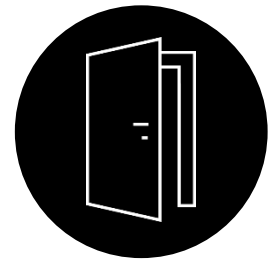
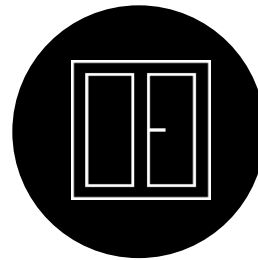


ARBONIA



Annual results 2020

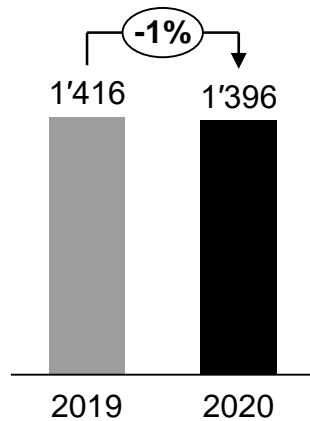
Alexander von Witzleben, CEO
Daniel Wüest, CFO

2020 summary

Overview key metrics (CHF M), including discontinued operations

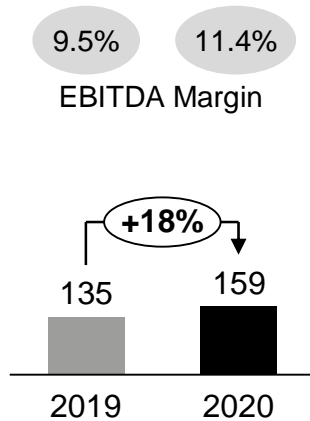


Net revenues¹



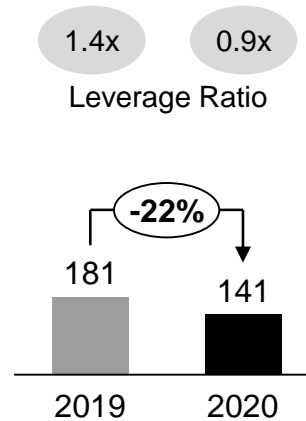
Net revenues only marginally down in CHF despite COVID-19 impacts – **+2.1% organic revenue growth**

EBITDA²



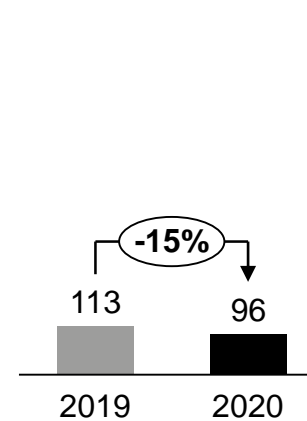
Substantial increase of EBITDA and respective margin based on operational performance

Net debt



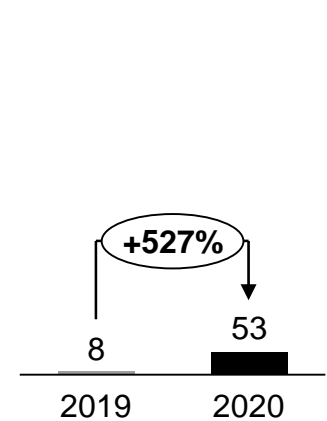
Substantial reduction of net debt (prior to cash and debt impacts of disposal of Windows Division)

Capex



Ongoing trend of lower capex despite capacity increase in Doors Division

Free cash flow



Substantial free cash flow improvement due to higher operational performance, lower capex and NWC management

Strong results in a challenging environment due to resilient business model

¹ Organic revenue growth adjusted for currency incl. discontinued operations 2.1% | Organic revenue growth continuing operations adjusted for currency and acquisition effects 2.0%

² EBITDA figures without one-time effects – EBITDA with one-time effects 2019: CHF 125.4 M and 2020: CHF 157.8 M

Agenda

1. Sale of Windows Division, adapted strategy and structure

2. Group results 2020

3. Market environment and key drivers

4. Strategy

5. Guidance

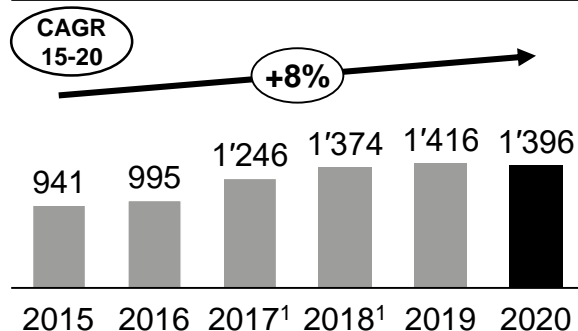
Questions

Arbonia's 6-year performance: continuous improvement

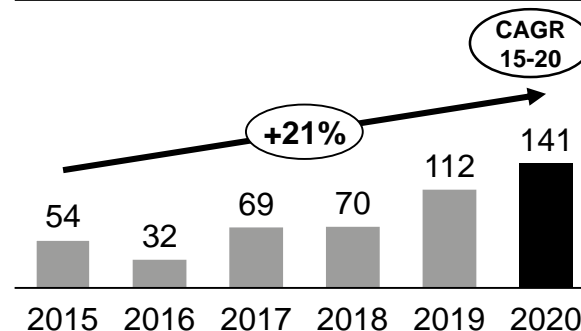
Key figures 2015-2020 (CHF M), including discontinued operations



