

2022 Sustainability & Financial Report

Europe's leading system integrator focusing on
smart buildings and energy efficiency



nordomatic



THE GLOBAL GOALS

Table of contents

About Nordomatic	4
A word from our CEO	6
We are Nordomatic	8
Who we are	8
What we do	10
Our Solutions	12
Reference cases	14
Sustainability report	18
Our Value Creation Model	19
Sustainability Governance and Strategy	23
Sustainable Development Goals	24
Our Stakeholders	26
Materiality analysis	26
Open Innovation within Smart Buildings	28
Practicing responsibility throughout our value chain	29
Be the most attractive employer	30
Corporate Governance report	32
Financial report	36
Order intake, backlog, and revenue	36
Gross margins and EBITA margins	37
Work in Progress (WIP) and other KPIs	38
Income Statement and Balance Sheet	40
Historic performance and strategic outlook	42
Global Impact Pioneer of Smart Buildings	44

Design och produktion: Roxx Communication Group
Tryck: Ätta.45 Tryckeri.





An aerial photograph of a dense, lush green forest. A light-colored, unpaved road or path winds through the middle of the forest, curving from the right side towards the left. The trees are tall and closely packed, creating a textured canopy of various shades of green. The lighting suggests a bright day, with some areas of the forest floor appearing slightly brighter than others.

About Nordomatic

An aerial photograph of a dense, lush green forest. A narrow, light-colored path or stream winds through the trees, creating a sense of depth and movement. The trees are tall and closely packed, with varying shades of green indicating different species and light exposure.

About Nordomatic

Nordomatic has more than 50 years of experience in building automation. We are Europe's leading system integrator, focusing on Smart Buildings and energy efficiency, serving the largest and most demanding private and public property owners.

Nordomatic has more than 700 talented employees across over 25 service points in Sweden, Denmark, Norway, the UK, the Netherlands and Belgium. With our Smart Cloud services, we reach customers in 26 countries on 4 continents.

A word from our CEO

During 2022, Nordomatic has continued to expand; order intake and order backlog are at record levels at the end of the year. We have also acquired six flourishing companies. Some of the acquisitions have been transformational as we have established platforms outside of Scandinavia. This has been our first crucial step towards our vision to become a Global Impact Pioneer of Smart Buildings. Another transformational move has been to acquire the IoT (Internet of Things) platform company Altacogni AB in Sweden, as well as the Workplace SaaS (Software as a Service) company Spica Technologies Ltd in Birmingham UK. With Nordomatic Smart Cloud services we now reach customers in 26 different countries in 4 continents!

Today, Nordomatic is well established as the leading Smart Building System Integrator in Europe, with a market-leading position in every region we operate. Based on our 56 years of operational experience, a thorough ESG (Environmental, Social and Governance) agenda, and a broad and competitive product portfolio, we continue our journey as a trusting partner to the largest and most demanding property owners and occupants.

In 2022, we achieved significant improvements in the Integration project business, and we have expanded our healthy Service business. We have also transformed the PropTech market with our advanced SaaS platforms. Nordomatic is today one of the largest players in the market with more than 1,100,000 connected smart assets and pure SaaS ARR (Annual Recurring Revenue) of more than SEK 50 million per year. Together, this forms a strong and resilient base coupled with thrilling fast-growing, next generation digital services.

Nordomatic is a growth machine, and our ambitious business plan puts a lot of focus on our ability to attract, retain and develop our staff. People & Culture is a prioritized area for us. This area involves specialists, managers, and every individual contributor in the company. Several initiatives, such as "One Company – One Culture", have been launched in 2022 and we aim to provide every employee the opportunity to experience an individual growth journey along with the growth of Nordomatic.

Our managers hold a lot of responsibility for their team's personal growth, but everyone else is also expected to perform personal leadership in building their own careers. Nordomatic Academy has been re-launched in the year 2022 and this project has reached more than 240 candidates on 17 different occasions. The Nordomatic Academy curriculum covers everything from onboarding classes to management principles, sales excellence, BMS basics, etc.

Environmental, Social, and Governance (ESG) is now playing a more prominent role in how companies around the globe operate, and this also affects how investors choose to invest. It is with great pride that I see a magnificent contribution from Nordomatic in this area. Together with our majority shareholder, Trill Impact, we have integrated ESG into the Nordomatic business plan and we have set clear and ambitious Impact KPI targets for 2025 and 2030. We can already see that Nordomatic's activities have turned into real results.

Energy efficiency optimization using modern technology is a great way for property owners to save costs and reduce their carbon footprint. In 2022, Nordomatic's core business streams have

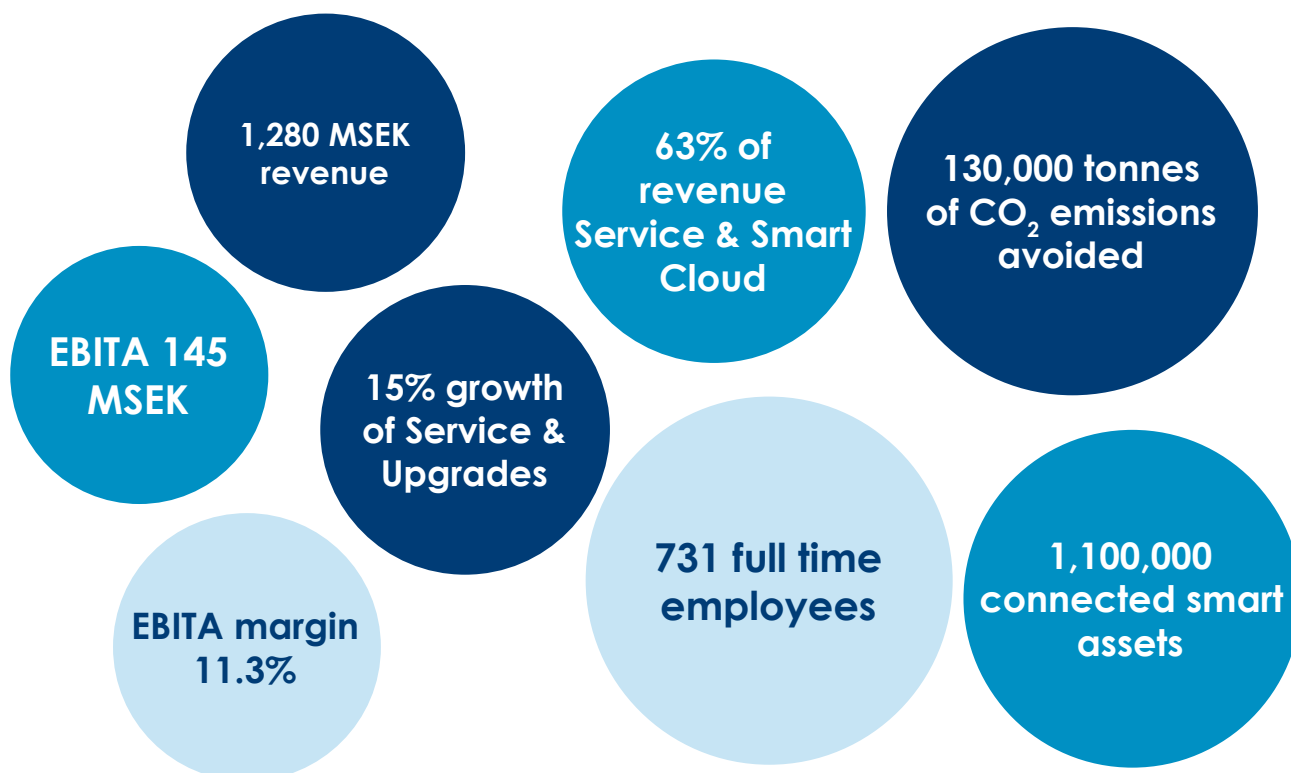
directly contributed to 130,000 tonnes of CO₂ emissions being avoided by our customers! The more business Nordomatic does, the better for our planet!

I hope that you find the reading of this report interesting and inspiring. I know that our investors like it, that our customers value it, and I sincerely hope that it brings meaning and purpose to all our employees that perform important, value-creating work every day, for us, for our customers, and for the planet!



OLOV SCHAGERLUND
President & CEO

Key KPIs for the year 2022:



We are Nordomatic

Who we are

At Nordomatic, we accelerate the market change towards open technologies, climate, and social sustainability. Our mission is to integrate technology, adding smartness to buildings. Our vision is to be a Global Impact Pioneer of Smart Buildings.

We want to create a “one-company – one culture”. We look for innovation and ambition in the people who want to contribute to our solutions that push sustainability and technology further.

We welcome people with a wide range of professional backgrounds, and we support your continued learning and development through Nordomatic Academy, where we offer the training needed for you to stay on top of the challenges and in front of the opportunities.

The complexity of the solutions and services we offer requires us to collaborate internally. Each of us is skilled in what we do, and we are designing the best possible solution based on an in-depth understanding of our customers' needs.



