

Deep dive: Nordomatic IMP Assessment

Nordomatic - Five dimensions of impact

Trill Impact uses the Impact Management Project's (IMP) five dimensions of impact, integrated with a proprietary rating methodology to assess how Trill Impact can support potential portfolio companies to achieve their full impact potential as part of their value creation plan. Industrial advisors and Trill Impact's dedicated impact and ESG experts support the process. See below a summary of the IMP assessment of Nordomatic.

IMPACT MANAGEMENT PROJECT

WHAT: Is there a positive impact? How important is the impact?

All of Nordomatic's revenues are generated from products and services relating to Building Management Systems (BMS), which are recognized by the EU Taxonomy for Sustainable Activities as providing a significant contribution to mitigating climate change. As buildings represent 40% of the energy use and 36% of GHG emissions in the EU, the impact was deemed important.

WHO: Which stakeholders benefit from the impact? How underserved are they?

The planet ultimately benefits from reduced energy consumption resulting in lower GHG emissions. The planet is underserved as recent increases in energy consumption have pushed the EU off track to meet its 2020 and 2030 energy efficiency and effort-sharing emissions targets. Property owners directly benefit from the increased energy efficiency of their property portfolios, as 75% of the EU building stock is inefficient, with only 1% renovated each year.

HOW MUCH: What is the scale of the impact, degree of improvement, and how long does it last?

- **Scale:** In 2019 Nordomatic helped customers avoid CO2 emissions at scale, totaling 58,600 tonnes of avoided CO2 emissions, through their products and services. We believe that Nordomatic can scale the footprint of energy savings and avoid CO2 emissions of property portfolios beyond the Nordics, across Europe.
- **Depth:** The European technical standard for BMS evidenced an average 20% increase in the energy efficiency of buildings with Nordomatic's advanced BMS products vs. standard BMS products.

- **Duration:** The average BMS lasts for about 15 years; removing Nordomatic's advanced BMS would bring building energy consumption of buildings to previous levels.

CONTRIBUTION: How unique is the company in its impact contribution?

The European technical standards for BMS evidenced that Nordomatic's high energy performance BMS software, Ecopilot and Smart-Heating, could achieve an even greater depth of energy savings than both advanced and standard BMS solutions. This was also evidenced through client case studies.

As part of the business plan, Trill Impact highlighted three main areas of action to support Nordomatic in achieving its full impact potential:

- Make a substantial contribution to more energy-efficient buildings
- Scale smart solutions for healthier and more productive buildings;
- Support the EU's transition towards green jobs.

RISK: How material are the risks that might impede proved impact?

Impact risks and mitigation measures were identified as part of the due diligence process. Based on the impact risks and ESG risks (incl. Principle Adverse Impacts*) and opportunities identified, we created an indicative Impact roadmap with a view to mitigate the risks and achieve the impact vision.

** Defined by the EU as "negative, material, or likely to be material effects on sustainability factors that are caused, compounded by, or directly linked to investment decisions and advice performed by the legal entity."*