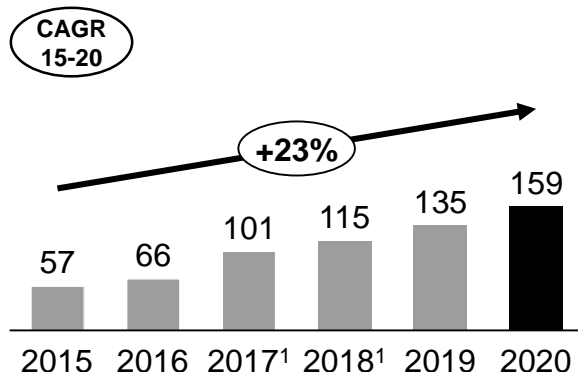
Net revenues



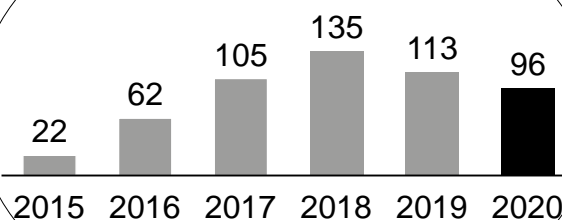
CF from operating activities



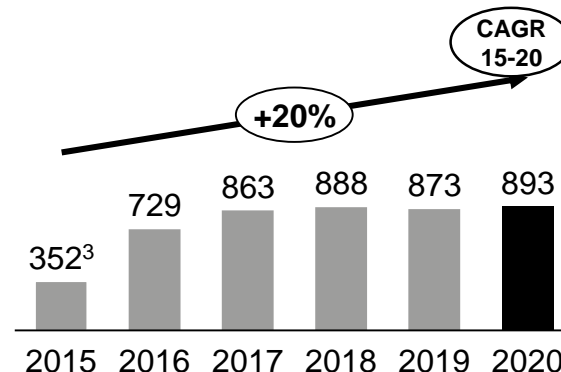
EBITDA²



Capex



Shareholders' equity

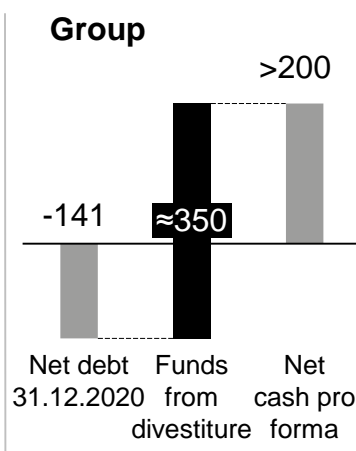
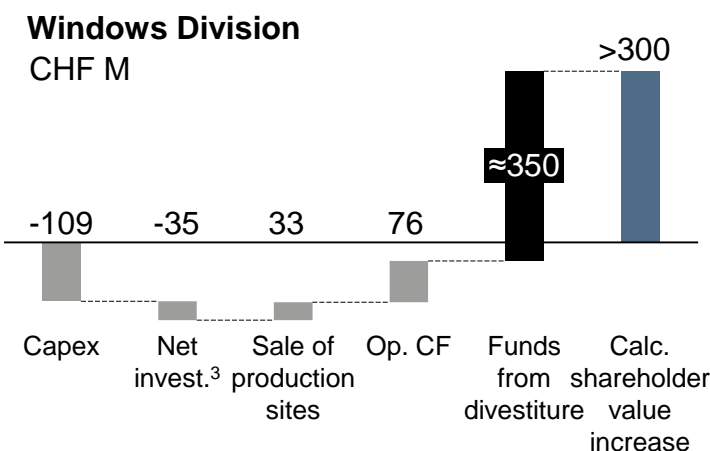
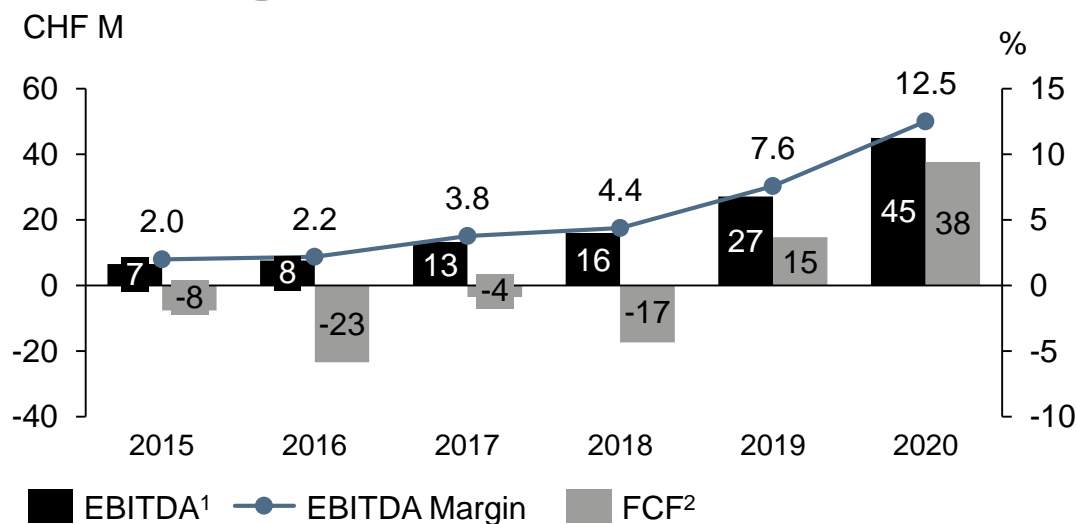