1 We build on **TRUST** and long-term relationships.

2 We take **ACTION** on both opportunities and challenges.

3 We deliver **VALUE** by using our experience and our expertise.

We are Nordomatic

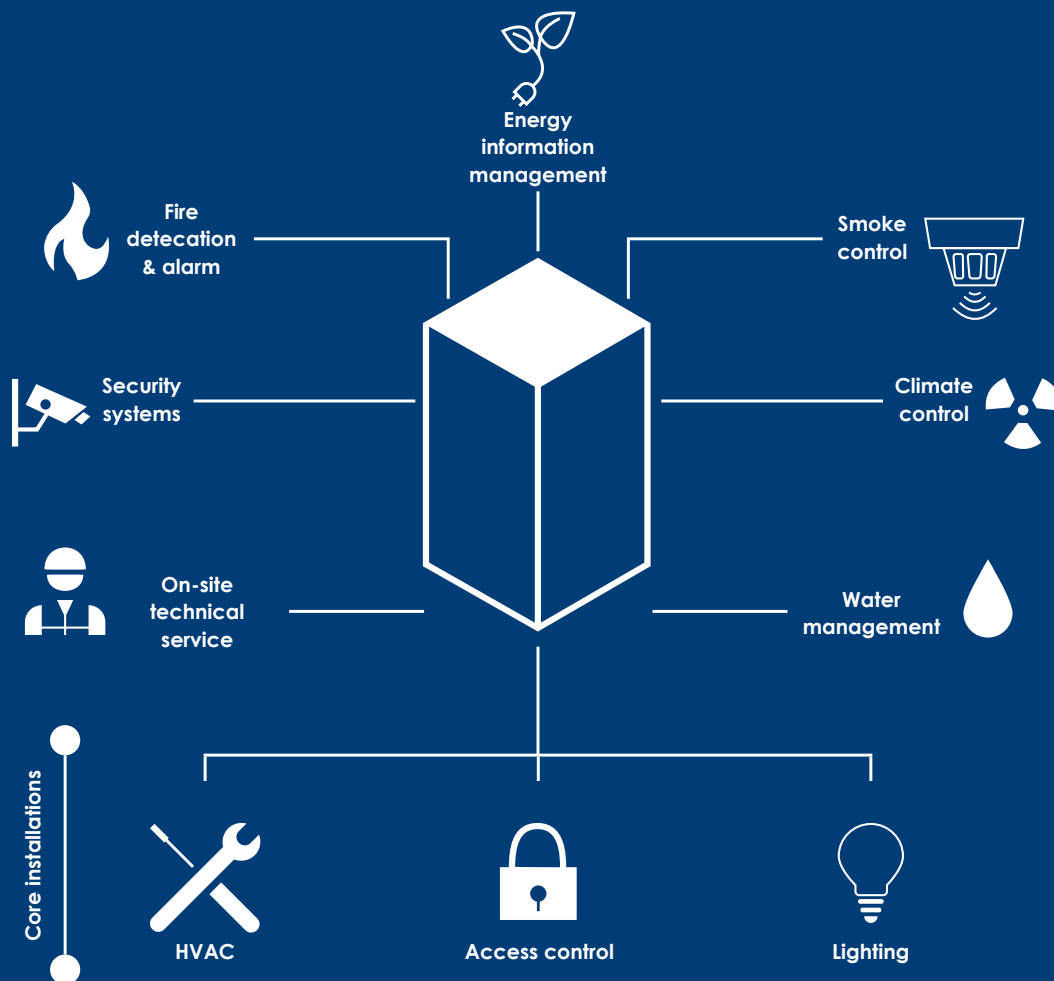
What we do

Nordomatic exists to accelerate an open and sustainable future. We offer BMS (Building Management Systems) and Smart Building Services to property owners, facility managers, and construction companies. These technologies help customers to reduce carbon emissions, cut costs and improve employee well-being.

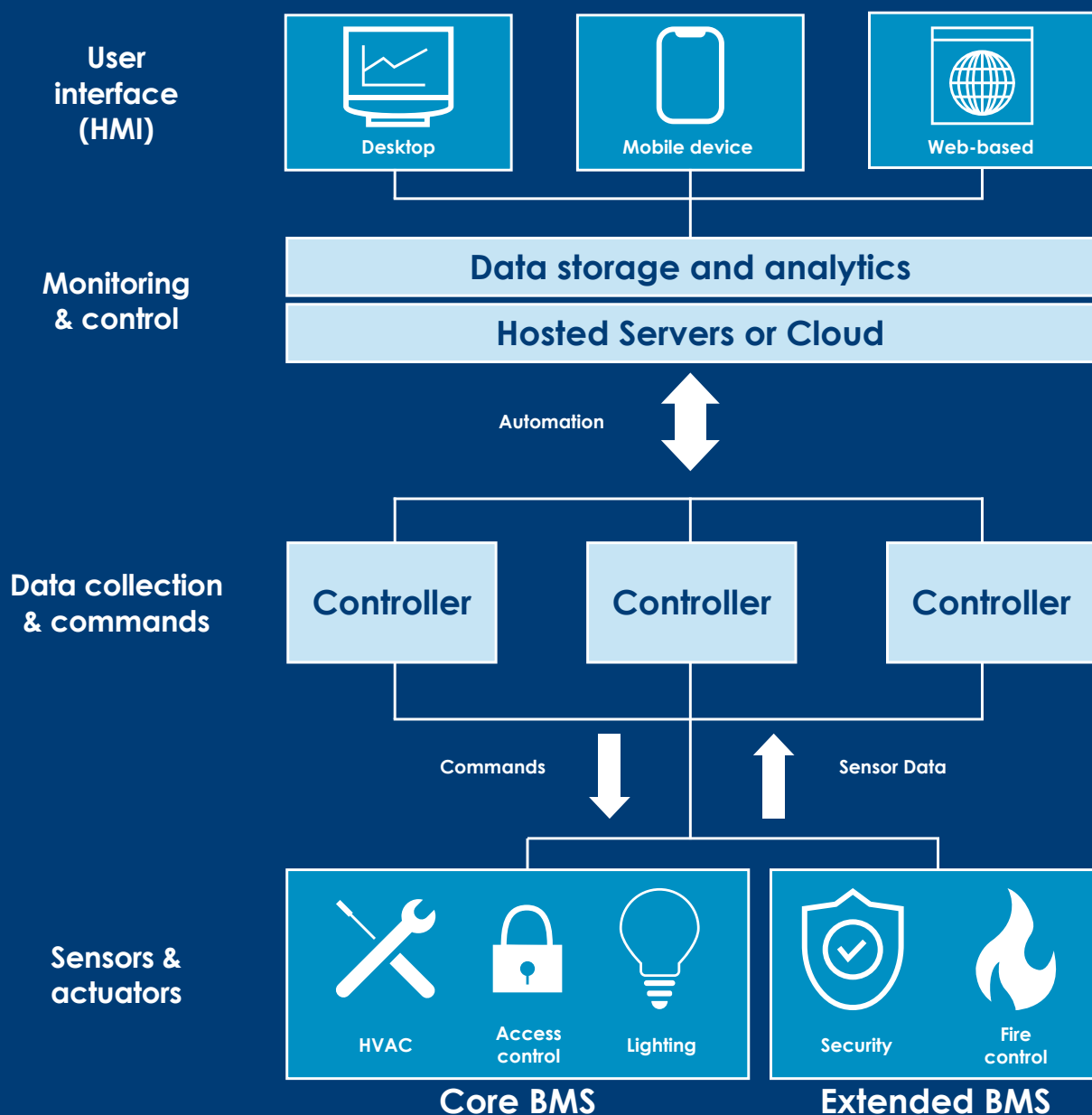
A Building MANAGEMENT SYSTEM is an integration of various systems into a common platform for better control of indoor climate optimization and temperature. This enables our customers to optimize energy consumption and comply with CO₂ reduction requirements.

This is how a building management system (BMS) functions.

Modern buildings contain a complex set of technical installations



The BMS (Building Management System) monitors and controls one or several buildings' technical installations



- Modern buildings contain a large number of technical installations, sensors and equipment from various suppliers.
- For the building's systems to function optimally, they need to be interconnected, centrally monitored and controlled.
 - If not, different systems may counteract each other, e.g. heating and air-conditioning running simultaneously.
- BMS are computer-based control systems installed in buildings to monitor and control the technical installations ensuring optimal functionality efficiently.
- BMS are critical for managing energy usage and are most common in larger buildings with extensive technical installations.

We are Nordomatic

Our solutions



BMS Smart Cloud

Smart Cloud and SaaS (Software as a Service) provide a wide range of new opportunities for property owners to reduce energy consumption, improve indoor air quality, and provide necessary data and analytics to certify buildings and operations according to LEED, BREEAM, WELL, etc.

Spica is the Smart Cloud division of Nordomatic, delivering solutions to properties around the globe.

Spica Energy

Spica Energy powered by Ecopilot® is an online service and software solution that collects data from sensors in a building and optimises energy consumption while securing a good indoor air quality level. The data is collected from many diverse sources and the Ecopilot engine uses machine learning to optimally control the BMS.

Spica Connect

Spica Connect powered by Yanzi® is our basic Smart Cloud service and offers an industry-grade, IT-secure way of connecting one or several local BMS systems to the Cloud. The service allows the user to connect from any smartphone or tablet platform and access value-add services such as:

- Portfolio overview
- Alarm handling
- Monitoring
- Trend analysis
- Data analytics, and operational improvements.

Spica Workplace

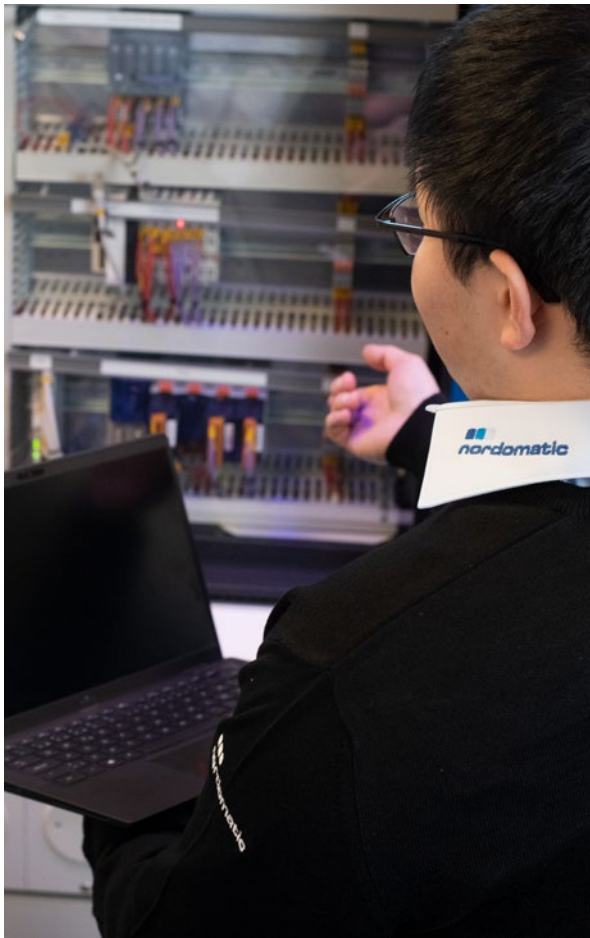
Spica Workplace encompasses our cloud-based services for improving the built environment for corporate office spaces. Smart wireless IoT sensors provide huge amounts of data together with the usage of the building, and the Spica Workplace solution is powered by a back-end software platform GemEx® as well as a user app named Luna. The user experience is exceptional and the solution provides booking capabilities, smart cleaning analytics, access control, etc.

BMS Service & Upgrade

Nordomatic provides a comprehensive range of BMS services when upgrading projects, preventing errors, and efficiently maintaining existing BMS installations.

As an independent system integrator, we always try to present an upgrade solution that is cost-effective as well as future-proof. We have uniquely broad expertise from at least 20 different HVAC/BMS brands. This expertise is channeled through our Service Excellence Centre, which supports our field service technicians in real-time and on-site.

