

CAREL

A KEY MILESTONE IN CAREL'S GROWTH STORY: THE ACQUISITION OF KIONA

25 July 2023



Key transaction highlights

Transaction terms and structure

- CAREL Industries S.p.A. (“**CAREL**”) has signed an agreement to acquire a c. **82.4% stake in Kiona Holding AS** (“**Kiona**” or the “**Company**”) (the “**Transaction**”), for a consideration implying a 100% **Enterprise Value of NOK 2.35 bn (c. €210m¹)**
- The founder & CEO (Trond-Øystein Bjørnnes), some key employees and two Norwegian early financial investors (the “**Reinvesting Shareholders**”) will retain a **significant portion** (in the range of 30%) of their stake, which **on an aggregate basis will account for a c. 17.6% minority stake in Kiona post Transaction**, subject to a 3-years **lock-up period followed by a put and call option scheme**

Strategic rationale & value creation

- The Transaction serves as a **strategic move** to further **strengthen CAREL's positioning** as a **global leader** in the **HVAC-R industry**, addressing the **increasing digitalization** and **shift towards servitization** of the sector:
 - A** Kiona is a **leading rule-of-40** Norway-based SaaS provider of prop-tech solutions for energy consumption optimization and building digitalization
 - B** **Kiona fits seamlessly with CAREL HVAC-R value proposition**, allowing to further expand its data driven digital solutions towards high efficiency and sustainability-focused services
 - C** **Kiona is perfectly positioned to benefit from solid and favorable market trends**, including the increasing attention towards buildings energy efficiency, leveraging CAREL know-how, global presence, R&D and wide expertise across the HVAC-R industry

Financing

- At closing, the Transaction is expected to be **entirely funded with a mix of newly committed debt facilities, existing committed credit lines and cash on hand**

Approvals and timing

- **Closing expected by 3Q-2023**, subject to obtaining required regulatory approvals and satisfaction of other customary closing conditions

1) Based on 11.216 NOK/EUR exchange rate as of 21/07/2023

A key milestone to accelerate growth while addressing the increasing digitalization and shift towards servitization of the HVAC-R industry



Enhance leadership towards innovative sustainable solutions with critical impact on energy management

Complement and strengthen the digital value proposition with **top-notch SaaS prop-tech solutions** for efficient HVAC-R systems

Integrate value-accretive human capital with extensive software and digital services expertise

Foster Kiona geographical expansion beyond the Nordics on the back of strong cross-selling opportunities via CAREL global presence

Accelerate Kiona scale-up leveraging CAREL strong know-how, channels, R&D capabilities and best practices

Deliver significant value creation for all stakeholders thanks to CAREL proven execution capabilities

Kiona: a leading rule-of-40 European SaaS provider of prop-tech solutions for energy consumption optimization and building digitalization



Business overview

Pioneering SaaS provider of prop-tech solutions for energy usage control and optimization with **>75% ARR¹** in 2023E

Formed in 2021 following the aggregation of **5 highly synergic companies** and headquartered in **Trondheim (Norway)**

Fully connected, highly open and **AI driven data analysis solutions** helping customers achieve sustainability and financial targets

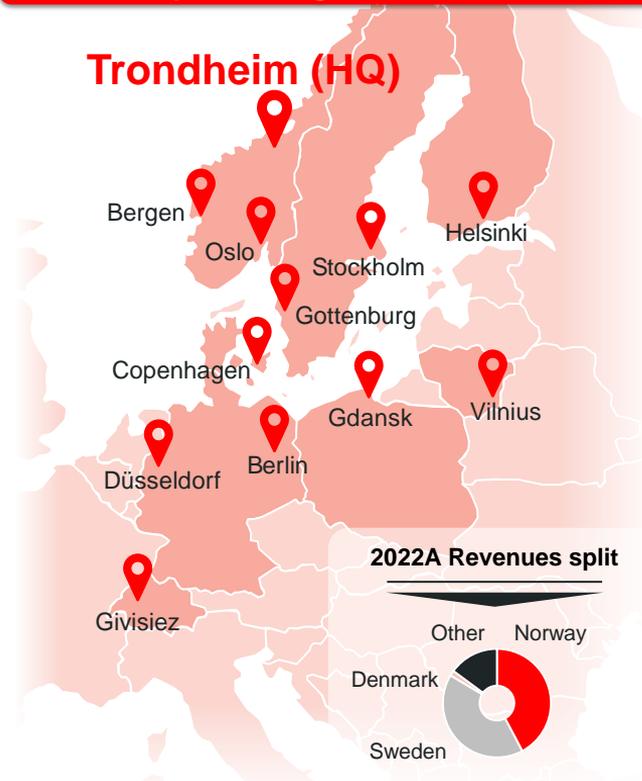
Wide range of applications across food retail, commercial and industrial buildings