Acceleration of profitable growth

¹ Continuing operations | ² EBITDA figures without one-time effects | ³ H1 2015: CHF 187 M

Divestiture Windows Division

Over CHF 300 M value generation and CHF 350 M cash to strengthen remaining divisions



- In 2015 the decision was taken to restructure the Windows Division by relocating the production footprint and invest CHF 109 M in capex and CHF 35 M in acquisitions and participations
- Capex invested was funded through operational cash flows over the period and sale of spare production sites
- The restructuring and relocation was successfully completed in 2019
- On the back of strong 2020 results the sale of the Windows Division generated a return in excess of CHF 300 M over the period
- The funds of c. CHF 350 M from the sale will transform the Group's net debt position into net cash of CHF >200 M at time of closing

¹ EBITDA figures without one-time effects | ² Free Cash Flow excl. net investments for acquisitions and participations | ³ Net investment from acquisitions and participations

Accelerated growth strategy – Overview

Arbonia presents a strong growth strategy, reinforced by mega trends, favorable market outlooks and a strong financial position

HVAC



- Increase share of HVAC systems from currently 30% to 50% of sales relative to HVAC components by way of accelerated organic growth supplemented by inorganic growth
- Offer "plug and play" energy efficient HVAC systems (energy storage, heat pumps, underfloor heating, fan coils & radiators and ventilation) including filtration
- Accelerate organic growth in heat pumps through building a new production facility in 2021 in CZ multiplying existing annual production capacity
- Ongoing process and production footprint optimisation in steel panel radiators to maintain and extend cost leadership and to benefit from ongoing consolidation

Doors



- Expand market and cost leadership in main markets Germany and Switzerland
- Extend production capacity by 40% in Prüm (DE) and Invado (PL) and 30% in Garant (DE) to drive organic growth
- Further develop project business in Germany and dealer business in Switzerland
- Support growth in Eastern European markets inorganically

Sanitary E.



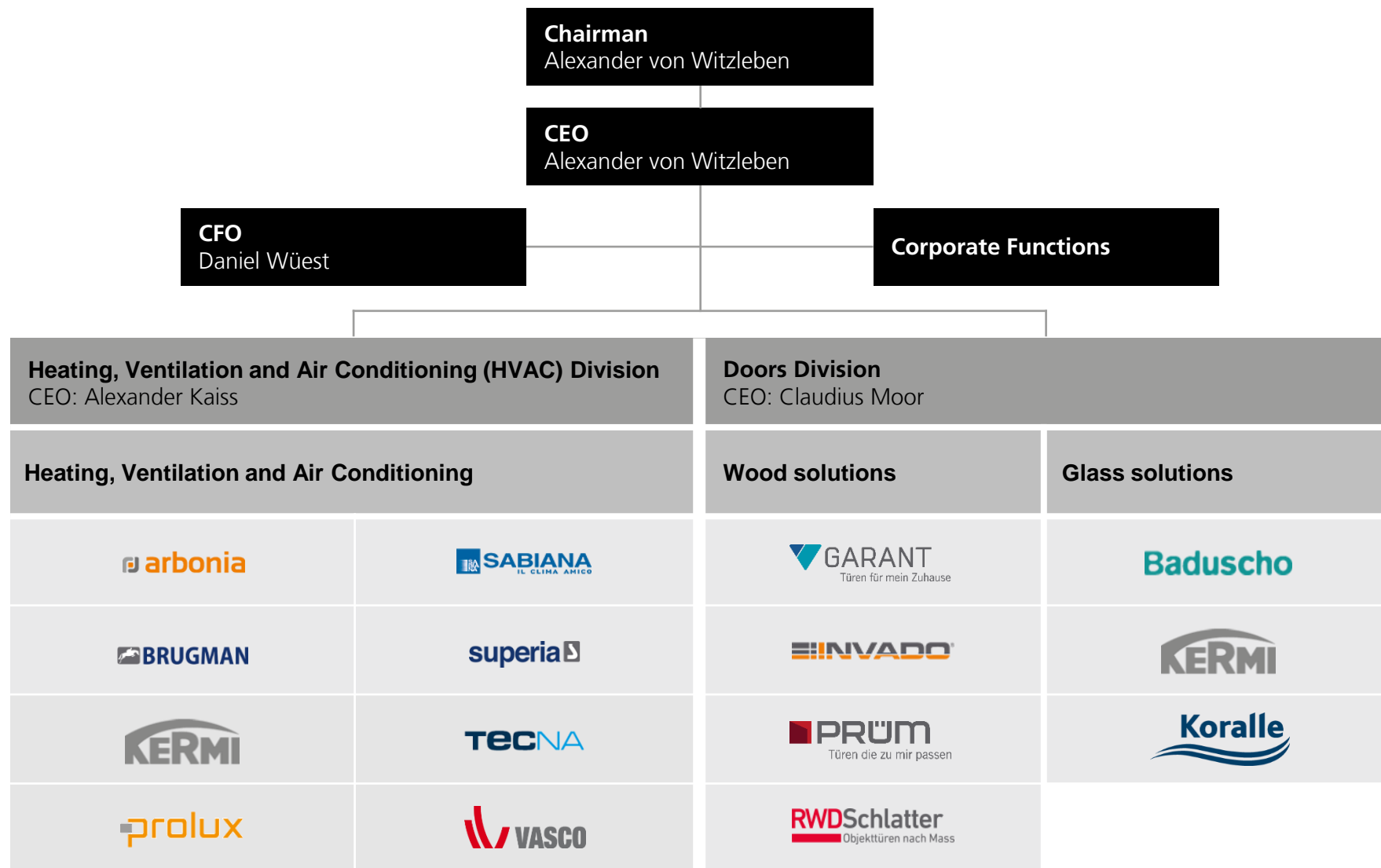
- Further extend service business and strengthen project and key account business
- Continued process optimisation and digitisation
- Organically and inorganically grow the product portfolio and market presence in Eastern Europe

