TO OUR SHAREHOLDERS

Anchored by a 144-year legacy, Tennant Company is pursuing its next great milestone: $1 billion in revenue by 2017. Our ambitious growth blueprint is buttressed by the scalable, efficient and innovation-focused business model that we’ve been building over much of the last decade.

We delivered a solid 2013, bolstered by our success in the continued execution of the strongest pipeline of new core products in Tennant’s history. Additionally, in 2013 we continued expansion of our strategic account business with large regional and global customers and saw significant organic growth in our emerging markets. These initiatives, along with our ongoing emphasis on operating efficiency, led to another year of higher sales and earnings.

The company’s 2013 adjusted net earnings rose to $42.6 million, or $2.26 per diluted share, on net sales of $752.0 million. This compares to 2012 adjusted net earnings of $39.7 million, or $2.08 per diluted share, on net sales of $739.0 million.

Tennant’s balance sheet is strong. The company generated $59.8 million in cash from operations in 2013 versus $47.6 million in the prior year. At year-end, we had $81.0 million of cash and $31.8 million of debt. Reflecting our ongoing commitment to enhancing shareholder value, Tennant’s annual cash dividend payout increased for the 42nd consecutive year. Tennant paid cash dividends in 2013 of $13.2 million and repurchased 434,118 shares of the company’s stock in the open market for $22.2 million.

REGIONAL SALES HIGHLIGHTS

Tennant’s higher 2013 revenues were led by strong sales in the Americas, fueled by sales of equipment in North America, including scrubbers equipped with ec-H2O™ technology, and strong growth in Latin America. We continued to build on our North America strategic accounts momentum, and we are duplicating our successful approach in the growing market of Brazil.

Sales in the Europe, Middle East and Africa (EMEA) region continued to be constrained during the year, due to challenging economic conditions. Despite this, we are encouraged that sales to strategic accounts grew 12 percent for the full year. Further, sales of our Green Machines™ outdoor sweepers rose in the 2013 fourth quarter for the first time since the 2012 first quarter. Along with the steady stream of new products we are introducing, we have made significant progress over the last two years in rightsizing our EMEA cost structure, and improving our sales and service organization. We believe we are well-positioned to take advantage of growth opportunities as the macroenvironment improves in EMEA.

Sales in the Asia Pacific region benefited from increased sales of equipment in China and also sales growth in Australia and Japan. In late 2013, we began manufacturing our first industrial product in China, the T12 rider scrubber. We also made further progress on our initiative to expand into the western part of that country, where we expect to open a sales office in 2014. We will roll out our successful North American strategic accounts structure and strategy in China in 2014 to further accelerate growth.

TOTAL SHAREHOLDER RETURN

<table>
<thead>
<tr>
<th></th>
<th>2009-2013</th>
<th>2011-2013</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 year</td>
<td>484.3%</td>
<td>185.1%</td>
<td>156.4%</td>
</tr>
</tbody>
</table>

*Stock price appreciation plus dividends, with dividends reinvested quarterly.

BRAZIL
+35%
2013 ORGANIC SALES GROWTH

CHINA
+10%
2013 ORGANIC SALES GROWTH
IMPROVING OUR OPERATIONAL EFFICIENCY

We continued to focus on building a scalable business model capable of delivering improved operational efficiency and profitability. Our efforts centered on further standardizing and simplifying global processes in the areas of pricing, invoicing and collections, and machine configuration. In addition, our focus on lean operations enhances our ability to respond more rapidly to market dynamics, consistently deliver high quality products for our customers and minimize costs to drive margin. We are leveraging our success in these areas to enhance profitability.

Gross margin of 43.3 percent in 2013 was within our target range of 43 percent to 44 percent. Adjusted 2013 operating profit margin was 8.7 percent compared to 8.5 percent a year ago. We remain committed to attaining a 12 percent or greater operating profit margin. We believe that our plan to accelerate revenue growth while maintaining the discipline we’ve established will help us reach this goal.

SELLING & ADMINISTRATIVE EXPENSE AS A PERCENT OF SALES*

*As adjusted

A BLUEPRINT FOR REACHING $1 BILLION IN REVENUE

We are very excited to be in a position to drive growth and leverage the business model we’ve built over the past five years. We believe our plans to grow to $1 billion in revenue and achieve a targeted 12 percent operating profit margin or above are within our reach. Our growth blueprint lays out three key strategies to success:

1) NEW MARKETS AND NEW CUSTOMERS

The marketing investments that we have made over the last four years are paying off, especially in the area of analytics. We now can identify by geography, vertical market and customer where we are well represented, underrepresented and not represented at all. This allows us to: better and cost-effectively target our customer acquisition investments; add sales, service and channel resources against the biggest opportunities; and arm our sales group with detailed information about active opportunities. As a result, we see significant opportunities to grow in key existing global vertical markets — such as the industrial, retail, education and healthcare sectors — where Tennant’s value proposition is a strong one. We began ramping up these investments in the 2013 second half.