Nordomatic is happy to present a service contract, including access to our Service Excellence Centre, in order to offer preventive service actions and fast response call-out service, if necessary. You are welcome to contact us for a presentation of a valuable service contract proposition!



BMS Integration

Nordomatic is product and system agnostic, and we are one of the most experienced integrators in Europe, with many of the market's largest and most complicated reference buildings.

We plan, design, purchase, manage, integrate, and commission the solution – a complete turnkey solution. For every project, we provide straightforward, cost-effective, and standardized out-of-the-box solutions to ensure that your building is well cared for. The Nordomatic Way is a quality system certified according to ISO9001 that provides the basis for an efficient project management process.

We are Nordomatic

Reference cases

A large, blue, three-dimensional 'Atos' logo is mounted on the white facade of a modern building. The logo is positioned above a series of windows. The sky is clear and blue.

Atos, the Uk



The addition of Sensor Technology to our FM Digital portfolio underpins our Real Estate strategy and decision-making, the clarity of in-office display screens and the ability to quickly analyze occupancy trends enables clear and precise data supporting business case decisions relating to Real Estate disposals, consolidations, and acquisitions as well as giving staff the opportunity to occupy a suitable location within the office to suit their personal environmental preferences. The collaborative approach between all parties in the proposal, implementation and agreed fully managed

service has delivered a great scalable solution."
- Mike Shanahan Atos FM Director.

Continuous improvement and innovation are at the forefront of our business and in 2018 Nordomatic and Spica rolled out sensor technology nationally across 28 Atos core locations. This sensor technology has enabled the Atos business to mold its estate strategy. This includes acquisition accommodation, consolidations, relocations, and property disposals.



Birmingham Airport

Some years ago, a risk & reward contract was set up between Nordomatic and Birmingham Airport to see a further cut in power consumption. Nordomatic used their expertise of BMS optimization to reduce plant run times and control the building more efficiently through changes to the control software.

Total energy savings achieved: 10,634,077 kWh



Royal Arena, Copenhagen

The Royal Arena is a modern multifunctional arena with seating for almost 16,000 spectators. For this building, Nordomatic delivered a complete BMS system for managing as well as monitoring all BMS integrations.



Halifax Marriott Harbourfront Hotel



We are on track to exceed the estimated savings guaranteed by EcoPilot Canada and were pleasantly surprised that Ecopilot®'s AI was also able to identify system issues we weren't aware of, as well as recommendations for greater efficiencies, both that will result in additional energy savings." - Jeff Ransome, Halifax Marriott Harbourfront general manager.

Halifax Marriott Harbourfront Hotel's had a desire to do their part in climate change mitigation, as well as continued improvements in guest comfort and operational improvements. Nordomatic gave Marriott Hotel a forefront solution in the industry and installed Ecopilot for them to provide continued improvements in their guests' comfort.

40% annual energy savings.



Nationalmuseum, Stockholm

Nationalmuseum opened their newly renovated museum in Sweden as an open space for tourists and locals to be presented with a preserved and significant cultural heritage. Nordomatic was involved in upgrading the indoor climate in the museum for it to benefit the conditions for a modern, flexible, and developable museum.

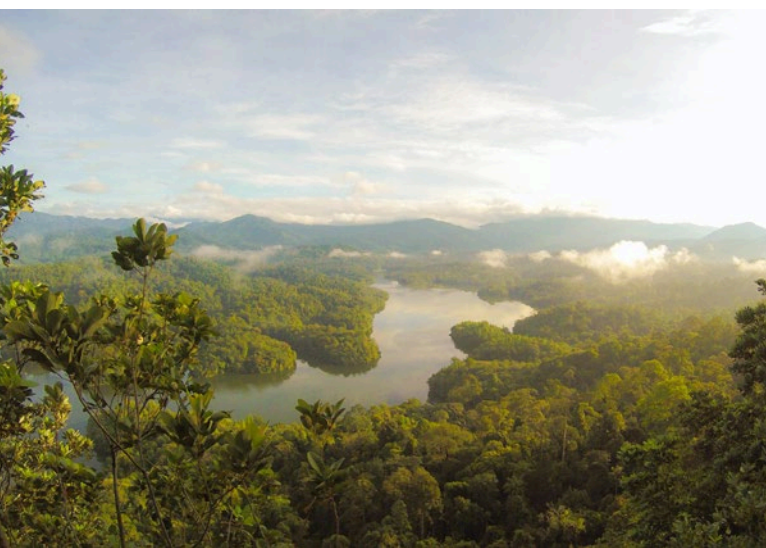
Nordomatic installed a new BMS for the museum's new climate system. The new climate

system contributed to an even humidity and temperature throughout the building. This enabled Nationalmuseum to present a variety of art pieces from different eras and materials in every part of the museum. The Nordomatic solution also maximized the use of premises for the buildings' public purposes and further enabled Nationalmuseum to meet the requirements of being an environmentally friendly and green museum for their staff and 200 000 yearly visitors.



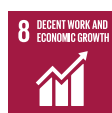
More than **130 000** reasons to be proud

We depend on access to green financing to accomplish our growth journey and continuously work to achieve an open and sustainable future.



The goal to achieve an open and sustainable future requires a collective ambition to accelerate technology, climate sustainability and social sustainability. We credit our success to you, our skilled team of employees, energy-efficient alternatives, and innovative technology.

We are proud of our commitment to lessening the carbon footprint. **In 2022, more than 130 000 tons of CO₂ emissions could be avoided because of our services**, and 1,000 buildings use Ecopilot® - the advanced, AI-powered energy optimization service. Our ambition is to become an effective leader and contribute to a healthier and more sustainable future by creating energy-efficient alternatives that meet our customers' needs.



Our Value Creation Model

Nordomatic presents its value creation model in an infinity sign, representing a cycle that continuously develops. To create value, there are several important inputs that Nordomatic constantly monitors and manages.

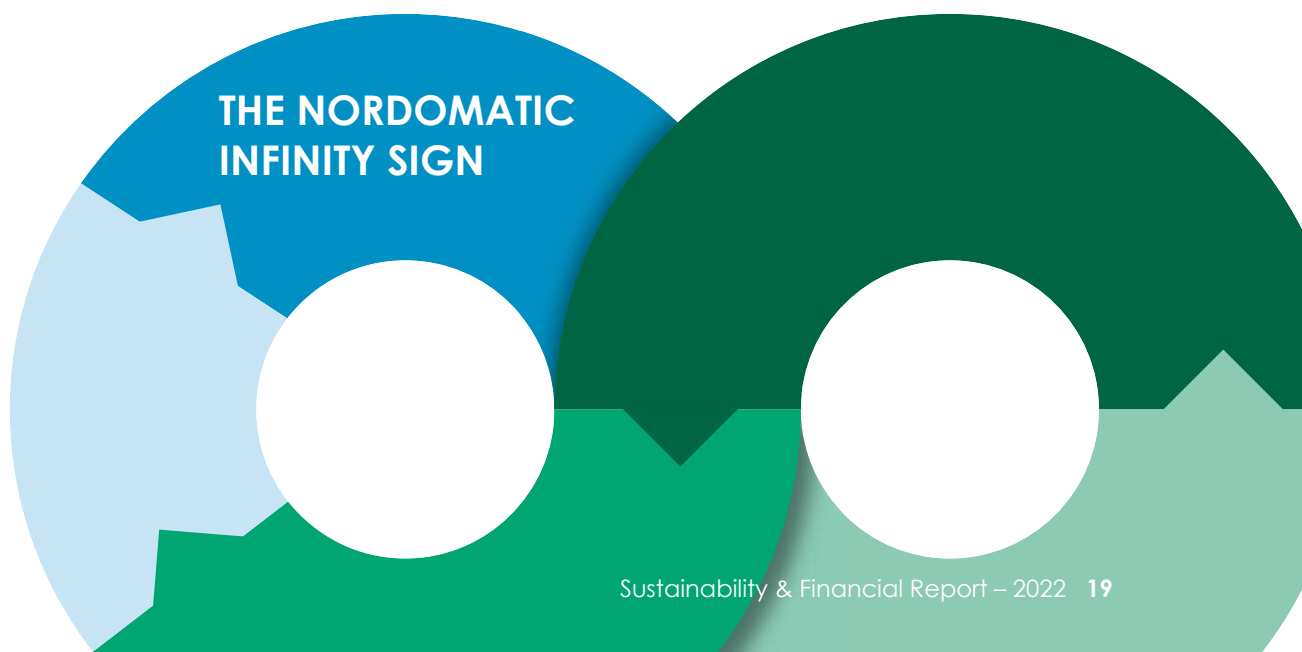
To start with, the availability of skilled employees is crucial for our success. Nordomatic's strong confidence in our employees and our willingness to learn and develop is our proposition to create long-term value. We take **ACTION**, deliver **VALUE** and build **TRUST** within our organization. We urge everybody to develop an interesting career within our company, and we establish Nordomatic Academy as a platform to support these ambitions systematically. Also, we depend on access to green financing to execute our growth strategy.

Nordomatic has chosen to work with strong impact-committed investors and banks to secure financial capital. Further, Nordomatic depends on good relationships with the property owners, as we strive to be a trusted partner, and also with a network of suppliers that are aligned with our sustainability goals.

On a final point on inputs, we are careful when we select and train our managers so that they are growth-oriented and committed to the long-term goals of Nordomatic.