Leverage synergies between Doors and Sanitary Equipment Division

- Combined sales efforts for project and dealer business
- Joined procurement to profit from economies of scale
- Product portfolio extension with glass partitions and glass doors in the mid-term


Adapted Group structure as of 1 July 2021

Two focused divisions



Adapted Group structure as of 1 July 2021

Two equal financially strong divisions

		ARBONIA 			
		Heating, Ventilation and Air Conditioning (HVAC)	Doors		Group
		Heating, Ventilation and Air Conditioning	Wood solutions	Glass solutions	
2020 (proforma)	Revenues ¹	529.1	509.4		1'038.4
	EBITDA ^{1,2}	59.2	66.1		116.3
	Employees	2'914	2'836		5'750

¹ In CHF M

² With one-time effects

Agenda

1. Sale of Windows Division, adapted structure and strategy

2. Group results 2020

3. Market environment and key drivers

4. Strategy

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Questions

Income Statement

As reported, continuing operations (excl. Windows)



In CHF M	2020	in %	2019	in %	
Net revenues	1'038.4	100.0	1'057.8	100.0	I Cost base
Cost of material and goods	-454.0	-43.7 ^I	-475.2	-44.9	• Improved cost base due to efficiency gains, insourcing, FX, material costs and favourable price/product/country mix
Personnel expenses	-345.6	-33.3 ^I	-352.0	-33.3	
Other operating expenses	-147.0	-14.2 ^I	-156.7	-14.8	
EBITDA	116.3 ^{II}	11.2	100.7	9.5	II EBITDA (+15%)
Depreciation, amortisation, impairments	-47.5	-4.6	-45.1	-4.3	• EBITDA up 15.5%
EBITA	68.8	6.6	55.6	5.3	• All Divisions at or above Group margin of 11.2%
PPA amortisation	-14.9	-1.4	-15.5	-1.5	
EBIT	53.9 ^{III}	5.2	40.1	3.8	III EBIT (+34%)
Net financial result	-12.9 ^{IV}	-1.2	-6.0	-0.6	• EBIT up 34.4% based on almost unchanged D&A
Group result before income tax	40.9	3.9	34.1	3.2	IV Net financial result
Income tax expense	-11.2	-1.1	-11.6	-1.1	• Negative impact due to FX and one time financing charges (renewal of credit facility)
Group result from continuing operations	29.7	2.9	22.5	2.1	
Group result from discontinued operations	15.2	1.5	3.7	0.3	
Group result	44.9 ^V	4.3	26.2	2.5	V Net Profit (+71%)
					• Net Profit up 71.4%

Income Statement

Without one-time effects, continuing operations (excl. Windows)



In CHF M	2020	in %	2019	in %	
Net revenues	1'038.4	100.0	1'057.8	100.0	I Cost base
Cost of material and goods	-454.0	-43.7 ^I	-473.9	-44.8	• No change compared to reported figures
Personnel expenses	-345.3	-33.2 ^I	-346.0	-32.7	II EBITDA (+6%)
Other operating expenses	-147.1	-14.2 ^I	-155.1	-14.7	• EBITDA up 6.3% (excl. CHF 2.2 M sale of real estate)
EBITDA	114.5 ^{II}	11.0	107.7	10.2	• Negative EBITDA effect of CHF 1.8 M net vs. positive net effect of CHF 7.0 M in 2019
Depreciation, amortisation, impairments	-47.5	-4.6	-43.1	-4.1	
EBITA	67.0	6.4	64.6	6.1	
PPA amortisation	-14.9	-1.4	-15.5	-1.5	
EBIT	52.1 ^{III}	5.0	49.1	4.6	III EBIT (+6%)
Net financial result	-12.9 ^{IV}	-1.2	-6.0	-0.6	• EBIT up 5.9%
Group result before income tax	39.1	3.8	43.2	4.1	IV Net financial result
Income tax expense	-11.0	-1.1	-13.1	-1.2	• C. CHF 3 M negative FX impact due to IC loans and liquid assets in FX
Group result from continuing operations	28.1 ^V	2.7	30.1	2.8	V Net Profit (-7%)
					• Net Profit down 6.6%

Blue figures are adjusted for one-time effects

Income Statement

With one-time effects, including discontinued operations (Windows)