2) DELIVER WHAT WORKS

STRONG PRODUCT AND TECHNOLOGY PIPELINE

Innovative products and technologies are significant drivers of Tennant’s revenues. Sales of new products unveiled in late 2012 and 2013 rose steadily from 2 percent of total equipment sales in the 2013 first quarter to 8 percent in the 2013 fourth quarter. This shows the impact of new products, as we complete our launches and demand accelerates.

Major new core equipment product launches in 2013 included the: T12 rider scrubber, which is the first new product in our redesigned modular large equipment portfolio; T3 orbital scrubber, which provides a detergent-free way to clean and strip floors; and B10 rider burnisher, which enables rapid
cleaning and polishing of large areas. These new offerings are engineered to improve the customers’ cleaning performance and operator safety, lower operating costs and reduce environmental impact.

We continue to execute the most robust new product and technology pipeline in the company’s history and are well on our way to achieve our goal to launch 100 new products between 2012 and 2016. In 2012, Tennant introduced 17 new products. In 2013, we launched 20. We are on track to roll out more than 63 additional new industrial and commercial products by 2016.

Looking ahead, the 16 new core equipment products planned for launch in 2014 include a new line of walk-behind burnishers and the second product in our redesigned modular large equipment portfolio. The majority of Tennant’s new products will be manufactured on modular equipment platforms. Modularity allows us to offer a wider range of possible machine features more efficiently and cost effectively and enhances our speed-to-market.

ORBIO ON-SITE GENERATION
The Orbio Technologies Group from Tennant Company continues to develop sustainable technologies that deliver on-site generation (OSG) of cleaning and antimicrobial solutions. The processes involved in using traditional packaged chemicals are costly, and pose environmental and health hazards. Our OSG solves those problems by turning ordinary tap water and salt into highly effective cleaning solutions.

Our first OSG product was the Orbio® 5000-Sc. We will introduce the Orbio os3 in the first half of 2014. Compact enough to fit in a janitor’s closet, the os3 system creates an on-site and on-demand effective cleaning solution and a disinfecting/sanitizing solution that meets U.S. EPA regulatory guidelines for disinfection and sanitization. Tennant remains committed to being an industry innovation leader and aims to set the standard for sustainable cleaning around the world.

3) DON’T LOSE SIGHT OF DISCIPLINE WE’VE ESTABLISHED
We believe that Tennant is well-positioned with the many growth levers we have in place. We will continue to focus on and improve our global business processes, enhance our lean operations and minimize our cost structure. We will carefully monitor our progress, continue managing our investments with discipline and seek to accelerate our timeline wherever possible.

A BRIGHT FUTURE AHEAD
Our hard work over the last several years to build a scalable business model has brought us confidently to this point. We now stand on the cusp of reaching a significant and compelling milestone. We believe all drivers are in place to achieve our exciting and ambitious goal of $1 billion in revenue by 2017 while achieving a 12 percent or greater operating profit margin. The time is right for Tennant Company to claim its future, and we are ready to take this great company to unprecedented heights.

Sincerely,

Chris Killingstad
President and Chief Executive Officer

March 2014
## Financial Highlights

### For the Year

<table>
<thead>
<tr>
<th></th>
<th>Reported 2013</th>
<th>Reported 2012</th>
<th>Adjusted 2013</th>
<th>Adjusted 2012</th>
<th>Adjusted % change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$752,011</td>
<td>$738,980</td>
<td>$752,011</td>
<td>$738,980</td>
<td>1.8%</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>$62,403 (1)</td>
<td>$62,703 (2)</td>
<td>$65,420 (6)</td>
<td>$62,679 (6)</td>
<td>4.4%</td>
</tr>
<tr>
<td>% of net sales</td>
<td>8.3%</td>
<td>8.5%</td>
<td>8.7%</td>
<td>8.5%</td>
<td>–</td>
</tr>
<tr>
<td>Net earnings</td>
<td>$40,231 (1)</td>
<td>$41,584 (2)</td>
<td>$42,587 (6)</td>
<td>$39,703 (6)</td>
<td>7.3%</td>
</tr>
<tr>
<td>% of net sales</td>
<td>5.3%</td>
<td>5.6%</td>
<td>5.7%</td>
<td>5.4%</td>
<td>–</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>$2.14 (1)</td>
<td>$2.18 (2)</td>
<td>$2.26 (6)</td>
<td>$2.08 (6)</td>
<td>8.7%</td>
</tr>
<tr>
<td>Dividends per share</td>
<td>$0.72</td>
<td>$0.69</td>
<td>$0.72</td>
<td>$0.69</td>
<td>4.3%</td>
</tr>
<tr>
<td>Average shares outstanding - diluted</td>
<td>18,833,453</td>
<td>19,102,016</td>
<td>18,833,453</td>
<td>19,102,016</td>
<td>-1.4%</td>
</tr>
</tbody>
</table>