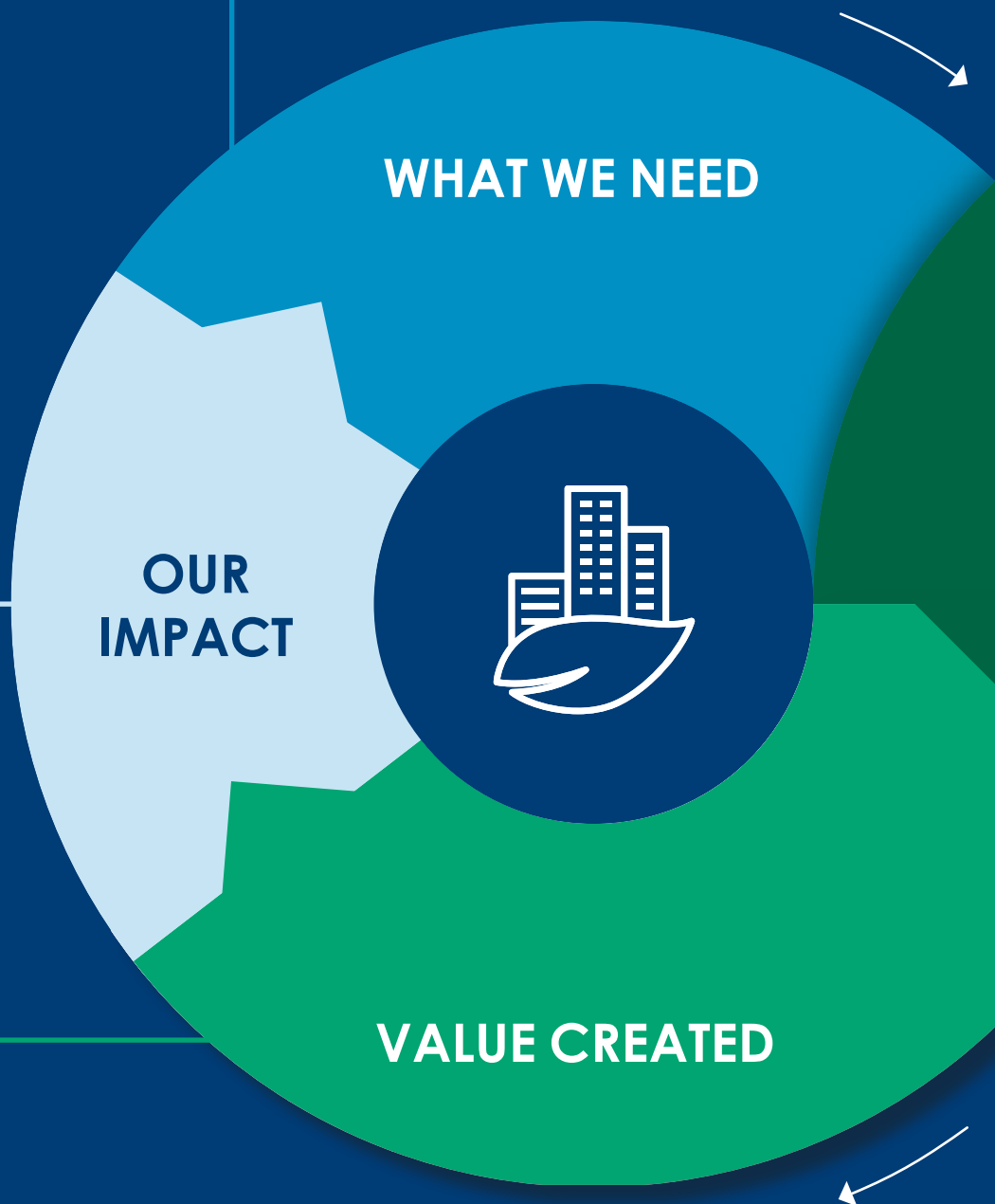
With the important inputs in place, Nordomatic takes pride in having a straightforward delivery model. We analyze the customer's need and design a technical solution that fit the client's current and future demands. Together with sub-contractors, we deliver a solution that perform optimisation for many years to come. Sometimes it is a new building or a total refurbishment, and then we call the delivery BMS Integration. This represents approximately 36% of our total business. Sometimes it is a matter of upgrade or service to an existing building, BMS Upgrade & Service, which represents 59% of our business. An area that is expected to grow fast is the latest Internet of Things and Cloud technologies to connect different parts of the building and provide a managed BMS service. Today, the Smart Cloud business represents 5% of Nordomatic's revenue.

Nordomatic provides a lot of value to our different stakeholders. In addition to financial opportunities, there are values like meaningful career development, productivity gains, wellness in buildings, reduced CO₂ emissions, etc. Also, these values are quite easily translated into impacts, represented by the UN's Sustainable Development Goals. See our graphical Value Creation Model below.





- Skilled and motivated employees
- Long-term customer relations
- BMS and IT know-how
- Growth-oriented management
- Access to green financing from banks and owners
- Trusted suppliers of sustainable products and services



Customers

- Energy savings
- Cost and resource optimization
- Tenant comfort and wellness
- Property data aggregation

Employees

- Individual development
- Meaningful career

Owners

- Real return, lasting impact
- Continuous reinvestment based on sustainable growth

Society

- Reduced CO₂ emissions
- Green jobs
- Increased innovation & digitalization

THE NORDOMATIC VALUE CREATION MODEL

- BMS Integration Projects
- BMS Service & Upgrades
- BMS Cloud Connectivity & Applications



WHAT WE OFFER



WHAT WE DO

1. Customer analysis
2. Design of technical solution
3. Project management
4. Commissioning and Connecting
5. Service and Optimization





Sustainability Governance and Strategy

The Executive Management Team (“EMT”) is overall responsible for pursuing a long-term and sustainable business and deciding on strategy, objectives, and relevant policies to support this. As sustainability is about both value creation and risk management, the entire organization must be aware of the financial significance of sustainability and that it is an integrated part of Nordomatic’s strategy to become the Global Impact Pioneer 2025.

As an example, by growing our business, we further accelerate the positive impact on the planet our solutions contribute to but we also need to consider any negative effect our resource utilization has, e.g. the emissions from company cars.

We have developed a model for our strategic sustainability work that is divided into three focus areas. These are inspired and aligned with the triple bottom-line effect of positive contributions to the Planet, People, and Profits.

Through the three focus areas, we cover everything from our daily decisions to how we collaborate with our customers and suppliers and our impact on the environment and society:

- **Open innovation within Smart Buildings**
- **Practicing responsibility throughout our value chain, and**
- **Be the most attractive employer**

Within each of the focus areas, we have launched initiatives with measurable annual targets. Read more about how we work with these under each focus area’s chapter.



1 Open innovation within Smart buildings

1. Reduce energy consumption for property owners
2. Innovative Smart building providing best in class comfort for users
3. Efficient resource management of buildings by our customers



2 Practicing responsibility throughout our value chain

4. Human rights & Material sourcing
5. Business ethics
6. Customer Privacy & Security
7. Reduce Nordomatic's own carbon footprint



3 Be the most attractive employer

8. Development and training of our employees
9. Increase the share of Women
10. Employee Health & Safety
11. Diversity & Inclusion

Targets 2025

Targets 2030

KPIs

150,000 tonnes of CO₂ emissions avoided by customers

450,000 connected Smart assets

300,000 tonnes of CO₂ avoided by customers

900,000 connected Smart assets

CO₂ emissions avoided by our customers

Number of Smart connected assets

25% reduction in CO₂ emissions/FTE vs. 2020

100% of employees aware and act in line with Code of Conduct

Be perceived as the most sustainable alternative in our business

Own CO₂ emissions

50 overall eNPS score

50 SHE Index score

By 2030 have the highest eNPS score in our industry

Overall eNPS score

SHE Index

Our certified management system “The Nordomatic Way”, serves as an overall tool for our continuous improvement. An important foundation of “The Nordomatic Way” is the set of corporate policies reviewed and decided by the Board of Directors every year. The policies cover important operational areas:

- Safety
- Sustainability
- Environment
- Work environment and
- Quality

Further, the Board of Directors also reviews and decides on the corporate Code of Conduct which applies to all employees within the Nordomatic Group, and is used as an important tool for our governance. The code includes instructions for responsible operations where we describe how we create business relationships and follow codes of conduct for how we communicate with employees, customers, partners, and suppliers. The Code also includes clear guidelines regarding human rights, diversity, and equality. So far, Nordomatic has focused on improving equality in the BMS industry and in the company, aligning with the SHE index KPI. We have a one-company approach, meaning that we operate according to our values, policies, and principles in all areas. The Code and the other policies are introduced to all employees, and managers are responsible for compliance. Also, compliance is supported by our internal audits that are carried out several times per year.

Generally, we shall comply with and, when relevant, go beyond the requirements of national legislation and regulations wherever we do business. We understand that the Code cannot cover every practical situation, but we trust employees to use their judgment to determine the best course of action, always concerning our ethics, local laws, and regulations.

During 2022, Nordomatic has decided to implement an Anti-bribery policy, which was approved by the Board of Directors in December 2022. This Anti-bribery policy includes training of executive management, country directors, and business area managers which will be carried out during 2023.

Our Stakeholders

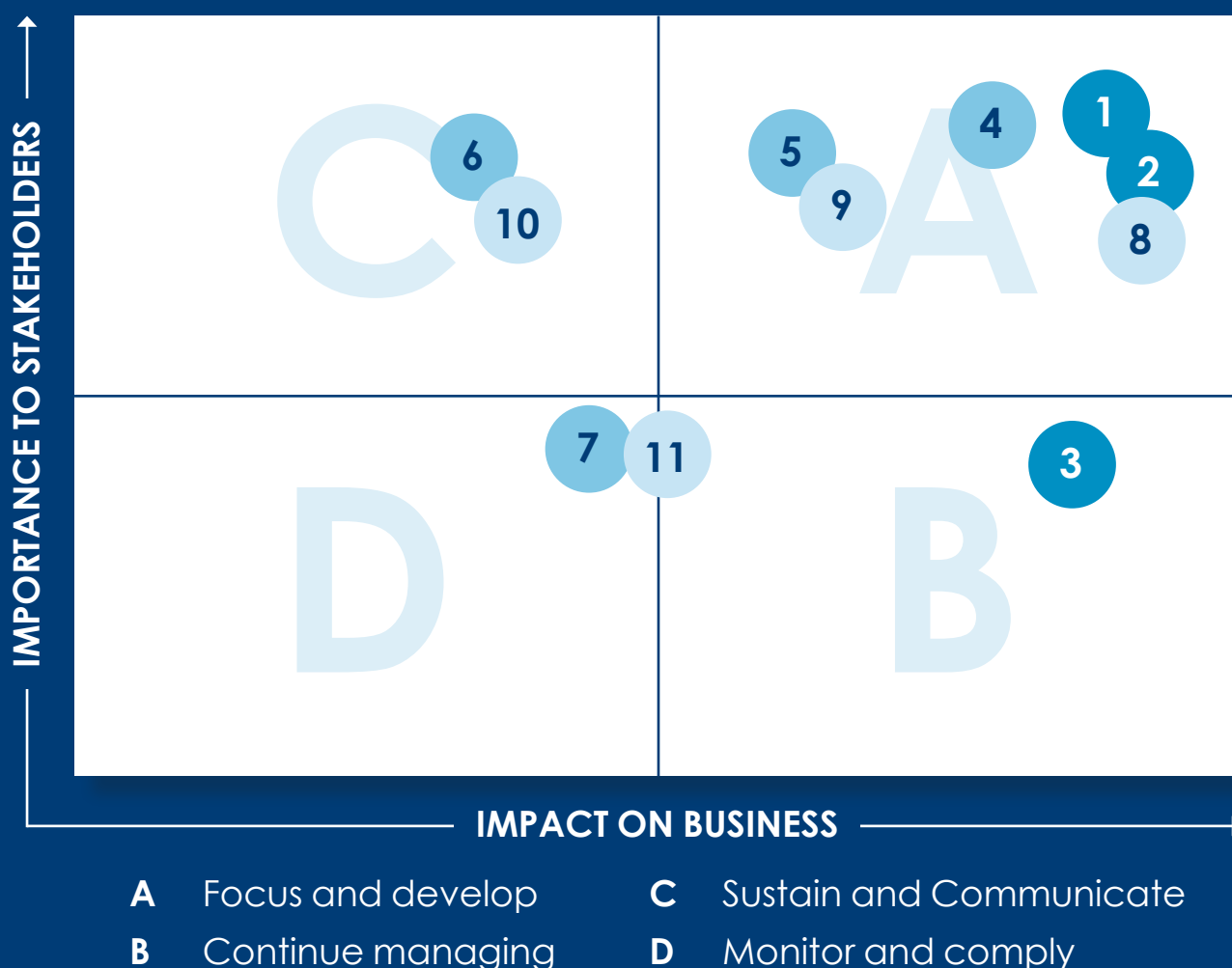
At Nordomatic we have several different stakeholder groups that influence us or are affected by our business. Our most important stakeholders are customers, employees, suppliers, and shareholders.