In CHF M

	2020	in %	2019	in %
Net revenues	1'396.3	100.0	1'416.0	100.0
Cost of material and goods	-600.7	-43.0 ^I	-638.3	-45.1
Personnel expenses	-468.7	-33.6 ^I	-480.1	-33.9
Other operating expenses	-190.1	-13.6 ^I	-200.8	-14.2
EBITDA	157.8 ^{II}	11.3	125.4 ^{II}	8.9
Depreciation, amortisation, impairments	-68.4	-4.9	-67.0	-4.7
EBITA	89.4	6.4	58.3	4.1
PPA amortisation	-16.2	-1.2	-18.6	-1.3
EBIT	73.3 ^{III}	5.2	39.7	2.8
Net financial result	-13.7 ^{IV}	-1.0	-5.4	-0.4
Group result before income tax	59.6	4.3	34.3	2.4
Income tax expense	-14.6	-1.0	-8.1	-0.6
Group result	44.9 ^V	3.2	26.2	1.9

I Cost base

- Improved cost base due to efficiency gains, insourcing, FX, material costs and favourable price/product/country mix

II EBITDA (+26%)

- CHF -1.4 M net one-time effects whereof CHF 2.2 M (sale of real estate) and CHF -3.6 M negative (mainly Division Windows). EBITDA w/o one-time effects CHF 159.2 M

III EBIT (+85%)

- Incl. CHF -1.0 M one-time effects

IV Net financial result

- Negative impact due to FX and financing charges (renewal of credit facility)

V Net Profit (+71%)

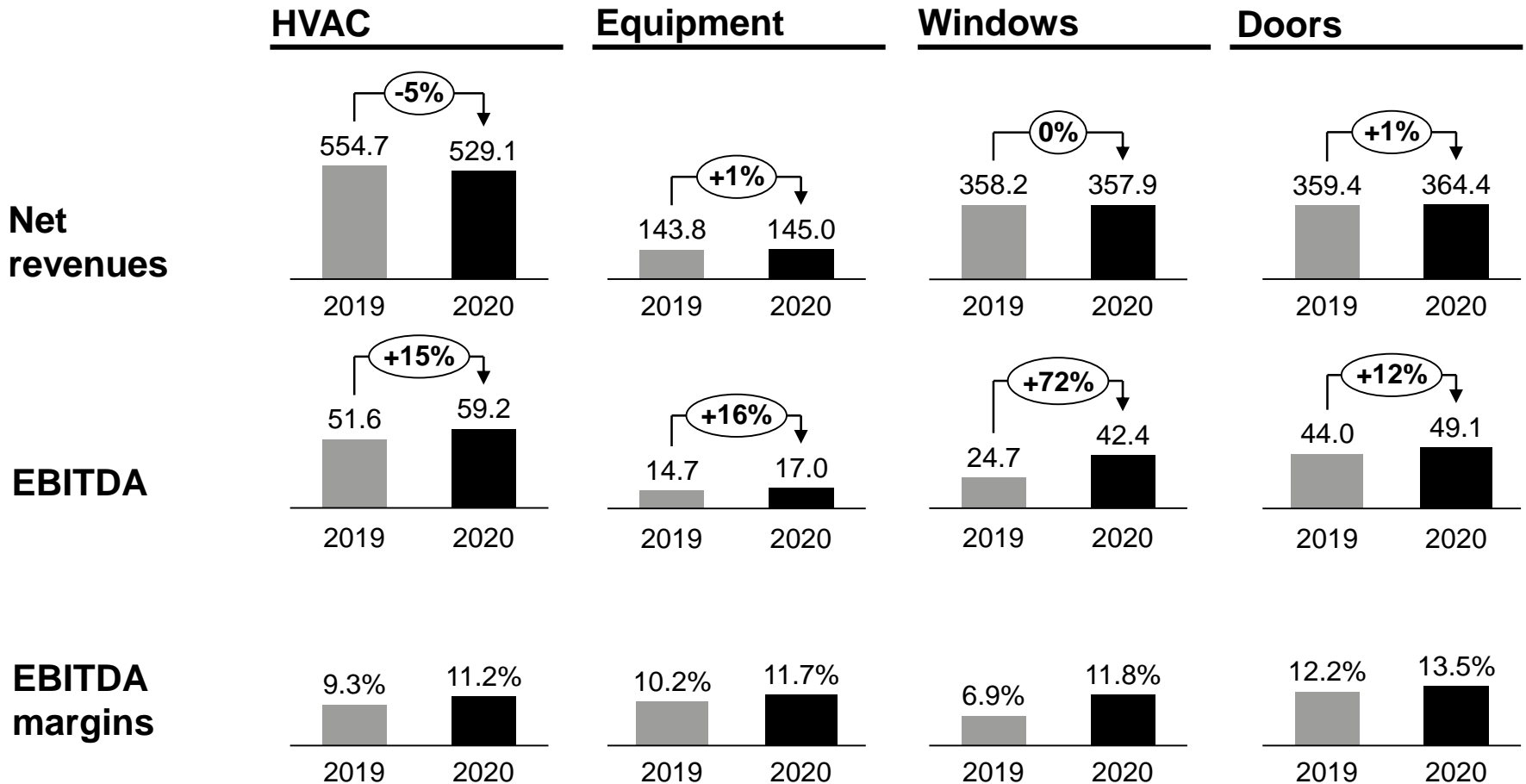
- Strong increase despite higher financial and tax expenses

