

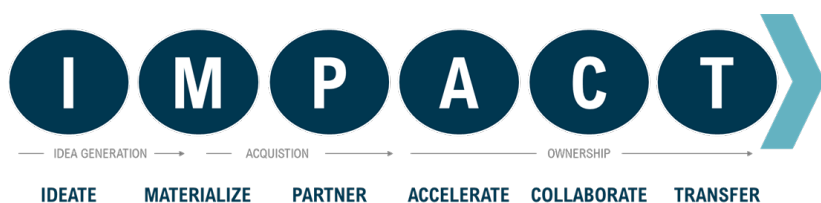
## CASE EXAMPLE: NORDOMATIC

Creating an impact leader in smart buildings



### From sourcing to lasting impact

Trill Impact's proprietary I.M.P.A.C.T. approach provides a robust approach integrating private equity and impact management throughout the investment life cycle. Below we have summarized our journey, from an impact perspective, with Nordomatic to date.



### IDEATE

Trill Impact quickly identified Nordomatic as an attractive investment, from our perspective Nordomatic benefits from favorable market growth and regulatory trends, evidenced by increased demand from property owners and tenants for improved energy efficiency and indoor climate as well as stricter reporting requirements. We recognized distinct operational value creating areas, including strengthening of the service business. With several proprietary inroads to the company, industrial advisors and previous experience with similar businesses, Trill Impact was well connected and educated about the company and the sector.

Trill Impact analysed and concluded that Nordomatic's products and services directly contribute to the following SDG targets and goals:

#### Primary

**#7.3** By 2030, double the global rate of improvement in energy efficiency

#### Supporting

**#9.4** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes

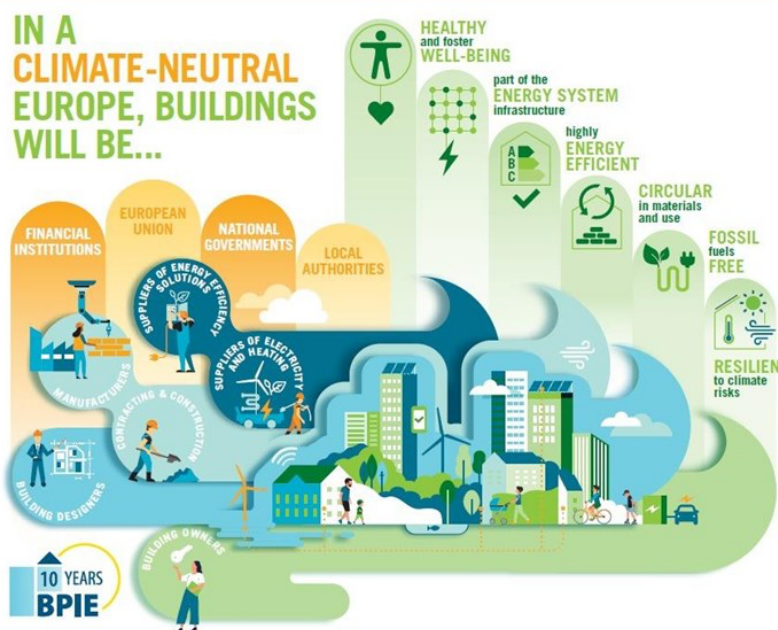
**#13.3** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning



## MATERIALIZIZE

To gain deeper knowledge into all commercial, operational, and financial aspects of Nordmatic - to understand risks and value creating levers - a due diligence process was conducted, including an in-depth analysis of Nordomatic's current and potential contribution to the SDGs in an EU context. In line with our standard approach, the analysis was based on the Impact Management Project's (IMP) five dimensions of impact. The assessment concluded how Trill Impact could support Nordomatic to achieve its full impact potential as part of the value creation plan. Industrial advisors and Trill Impact's dedicated impact experts at Nordea supported the process.

## AN ACTION PLAN FOR THE RENOVATION WAVE: COLLECTIVELY ACHIEVING SUSTAINABLE BUILDINGS IN EUROPE



## PARTNER

For Trill Impact it's critical that the fund and the portfolio company's interests are aligned. Therefore, several collaborative workshops were conducted before signing to discuss how management's

expertise and company culture, combined with Trill Impact's approach, can accelerate Nordomatic's value creating growth and impact plan to become the industry impact leader.

Key actions and related Impact and ESG KPIs were agreed in an Impact roadmap as part of the value creation plan. The KPIs were designed to demonstrate impact and benefit Nordomatic's stakeholders, including customers and employees. The intention was to ensure focus, progress, and quick wins in the implementation phase.