Today, we have various dialogue methods with different stakeholders through, for example, employee interviews, customer meetings, supplier surveys, and ongoing dialogues. We have strong support, hands-on support, and continuous dialogue with Trill Impact, our majority shareholder since August 2020. Trill Impact is an impact investor with sustainability matters fully integrated into its model.

Materiality Analysis

To be able to work strategically with sustainability in the short, medium, and long term we have conducted a materiality analysis. Our basic starting point is to maximize the opportunities that our sustainable business enables and minimize the negative effects of our business. Nordomatic's ambition is for all employees to have ownership of sustainability topics that are close to their position and are expected to integrate the sustainable business into operations. The materiality analysis has been based on both risks and opportunities related to sustainable business and how we affect our stakeholders. Overall areas that have been considered are the environment, social conditions and social aspects, business model and innovation as well as governance. The most important sustainability aspects have been identified and these are weighted based on how important the aspect is for our stakeholders and the extent of the impact. All areas in the matrix are important but prioritization has been done based on risk which means that the lower aspects prioritized we already handle well. Prioritization of identified risks is managed through active risk management, maintenance of risk, and risk monitoring. The following pages give a more detailed explanation of how we work with each topic.

Materiality matrix



1

Open innovation within Smart buildings

2

Practicing responsibility throughout our value chain

3

Be the most attractive employer

1 Reduce energy consumption for property owners

4 Human rights and material sourcing

8 Development and training of our employees

2 Innovative Smart building providing best in class comfort for users

5 Business Ethics

9 Increase the share of Women

3 Efficient resource management of buildings by our customers

6 Customer Privacy & Security

10 Employee Health & Safety

7 Reduce Nordomatic's own Carbon Footprint

11 Diversity & Inclusion

Open innovation within Smart Buildings

Our business provides positive environmental and societal impact because of our solutions, services, and how we conduct and develop our business. Nordomatic recognizes that the most significant environmental impact is achieved by the positive contribution from our customer offering. Our ambition is to become the impact leader within smart buildings by developing and providing smart, efficient, and sustainable solutions that make business sense.

1. Reduce energy consumption for property owners

Nordomatic's core business actively mitigates climate change through energy-saving solutions and related services, enabling customers to do their part in achieving the goals of the Paris Agreement. Nordomatic shall continue to develop and scale its solutions and services to increase customers' energy efficiency and productivity and reduce their carbon footprint. We have set the ambition to more than double the energy savings and CO₂ avoided by our customers by 2025 compared to the baseline of 2020.

Reduced energy consumption is measured on a quarterly basis via the Key Performance Indicator "CO₂ emissions avoided by our customers". During 2022 CO₂ emissions avoided by customers summed up to 130 thousand tonnes, which was an increase of 58% and above our internally set target.

2. Innovative Smart building providing best in class end-user comfort and wellness

More advanced and connected BMS systems will give customers better and more effective property management. This reduces the consumption of energy and other resources and improves the indoor climate for tenants and end-users. Our offering includes such additional Smart applications that make buildings healthier. Nordomatic will continue to make buildings smarter through the roll-out of innovative, new solutions where units are connected and thereby providing more effective property management. We have set the ambition to triple the increase in the number of connected assets, a commonly used industry KPI.

The KPI is measured quarterly to track the growth. During 2022 we have overachieved our internal target and grew the number of Smart connected assets by 176%.

3. Efficient resource management of buildings by our customers

Nordomatic's solutions provide an efficient overview and control of a property or a portfolio of properties. Efficient monitoring and continuous improvements of how to manage the technical sub-systems allow for the property owner to minimize the waste of time and resources. Customer surveys are used to measure and ensure that we are delivering on our value proposition.

KPI	2020	2021	2022	Target 2025	Target 2030
CO ₂ emissions in ton avoided by our customers	70,086	82,681	130,239	150,000	300,000
Number of Smart connected assets	314,371	402,150	1,108,724	450,000	900,000

2 Practicing responsibility throughout our value chain

Nordomatic's dealings with customers, subcontractors, suppliers, and other stakeholders, must be based on a high ethical standard. All business is done within the framework of laws, regulations, and international conventions in all countries where we operate, and we do not accept corruption or abuse of power. Nordomatic's employees shall not participate in activities that may lead to a conflict of interest or exploit business relationships for their gain and must keep information and trade secrets confidential.

4. Business Ethics

Nordomatic operates a zero-tolerance policy concerning bribery and corruption and shall never accept, facilitate, or in any way support activities that involve money laundering. The company and its employees may never provide gifts, benefits, or other unauthorized compensation in any form in relation to customers, suppliers, authorities, or other decision-makers to obtain or retain business. We have an independent whistle-blower system in place where employees can raise alerts directly to representatives from the Board of Directors. All alerts from the whistle-blower system are subject to a thorough investigation with confidentiality and protection of the individual. Employee surveys are used to measure the level of awareness and confidence of our employees in our business ethics principles.

5. Customer Privacy & Security

Nordomatic holds the privacy and protects information as a key priority and treats data from connected customers, products, and solutions securely. The company exercises extreme care while managing data belonging to others and runs dedicated compliance controls and implementation programs according to the General Data Protection Regulation and other applicable rules and regulations. With the increase of cloud-based solutions and the importance of cybersecurity, we actively take security by design approach.

6. Reduce Nordomatic's own Carbon Footprint

We are growing our business. At the same time, we have decided to reduce our emissions across our value chain in line with many of our customers' ambitions. To reduce emissions, Nordomatic has set annual targets with a related action plan.

The target is to reduce the total CO₂ per FTE emissions by 12.5% until 2025 vs. the 2020 baseline for Scopes 1 and 2. Nordomatic has used the Science Based Targets Initiative method as inspiration to set the target but have adjusted the KPI to be measured based on CO₂ emissions per FTE Nordomatic negative environmental footprint primarily relates to emissions from the use of cars.

In 2022 we have continued to phase out the number of cars driven with fossil fuels and shifted the car fleet towards a higher share of hybrid- and electrical alternatives. CO₂ emissions per FTE for Scope 1 and Scope 2 were thereby successfully by 13% compared to the prior year.

In 2022 we have for the first time measured our CO₂ emissions according to Scope 3 which equaled 12.4 tonnes per FTE. Inspired by the Science Based Targets we have set ambitious targets for 2025 and 2030.

Own CO ₂ emissions in tonnes per FTE	2020	2021	2022	Target 2025	Target 2030
Scope 1 and 2	1,5	1,1	1,0	1,3	1,1
Scope 3	-	-	12,4	11,5	9,8

3

Be the most attractive employer

Nordomatic's strong confidence in its employees and their willingness to learn and develop is the company's proposition to create long-term value. The company's growth plan will allow every employee to build an interesting career. We have the basic view of the equal and inalienable rights of all and that we have a fair relationship between individuals and groups.

7. Increase the share of Women

Gender equality is a priority across the entire company, from the Board of Directors to managers and employees. Nordomatic has signed up for the SHE index (<https://www.sheindex.com/se>) and has defined related targets to monitor annually, including disparities in pay between genders. Improving gender balance is systematically considered when promoting and recruiting candidates for top management positions. Nordomatic requires a diverse pool of candidates, including women, from our recruiters, so that we maximize the chance of building high-performance teams.

8. Diversity & Inclusion

Nordomatic recognizes diversity as a strength. Discrimination or harassment against any covered party in respect of race, ethnic background, gender, disability, sexual orientation, religion, political opinion, maternity, social origin, or similar characteristic are strictly prohibited. Nordomatic does not tolerate any physical, psychological, sexual, or verbal harassment or any illegal threats against any colleague or business partner. To promote a more inclusive and diverse workforce, Nordomatic has also implemented an apprenticeship program to attract and retain young talent.

9. Development and training of our employees

Attracting and retaining the best employees is a critical success factor for Nordomatic. With continuous training and development of our employees and a group-wide Nordomatic Academy, we will improve all important aspects of our operations including sustainability. In addition, to support the EU's ambition to grow green jobs and a green economy, Nordomatic has set the ambition to equip our employees with energy optimisation skills.

KPI	2020	2021	2022	Target2025	Target 2030
Overall eNPS	32	48	34	45	>50
SHE Index	10	33	29	50	>50

A semi-annual employee survey is used to track employee satisfaction and to identify and address material issues.

Our latest employee survey shows a clear improvement compared to 2020 with an overall score of 34. We'll strive to continue to maintain or increase this high level

SHE index is measured annually to measure gender equality. We have improved the SHE index scoring since 2020 following selective recruitments and through the amendment of policies and targets. There is further work to be done within this area. The scoring for 2022 is slightly behind our internal target largely caused by too few women in the upper layers of Management.

Photo: © Ralf Roletschek.

Turning Torso, Malmö, Sweden. Nordomatic has installed an advanced steering system for heat, water and sanitation. The building is also connected to Nordomatic's cloud based BMS-system, for remote monitoring and managing.

Strategic fit with several of the UN's 17 Sustainable Development Goals

To sum up, Nordomatic's strategic path and activities fit nicely into several of the UN's Sustainable Development Goals 2030. Goals 5, 7, 8, 9, 12, 13, and 16 are especially important and the most applicable to the Nordomatics business.