2020 summary

Performance by Division, including discontinued operations



All figures in CHF M¹



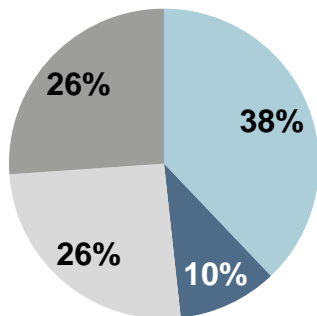
¹ Not FX and acquisition adjusted – for adjustments see slide 15, "Organic growth"

Net revenues by Division and Region

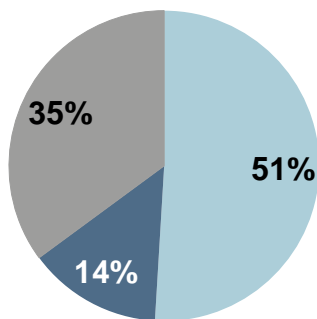
Share of Germany further increases after sale of Windows

Net revenues by Division

Including discontinued operations¹



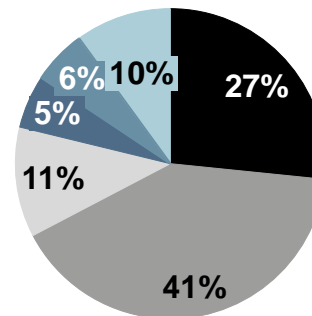
Continuing operations²



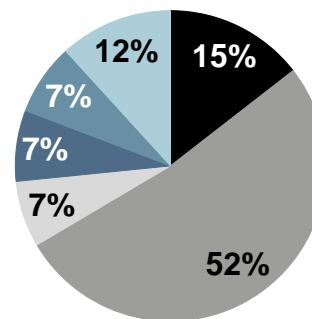
■ HVAC ■ Windows
■ Sanitary Equipment ■ Doors

Net revenues by Region

Including discontinued operations³



Continuing operations⁴



■ Switzerland ■ Eastern Europe⁵ ■ Southern Europe⁶
■ Germany ■ Benelux ■ RoW

¹ 2019: HVAC 39%, San. 10%, Windows, 25% and Doors 26%

³ 2019: CH 25%, DE 39%, Eastern Eur. 12%, Benelux 6%, Southern Eur. 6% and RoW 12%

⁵ PL, CZ, SK and RU

² 2019: HVAC 52%, San. 14%, and Doors 34%

⁴ 2019: CH 14%, DE 49%, Eastern Eur. 8%, Benelux 8%, Southern Eur. 8% and RoW 13%

⁶ IT, ES and PT

Organic growth

Top-line growth negatively impacted by FX-effects – organic growth mainly driven by price effects

Net revenues as reported <i>continuing operations</i> in CHF M	2020	2019	Δ Year Total	Currency effects	Organic growth ¹
Arbonia	1'038.4	1'057.8	-1.8%	-3.8%	+2.0%
HVAC	529.1	554.7	-4.6%	-4.2%	-0.4%
Sanitary Equipment	145.0	143.8	+0.8%	-3.2%	+4.0%
Doors	364.4	359.4	+1.4%	-3.6%	+5.0%



Net revenues <i>incl. discontinued operations</i> in CHF M	2020	2019	Δ Year Total	Currency effects	Organic growth ²
Arbonia <i>Incl. discontinued operations</i>	1'396.3	1'416.0	-1.4%	-3.4%	+2.1%
Windows	357.9	358.2	-0.1%	-2.3%	+2.2%

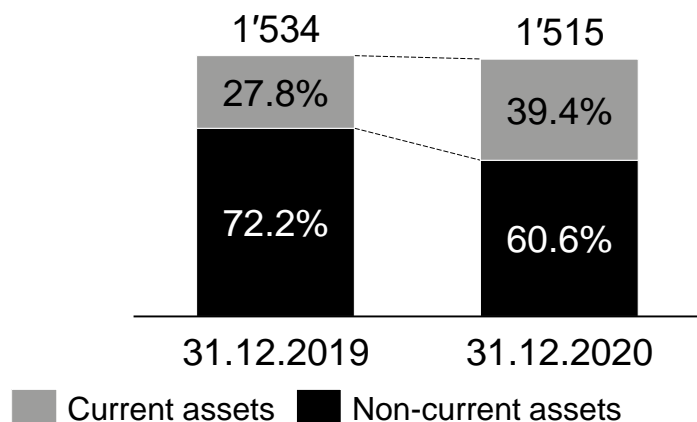


¹ Adjusted for currency and acquisition effects

² Adjusted for currency effects

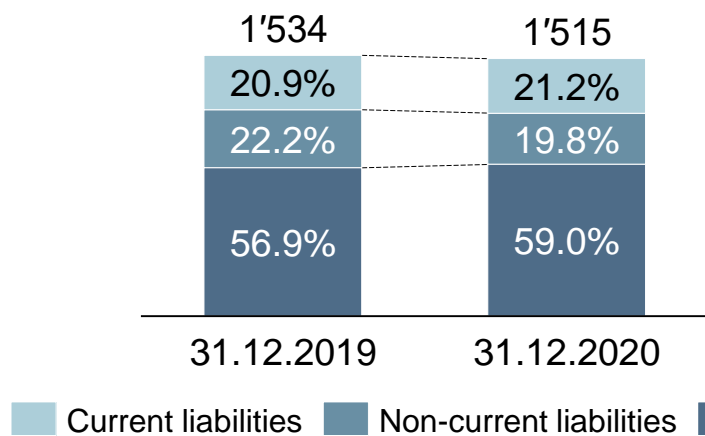
Balance sheet

In CHF M, including discontinued operations (Windows)