Impact roadmap – key efforts		Impact KPIs	Nordomatic financing impact topics
1	<b>Make a substantial contribution to more energy efficient buildings</b> <ul style="list-style-type: none"> <li>Track energy savings for each product or service segment and optimise customers' energy use</li> </ul>	Energy use and CO <sub>2</sub> avoided by customers (kWh and CO <sub>2</sub> e)	
2	<b>Enable smart, sustainable cities through healthier and more productive buildings</b> <ul style="list-style-type: none"> <li>Scale smart solutions across existing and new markets</li> </ul>	Installed base of Managed BMS Systems (# of connected assets)	
3	<b>Support the transition to green jobs</b> <ul style="list-style-type: none"> <li>Develop employee skills and competence to advise on energy and smart solutions</li> </ul>	Capacity to sell/implement energy efficient and smart solutions (% improvement in eNPS)	Fund revolvers ESG topics
ESG roadmap – key efforts		ESG KPIs	
4	<b>Reduce GHG emissions in line with the goals of the Paris Agreement</b> <ul style="list-style-type: none"> <li>Implement a climate plan aligned to the Science Based Targets</li> </ul>	GHG emissions reduction, % from baseline (CO <sub>2</sub> e)	
5	<b>Accelerate gender equality in the workplace</b> <ul style="list-style-type: none"> <li>Implement a gender diversity plan based on SHE Index<sup>2</sup> guidance</li> </ul>	Gender diversity and proactive diversity measures (% improvement in SHE Index <sup>1</sup> )	
6	<b>Foster an ethical organizational culture</b> <ul style="list-style-type: none"> <li>Implement a whistleblower system and related processes</li> </ul>	Whistleblower system and monitoring of ethical performance (% improvement in eNPS)	

## ACCELERATE

Post-closing, a clear governance structure and a strong board with relevant industry competencies were composed to support and guide management on their journey.

Nordomatic finalized the Impact roadmap, including annual and long-term targets with related actions. Trill Impact provided tools, expertise, and support as needed. The targets were integrated into Nordomatic's as well as Trill Impact's incentive programs. Successful impact performance was also linked to financing interest rebates.

The Acceleration phase was very interactive to build a strong relationship with management, get to know the customers, the wider team, and other key stakeholders in our ambition to bring out the best of the organization and address more challenging areas immediately.

Finalizing the Impact roadmap included validating the KPIs with industry experts and defining the baseline for each KPI, set up processes for measuring the relevant, but not always easy to measure, KPIs, and finally project very ambitious but still realistic targets. It wasn't always that easy, but in the end – as the CEO, Olov Schagerlund concluded the roadmap...

" Creates meaning for our employees, value for our climate smart customers and not least reduced funding costs for Nordomatic. Talk about win-win-win-win (the fourth is the win for our planet) "



## COLLABORATE

We are now on our joint journey. Trill Impact has a collaborative approach, providing support, tools, and expertise to accelerate impact and value creation, even supporting the dialogue with Nordomatic's customers when valuable from Nordomatic's point of view.

We believe measuring financial and impact progress is critical for continuous improvement and success. Impact and ESG performance are reported quarterly and discussed frequently in the Board, as it is the core of the business and operational excellence.

Any deviations from targets are identified early and are acted on. For the most recent external update on Nordomatic's impact journey, see their Sustainability report.

Focus area	Material aspects	Targets 2025	Targets 2030	KPIs
<b>Open Innovation within Smart Buildings</b>	<ol style="list-style-type: none"> <li>1 Reduce energy consumption for Property owners</li> <li>2 Innovate Smart buildings providing best in class comfort for users</li> <li>3 Efficient resource management of buildings by our customers</li> </ol>	<p>150,000 tonnes of CO<sub>2</sub> emissions avoided by customers</p> <p>530,000 connected Smart assets</p>	<p>300,000 tonnes of CO<sub>2</sub> avoided by customers</p> <p>1,000,000 connected Smart assets</p>	<p>CO<sub>2</sub> emissions avoided by our customers</p> <p>Number of connected Smart assets</p>
<b>Practicing responsibility throughout our value chain</b>	<ol style="list-style-type: none"> <li>4 Human rights &amp; Material sourcing</li> <li>5 Business Ethics</li> <li>6 Customer Privacy &amp; Security</li> <li>7 Reduce Nordomatic's own Carbon Footprint</li> </ol>	<p>12.5% reduction in CO<sub>2</sub> vs. 2020</p> <p>100% of employees aware and act in line with Code of Conduct</p>	<p>Be perceived as the most sustainable alternative in our business</p>	<p>Own CO<sub>2</sub> emissions</p> <p>eNPS "Do you know the content of Nordomatic's Code of Conduct and do you act in line with the content?"</p>
<b>Be the most attractive employer</b>	<ol style="list-style-type: none"> <li>8 Development and training of our employees</li> <li>9 Increase the share of women</li> <li>10 Employee Health &amp; Safety</li> <li>11 Diversity &amp; Inclusion</li> </ol>	<p>50 eNPS score re employee's involvement in Nordomatic becoming a Impact Leader.</p> <p>45 overall eNPS score</p> <p>60 SHE Index score</p>	<p>By 2030 have the highest eNPS score in our industry</p>	<p>eNPS re employee's involvement in Nordomatic becoming a "Green impact leader"</p> <p>Overall eNPS score</p> <p>SHE Index</p>

## **TRANSFER**

When the time has come to part ways with Nordomatic, we will together with management, consider how the impact mission can be further developed and anchored in a new ownership setting, as Trill Impact's ambition is to create lasting positive impact.

The total actual impact generated will be assessed versus the Impact roadmap and targets with any deviations evaluated and learned from. The results will be communicated to Trill Impact investors and other stakeholders.