We influence goal 7 of affordable and clean energy, goal 9 of industry, innovation, and infrastructure, and goal 13 of climate action by providing innovative sustainable solutions to our customers that reduce and visualize savings of energy and continuously developing new smart solutions and applications. Goal 12 of responsible consumption and production is applicable through the commitment to reduce our carbon footprint by 25% until 2025 and also the way we measure and execute our impact agenda. Goal 5 of Gender Equality, goal 8 of decent work and economic growth, and goal 16 of peace, justice, and strong institutions are influenced by providing career opportunities and great work conditions for our employees, internships, and other co-operations with schools and active work with gender equality within Nordomatic.



THE GLOBAL GOALS

Corporate Governance Report

Corporate Governance Report

Proper corporate governance ensures that Nordomatic's business is managed as efficiently, responsibly, and sustainably as possible.

Shareholders

Nordomatic Group's parent company, Building Automation Nordic AB, is 100% owned by Building Automation Nordic Holding AB. Building Automation Nordic Holding AB's largest shareholder is Trill Impact, a growth-oriented private equity firm with a strong focus on sustainability. Trill Impact holds 95% of the voting rights and 67% of the capital in Building Automation Nordic Holding AB through Aceso Holdco S.á.r.l. The remaining shares are held by employees in the Nordomatic Group.

General Meeting

The shareholders exercise their influence at the General Meeting. Decisions that are taken during the Annual General Meeting include the adoption of the Articles of Association, election of the members of the Board and election of the auditors.

Auditors

The auditors perform an independent audit of Nordomatic's financial statements and a review of the Board's and CEO's management of the

business. BDO was elected as the external auditors at the Annual General Meeting in 2022, with Markus Håkansson as the Auditor in Charge.

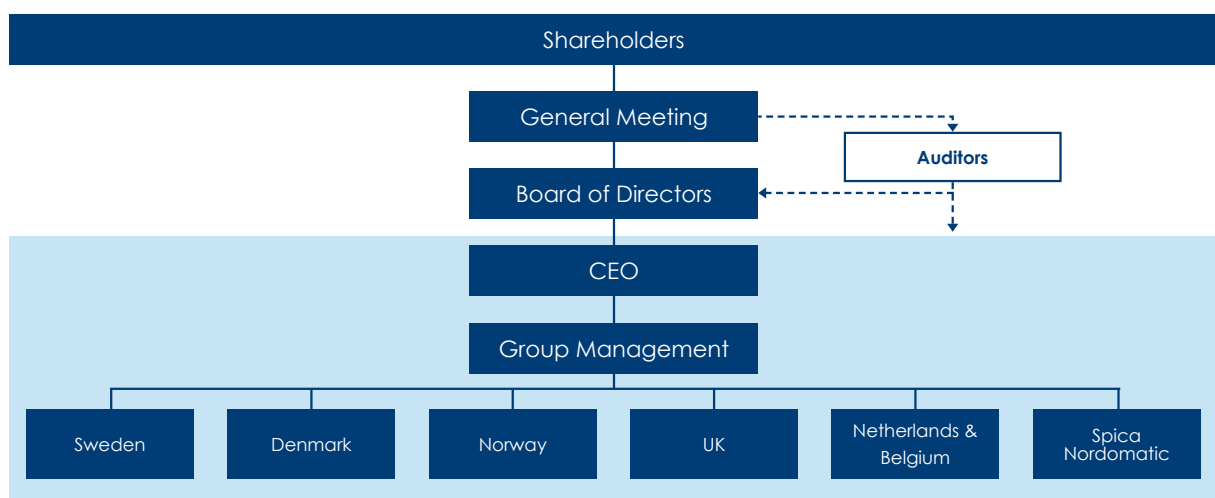
Board of Directors

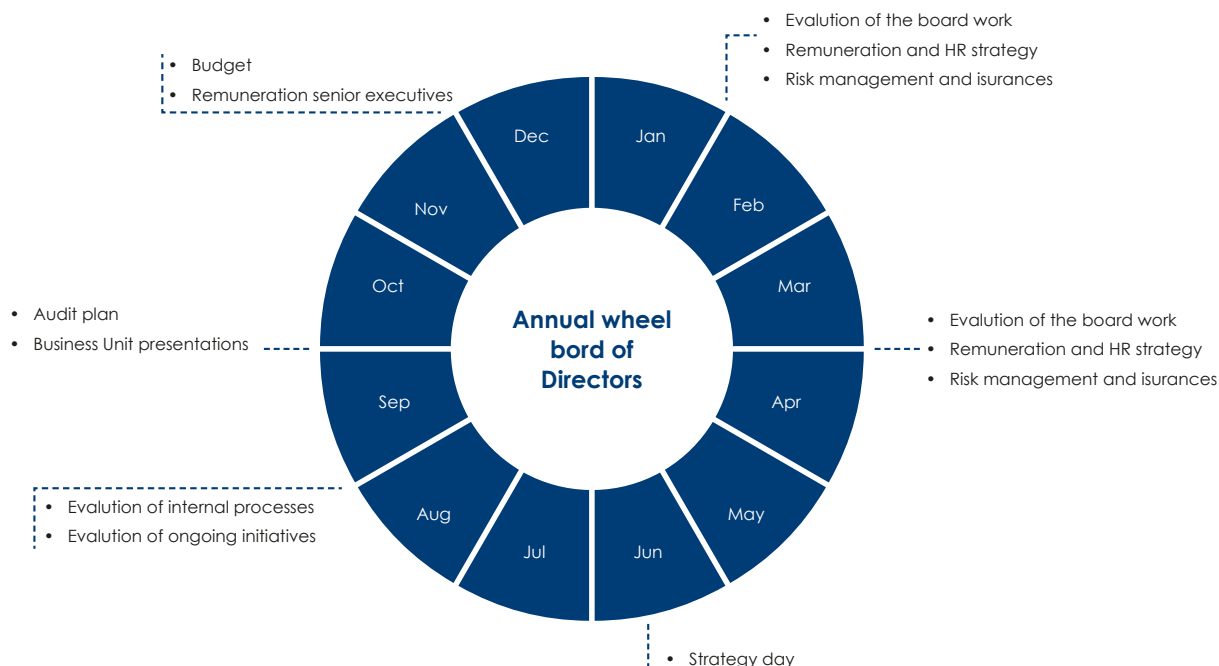
The Board of Directors is responsible for the organization and the management of Nordomatic's business. The Board of Directors is continuously evaluating Nordomatic's financial results and the financial position, as well as approving a five-year strategic plan and the budget for the coming year. Recurring items addressed at the board meetings throughout the year include strategic initiatives, business development, acquisitions, sustainability, and related goals.

The Board of Directors appoints the CEO. They also establish the Rules of Procedures for the Board and the CEO Instructions, where the respective responsibilities and commitments are defined. In addition to this, several governing documents regulating the business' operating activities as well as a code of conduct are annually reviewed and decided on.



Corporate Governance





Policies

Our certified management system "The Nordomatic Way", serves as an overall tool for our continuous control and improvement. An important foundation of "The Nordomatic Way" is the set of corporate policies reviewed and decided by the Board of Directors every year. The policies cover important operational areas:

- Safety
- Sustainability
- Environment
- Work environment and
- Quality

Further, the Board of Directors also reviews and decides on the corporate Code of Conduct which applies to all employees within the Nordomatic Group and is as an important tool for governance and compliance.

CEO and Group Management

The CEO is responsible for the operating management of Nordomatic. The Group Management Team consists of the CEO, COO, CTO, CFO, and Vice CEO. The Group

Management Team meet regularly to discuss and evaluate the Group's operative, strategic, and financial performance.

Group Management performs quarterly reviews with the operating units. A common template and scorecard including the most important goals and activity KPIs are discussed. Financial performance, employee Net Promoter Score, customer Net Promoter Score, and ESG (Environmental, Social and Governance) Impact KPIs are also discussed.

Operating units

Nordomatic is a decentralized group that enables fast decision-making and decisions close to the business. Each business area has a Business Area Manager with local ownership of customer relations, personnel, business risks, revenue, profit, and cash flow. Review meetings are held with each business area quarterly where topics such as financial results, order intake, project review, organizational matters, and outlook for the coming periods are discussed.



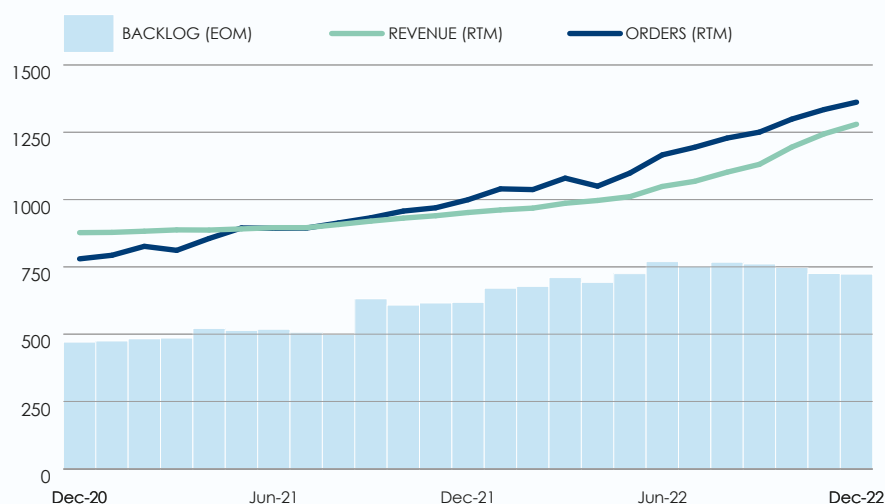
Financial report

Financial report 2022

Order intake, backlog, and revenue

During 2022, the order intake has been strong, increasing to 1,362 MSEK from 999 MSEK in 2021, which represents a 36% growth. The reported revenue in 2022 is MSEK 1,280, compared to MSEK 952 in 2021. The revenue growth is 34%. The order backlog at year-end 2022 is 723 MSEK, compared to 618 MSEK in 2021.