I Assets

- Slightly lower absolute asset base mainly due to FX translation effect and amortisation of PPA
- CHF 283 M of assets allocated to Windows Division and classified as "available for sale"

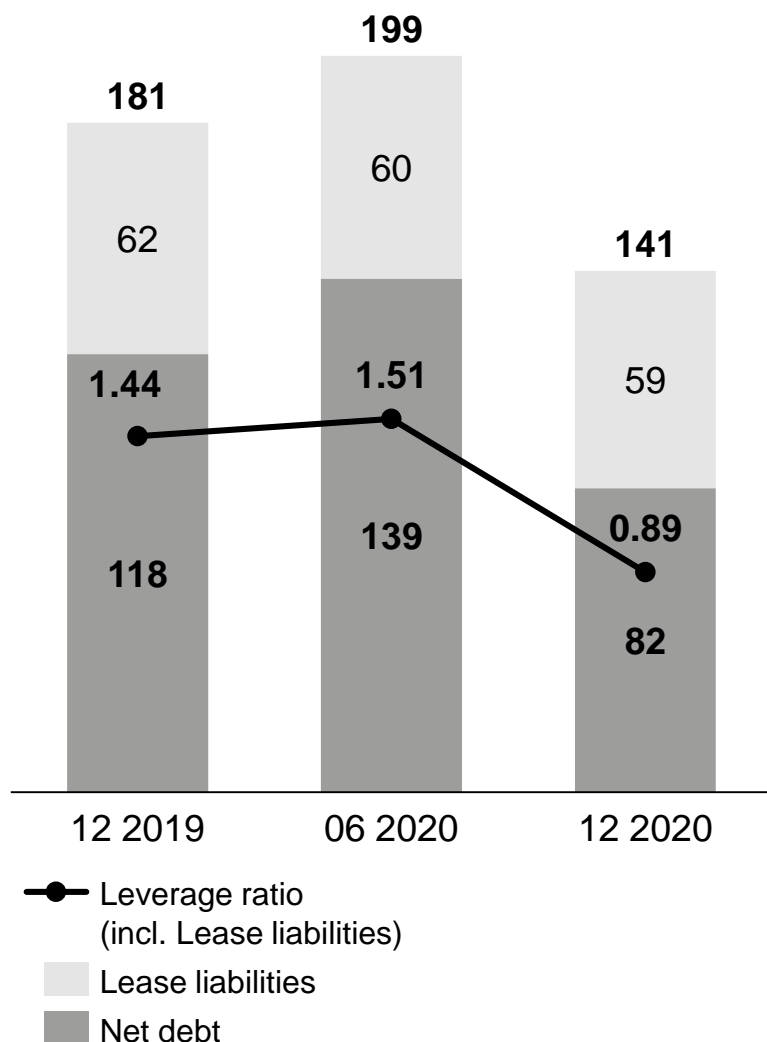


II Liabilities and shareholders' equity

- Slightly lower liability base due to FX translation effect
- Increased equity base of CHF 893 M (2019: 873 M) or 59.0% (2019: 56.9%) of total balance sheet
- CHF 100 M of liabilities allocated to Windows Division and classified as "available for sale"

Net debt as of December 2020

In CHF M, including discontinued operations (Windows)



I Net debt

- Reduction of net debt by CHF 40 M compared to 12 2019
- Refinancing of syndicated credit facility in Q4 2020 led to more favorable terms and conditions
- New credit facility with leverage ratio as only covenant, lower margins, volume of CHF 250 M incl. increase and extension options

II Leverage ratio

- Leverage ratio substantially below 1.00x and expected to turn into net cash of > CHF 200 M following closing of sale of Windows Division

III Real estate and land

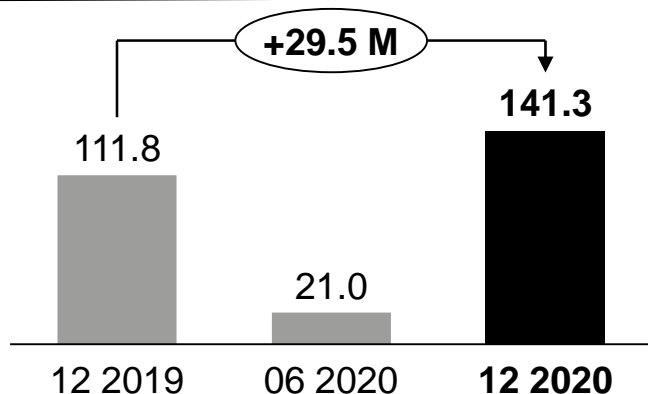
- Surplus real estate and land reserves with estimated CHF 30 M value not included in net debt calculation

Cash flow statement

In CHF M, including discontinued operations (Windows)