Leading presence in the Nordics, with 17 offices across 8 countries and c. **150 employees**

Fast growing and **already profitable** financial profile with **compelling growth prospects** and **tangible margins expansion potential**

1) Annual Recurring Revenues

Unique coverage of the Nordics



A platform to integrate all systems, both old and new

Wide range of applications across three key segments

Multi-residential housing

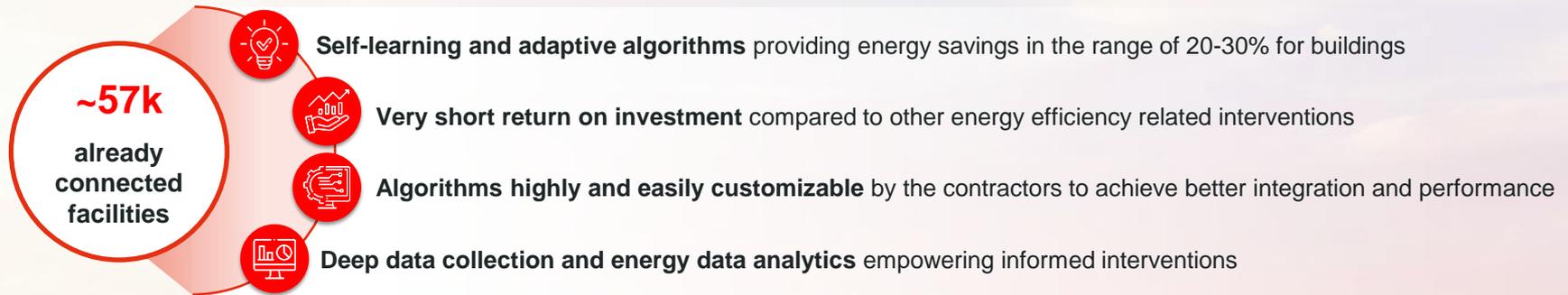
Focus on multi-family buildings
 Cloud control and monitoring,
 system integration, EMS, AI,
 analytics and data
 visualization

Retail and industrial refrigeration

Commercial refrigeration, Ho.Re.Ca.
 and industrial refrigeration
 Cloud control and monitoring,
 system integration, EMS, data
 visualization

Public and commercial buildings

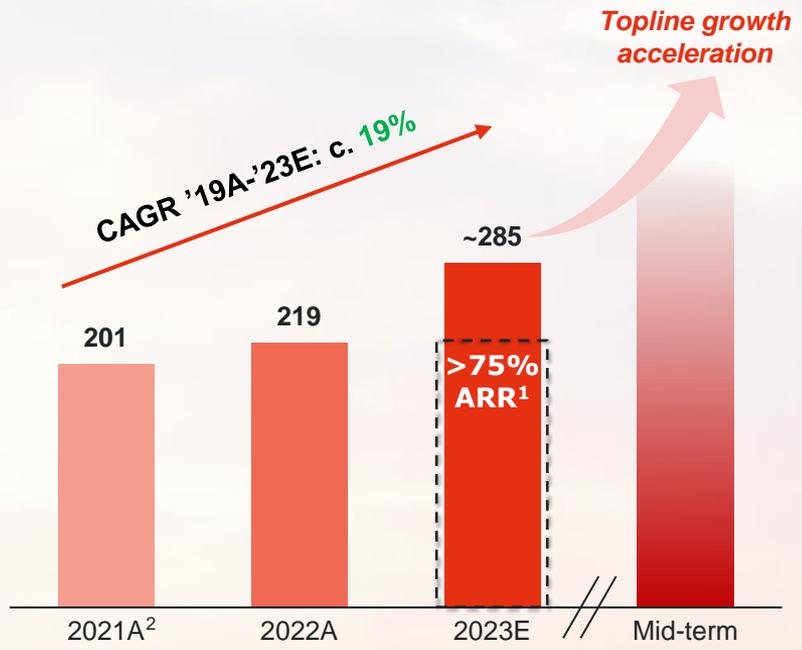
Commercial buildings with several
 HVAC-R technical installations
 Cloud control and monitoring, system
 integration, EMS, analytics and data
 visualization