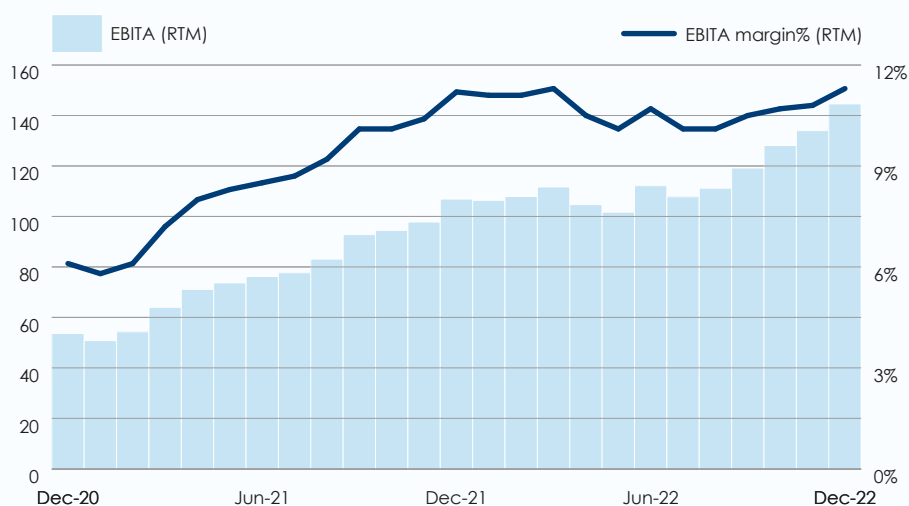
The market, in particular new builds, has shown signs of weakening throughout the year. The Nordomatic's strategy to expand its service business has resulted in a more resilient revenue mix. In 2022, the Service & Upgrade and Smart Cloud businesses represent 63% of the total revenue, compared to 59% in 2021.



Gross margins and EBITA margins

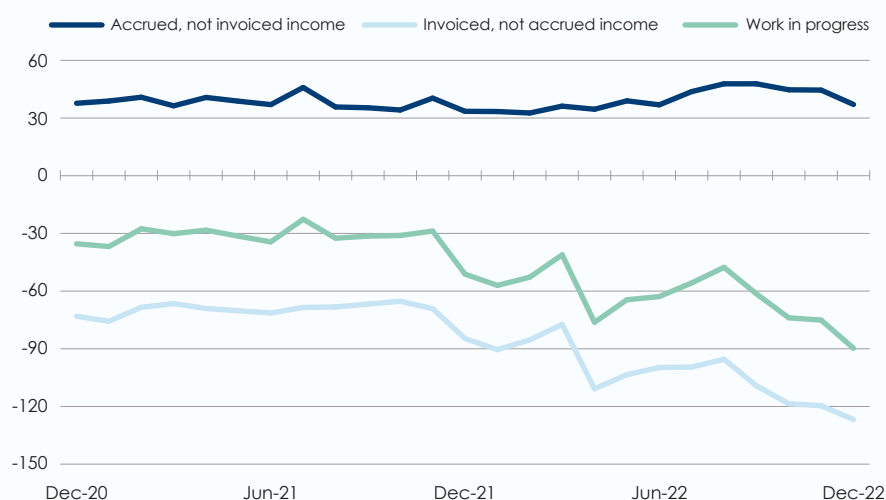
Throughout the year, Nordomatic has worked to improve productivity, increase utilization and increase prices to mitigate increasing prices from sub-contractors and materials. In 2022, the gross margin is 25,5% TBA compared to 22,7% in 2021, which is a significant improvement.

Although Nordomatic has continued to invest in Smart Cloud technology, sustainability practices, and corporate governance and operational excellence initiatives, the EBITA came in at record level in 2022. The reported EBITA is MSEK 145 compared to MSEK 107 in 2021. The EBITA margin increased to 11,3% (11,2%).

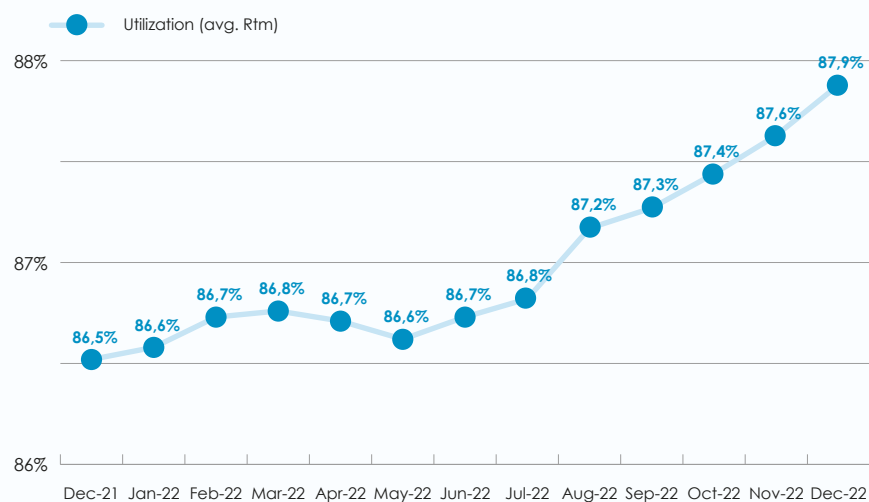


Work in Progress (WIP) and other KPIs

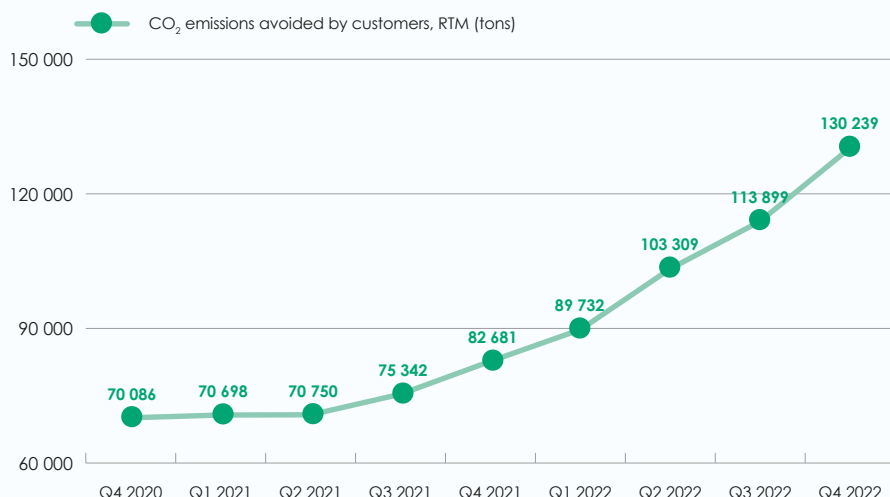
Nordomatic runs a quite asset-light business, and one of the attractive characteristics is the high cash conversion. However, in order for the cash-flow to be positive in a growth scenario, we constantly work to optimize payment plans for larger projects, and fast invoicing practices for smaller projects and service assignments. During 2022, Nordomatic reports a quite stable level of accrued not invoiced, and an expanding invoiced not accrued, which translates into a positive operational cash-flow and a reduced underlying risk.



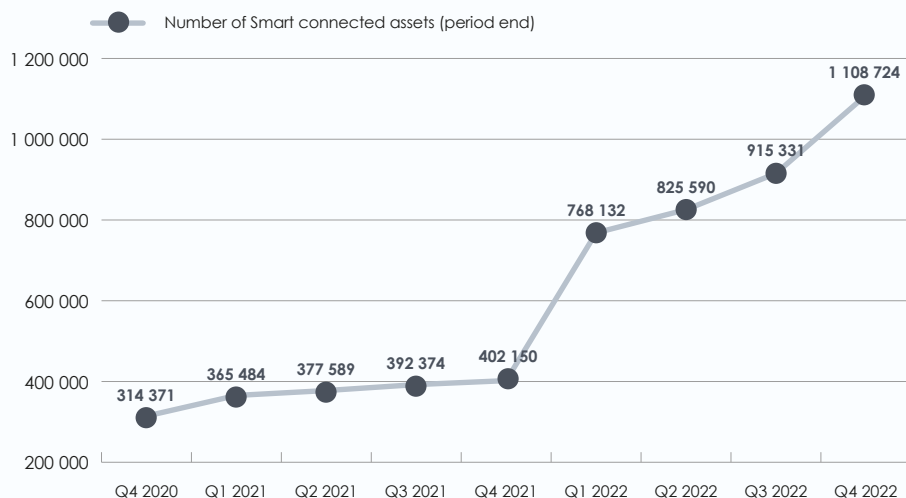
Another important KPI that is being measured and improved is the customer value ratio, i.e. utilization rate. Nordomatic aims to become a trusted partner to our customers, and everything we do should translate into customer value. Thus, the focus in 2022 of every employee has been to improve productivity and make sure that every hour counts.



Altogether, there are five Impact KPIs that are being tracked. Please see the sustainability report for more details (18-31). However, two of these Impact KPIs are actually tied to the bank agreement and will offer an interest discount if met. The first KPI is CO₂ emissions avoided by our customers, based on the services that Nordomatic provides. Given the growth, and also the successful expansion of the service- and smart cloud businesses, Nordomatic has managed to surpass the targets by far. In 2022, more than 130 000 tons of CO₂ emissions were avoided!



The other Impact KPI that affects the bank agreement is the number of connected smart assets. Nordomatic aims at leading an industry transformation towards smarter, more energy-efficient buildings, and the best way to do that is to connect a lot more smart sensors while adding smart controls of the Heating, Ventilation and Air Conditioning (HVAC) systems. Nordomatic's Smart Cloud solutions collect data from the building and its usage, and based on that data the technical installations of the building can be optimized for indoor air quality and energy usage.