### Financial Highlights by Product Type and Geography

#### 2013

- **EQUIP.** $444.8M
- **COATINGS.** $285.9M
- **SVC. & P/C.** $21.3M
- **AMERICAS.** $514.5M
- **APAC.** $80.3M
- **EMEA.** $157.2M

#### 2013

- **EQUIP.** $444.8M
- **COATINGS.** $285.9M
- **SVC. & P/C.** $21.3M
- **AMERICAS.** $514.5M
- **APAC.** $80.3M
- **EMEA.** $157.2M

(1) 2013 includes restructuring charges of $3,017 pretax ($2,958 aftertax or $0.15 per diluted share), and a tax benefit of $52 ($0.03 per diluted share) related to the retroactive restatement of the 2012 U.S. Federal Research and Development Tax Credit.

(2) 2012 includes a gain on sale of business of $454 pretax ($286 aftertax or $0.02 per diluted share), restructuring charges of $716 pretax ($297 aftertax or $0.04 per diluted share) and tax benefits from an international entity restructuring of $2,043 (or $0.11 per diluted share).

(3) 2011 includes a product line obsolescence charge of $4,189 pretax ($3,811 aftertax or $0.20 per diluted share) and an international executive severance charge of $1,217 (or $0.06 per diluted share).

(4) 2010 includes a tax benefit from the international entity restructuring of $10,913 (or $0.56 per diluted share), a workforce redeployment charge of $1,671 pretax ($1,296 aftertax or $0.06 per diluted share), an inventory revaluation from change in functional currency designation due to international entity restructuring of $647 pretax ($453 aftertax or $0.02 per diluted share) and a revision of our 2008 workforce reduction reserve of $277 pretax ($173 aftertax or $0.01 per diluted share).

(5) 2009 includes a non-cash goodwill impairment charge of $48,363 pretax ($42,289 aftertax or $2.29 per diluted share), a benefit from a revision in 2009 to the 2008 workforce reduction charge of $1,328 pretax ($1,249 aftertax or $0.07 per diluted share), a net benefit from a United Kingdom business reorganization of $1,864 aftertax (or $0.10 per diluted share), and discrete net favorable tax items of $644 aftertax (or $0.04 per diluted share).

(6) 2011, 2012, 2011, 2010 and 2009 Adjusted amounts exclude items (1), (2), (3), (4) and (5) above, respectively.
Tennant Company, a Minnesota corporation that was founded in 1870 and incorporated in 1909, is a world leader in designing, manufacturing and marketing solutions that help create a cleaner, safer, healthier world. The Company’s floor maintenance and outdoor cleaning equipment, chemical-free and other sustainable cleaning technologies, coatings and related products are used to clean and coat surfaces in factories, transportation facilities, public venues, warehouses, retail, education, healthcare, office buildings, parking lots and streets, and other environments. Customers include building service contract cleaners to whom organizations outsource facilities maintenance, as well as end-user businesses, healthcare facilities, schools and local, state and federal governments that handle facilities maintenance themselves. The Company reaches these customers through the industry’s largest direct sales and service organization and through a strong and well-supported network of authorized distributors worldwide. Tennant has manufacturing operations in Minneapolis, Minn.; Holland, Mich.; Louisville, Ky.; Uden, The Netherlands; the United Kingdom; São Paulo, Brazil; and Shanghai, China. It sells products directly in 15 countries and through distributors in more than 80 countries.

Forward-Looking Statements
This annual report contains certain statements that are considered “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “project,” or “continue” or similar words or the negative thereof. These statements do not relate to strictly historical or current facts and provide current expectations of forecasts of future events. Any such expectations or forecasts of future events are subject to a variety of factors. We caution that forward-looking statements must be considered carefully and that actual results may differ in material ways due to risks and uncertainties both known and unknown. Information about factors that could materially affect our results can be found in Part I, Item 1A, Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2013. Shareholders and potential investors are urged to consider these factors in evaluating forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements.

We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Investors are advised to consult any further disclosures by us in our filings with the Securities and Exchange Commission and in other written statements on related subjects. It is not possible to anticipate or foresee all risk factors, and investors should not consider any list of such factors to be an exhaustive or complete list of all risks or uncertainties.