Attractive expected financial performance with accelerating growth and margin expansion

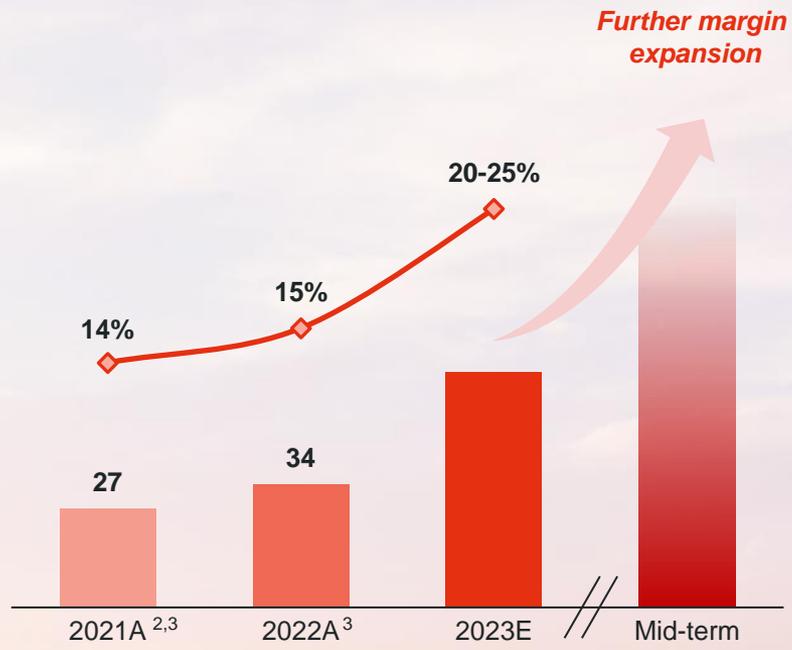
Revenues (NOKm)

Attractive growth prospects



EBITDA (NOKm) and margin (%)

Tangible margin expansion



1) Annual Recurring Revenues; 2) Pro-forma for acquisitions; 3) Adjusted EBITDA for 2021A and 2022A

Unlocking untapped synergies potential from multiple angles: examples

Kiona's and CAREL's combined competences and development capabilities create an important **firepower** in **software and digital services fields**

Accelerate Kiona geographical expansion outside of the Nordics leveraging on **CAREL global channels**

Enhance technological innovation opportunities combining **CAREL widespread presence in HVAC-R units**, as well as its deep knowledge in thermodynamics, with **Kiona software and digital value proposition**

Explore new applications for Kiona solutions, e.g. indoor air quality and ventilation domains, **leveraging Carel strong know-how in sensors** and **presence** in the **contracting channel**

Strong technical and commercial synergies to boost the Group positioning in the digital service space

CAREL to retain a flexible capital structure

The Board of Directors (scheduled for August 3rd), with a view to **retaining a flexible capital structure** to enable CAREL to continue pursuing **future growth opportunities**, will submit for approval to the general meeting of CAREL's shareholders a proposal for a **share capital increase** (or a proxy – "*delega*" – to the Board of Directors to carry out such share capital increase) **by way of rights offering of up to €200m** (inclusive of any share premium), with **pre-emption rights**

Rights issue pre-underwritten by a leading financial institution, acting as Sole Global Coordinator and Bookrunner

The founding families and controlling shareholders, Luigi Rossi Luciani S.a.p.a. and Athena S.p.A., **expressed their intention to support the capital increase** and are expected to partially subscribe their portion of the capital increase **for an overall amount of c. €50m**

The share capital increase is expected to be **completed indicatively by year end**, subject to **market conditions** and obtaining the relevant **regulatory authorizations**

CAREL to retain a flexible capital structure to continue pursuing growth opportunities

Key takeaways

Acquisition of a leading fast growing and profitable rule-of-40 European SaaS provider of prop-tech solutions

Seamless and synergic combination of Kiona solutions offering with CAREL value proposition

Integration of value-accretive human capital with extensive software and digital services expertise

Retention of a minority stake by founder & CEO along with **selected key employees** to ensure a **full alignment of interest**

CAREL to preserve financial flexibility to pursue future growth opportunities, leveraging the solid M&A track-record

A key milestone in CAREL growth story significantly strengthening its positioning in digital services

Q&A

