainability Statements.

Our other responsibilities in respect of the Sustainability Statements include:

- identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- designing and performing procedures responsive to disclosures in the sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statements.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statements.

In conducting our limited assurance engagement, with respect to the Process, we:

- obtained an understanding of the Process by performing inquiries to understand the sources of the information used by management; and reviewing the Group's internal documentation of its Process; and
- evaluated whether the evidence obtained from our procedures about the Process implemented by the Group's was consistent with the description of the Process set out in the subsection "Double Materiality Assessment methodology" of the Sustainability Statements.

In conducting our limited assurance engagement, with respect to the Sustainability Statements, we:

- obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statements including the consolidation processes by obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Sustainability Statements but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- evaluated whether material information identified by the Process is included in the Sustainability Statements;
- evaluated whether the structure and the presentation of the Sustainability Statements are in accordance with the ESRS;
- performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statements;

- performed substantive assurance procedures on selected information in the Sustainability Statements;
- evaluated methods, assumptions and data for developing material estimates and forward-looking information and how these methods were applied;
- obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statements.

Copenhagen, February 20, 2025

Deloitte

Statsautoriseret Revisionspartnerselskab
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