Income Statement, Balance Sheet

Income Statement

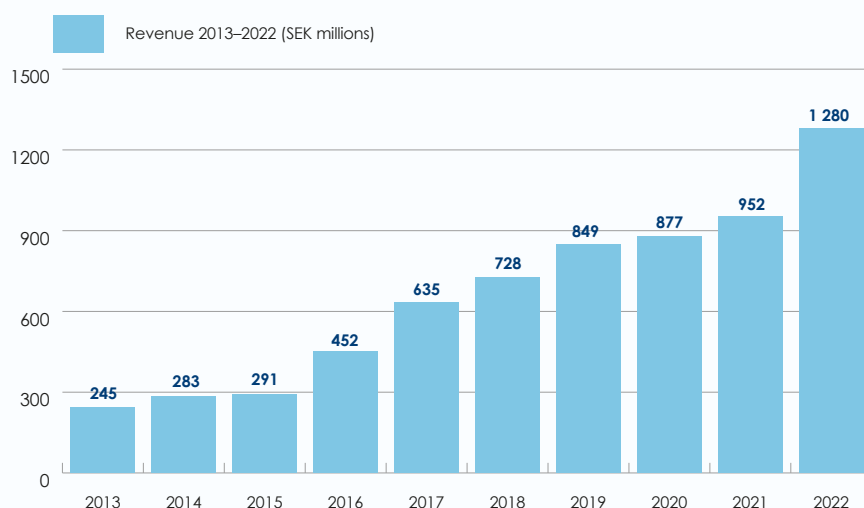
MSEK	2022	2021
Invoicing	1 312,1	965,6
WIP correction	(32,2)	(13,7)
Revenue	1 279,9	951,9
<i>Revenue growth</i>	34,4%	8,5%
Own hours	(495,8)	(384,7)
Material costs	(278,9)	(177,8)
Subcontractors	(171,9)	(170,5)
Gross profit 0	333,2	219,0
<i>Gross Margin 0</i>	26,0%	23,0%
Production costs	(10,0)	(2,9)
Customer losses	(0,9)	0,2
Gross profit 1	322,3	216,3
<i>Gross Profit 1</i>	25,2%	22,7%
Sales costs	(61,7)	(37,1)
Overhead costs	(116,0)	(72,2)
EBITA	144,6	106,9
<i>EBITA Margin</i>	11,3%	11,2%

Balance Sheet

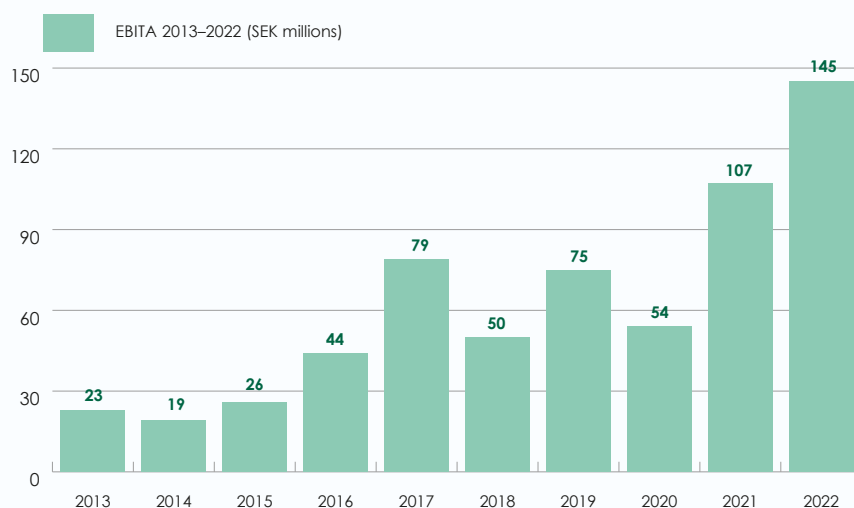
MSEK	31 Dec 2022	31 Dec 2021
Intangible assets	1 559,4	1 353,2
Tangible assets	11,5	4,7
Other non-current assets	7,2	2,2
Total non-current assets	1 578,2	1 360,1
Inventories	44,5	29,2
Trade receivables	281,3	184,6
Other current assets	60,9	52,0
Cash and bank balances	57,4	88,9
Total current assets	444,1	354,6
ASSETS	2 022,3	1 714,7
Equity attributable to owners of the parent	859,7	832,2
Non-controlling interests	-	15,9
EQUITY	859,7	848,1
Financial liabilities	671,6	486,6
Other non-current liabilities	31,9	24,4
Total non-current liabilities	689,3	510,9
Financial liabilities	46,0	59,8
Trade payables	104,9	71,9
Other non-current liabilities	308,1	224,0
Total current liabilities	473,3	355,7
EQUITY AND LIABILITIES	2 022,3	1 714,7

Historic performance and strategic outlook

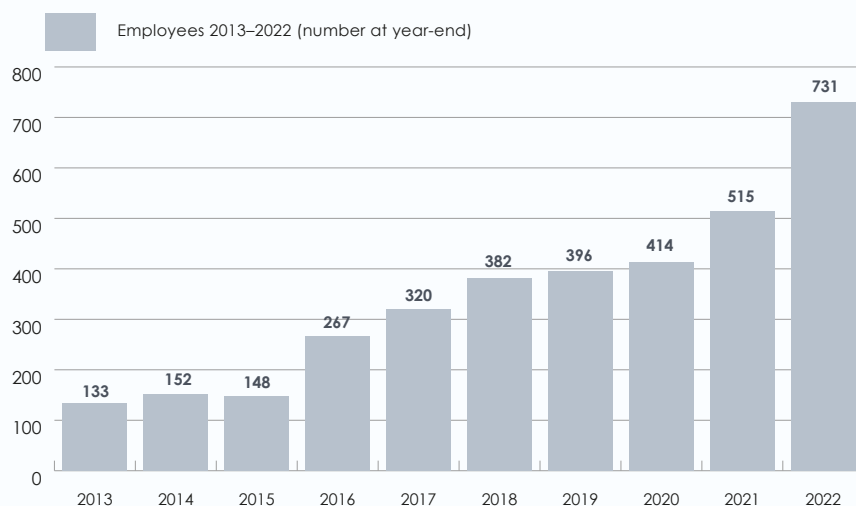
Nordomatic is a growth machine. Over the last 10 years, Nordomatic has experienced a 20% compound annual growth rate (CAGR). Reported revenue has increased from MSEK 245 in 2013 to MSEK 1,280 in 2022. The success can be attributed to several factors, including investment in a broad and competitive service offering, focus on end-customer relationships, the launch of digital cloud-based services, and smart partnerships and acquisitions.



Despite our rapid growth, the gross margins and the EBITA and EBITA margins have also improved throughout the 10-year period. Systematic improvements in work procedures, systems, and purchasing practices have increased productivity and efficiency, allowing improvements in both gross- and EBITA margins.

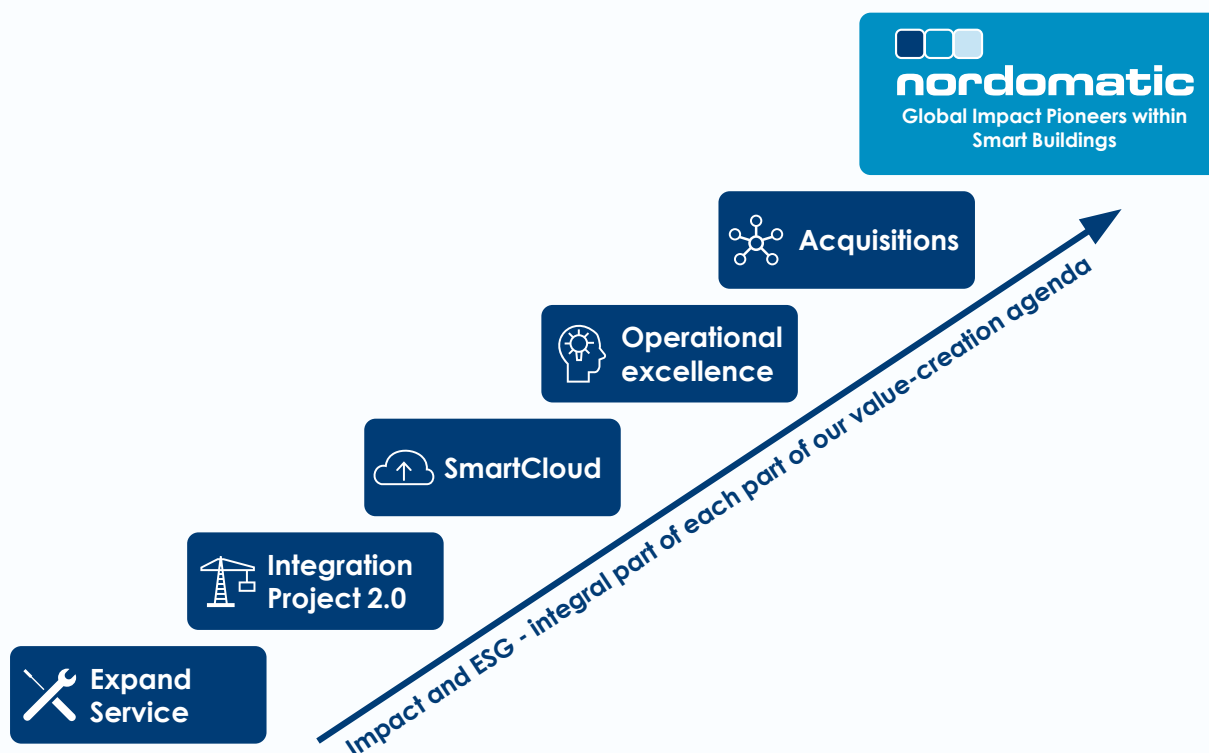


Over the years, Nordomatic has also remained focused on sustainability and social responsibility, implementing initiatives to reduce its environmental impact. A number of Impact KPIs have been instrumental in guiding performance improvements and sustainability investments. People & Culture is fundamental in order to grow fast and Nordomatic has invested in recruitment, on-boarding, retention and development through its Nordomatic Academy. The number of employees has increased from 133 in 2013 to 731 in 2022.



Overall, Nordomatic's impressive CAGR over the past decade demonstrates the company's ability to adapt and innovate in the fast-changing smart building industry, and it suggests that the company has a strong foundation for continued growth in the years ahead.

Value Creation Program – Global Impact Pioneer 2025



Global Impact Pioneer of Smart Buildings

With the confidence of 10 years of strong growth, Nordomatic has developed a strategic initiative named Value Creation Program 2025 (VCP 2025). The initiative is a structured approach to systematic improvements, and is based on five pillars; Expand Service, Integration 2.0, Smart Cloud, Operational Excellence, and Acquisitions. The areas create value in terms of growth, improved margins, improved EBITA, more competitive offerings, reduced risk, and improved resilience.

The program is managed by the CEO, who is hosting a weekly VCP Townhall session with 50 managers and specialists in the Nordomatic Group. Each Townhall meeting covers a small or large improvement initiative within any of the five areas. The VCP team is agile, but there is one stream leader for every pillar that gathers project members and specialists within the Group to innovate but sometimes also only to share best

practices between the different Business Areas in the Group.

Examples of activities in the VCP 2025 are:

- value-over-volume criteria for fixed-priced integration project sales,
- marketing and sales of service agreements,
- weekly follow-up and improvement of customer value ratio (utilization),
- development of a smart cloud application that reduces energy consumption,
- implementation of a common ERP system,
- development of Nordomatic Academy training program, etc.

The strategic goal is to double the size of Nordomatic within 5 years, while improving sustainability, competitiveness, attractiveness, profitability, and resilience.

The strategic goal is to double the size of Nordomatic within 5 years, while improving sustainability, competitiveness, attractiveness, profitability, and resilience.







Read more about us at
www.nordomatic.com and follow us at LinkedIn