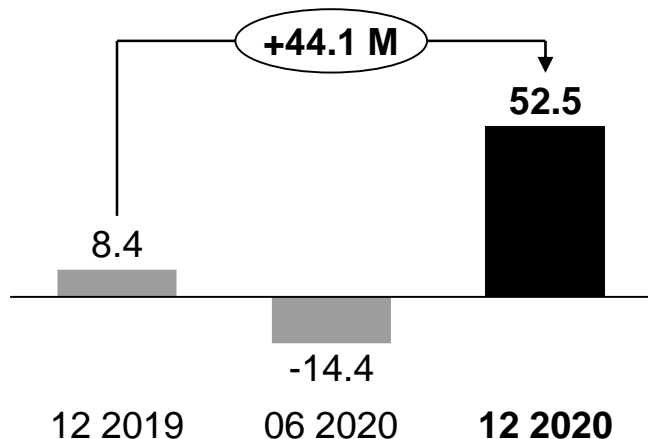


I Cash flow from operating activities



- Increase of cash flow from operating activities reflects better operational performance and ...
- ...is additionally reflecting management of NWC

II Free cash flow¹



- Significant improvement of free cash flow due to better operational performance and reduced capex compared to 2019

¹ Free cash flow: cash flow from operating and investing activities

Agenda

1. Sale of Windows Division, adapted structure and strategy

2. Group results 2020

3. Market environment and key drivers

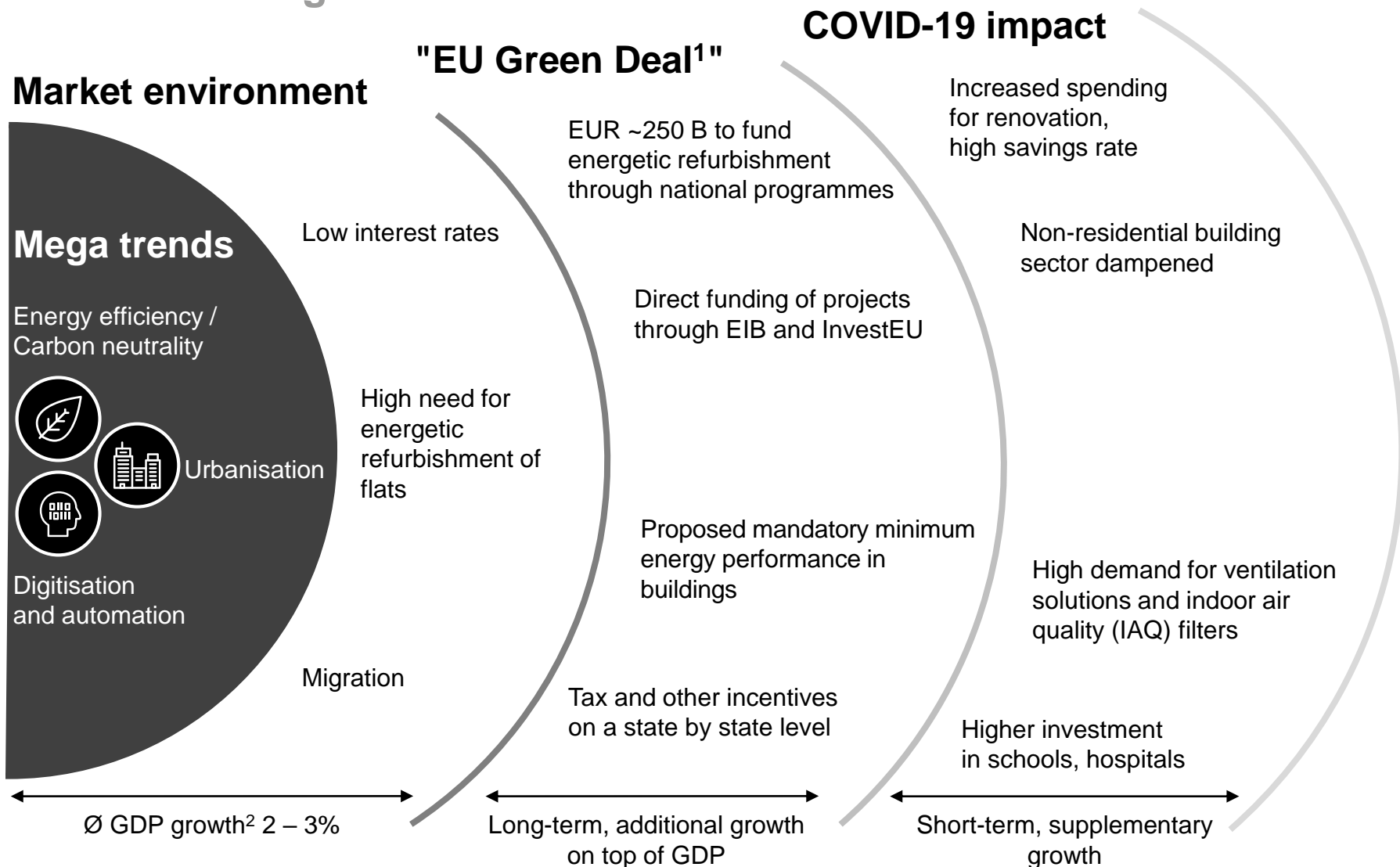
4. Strategy

5. Guidance

Questions

Market environment and key drivers

Three additive growth drivers













1 Source: European Commission – COM(2020) 662 | 2 Blend of Arbonia's key markets 2022 – 2023, source: 90th Euroconstruct Report 2020

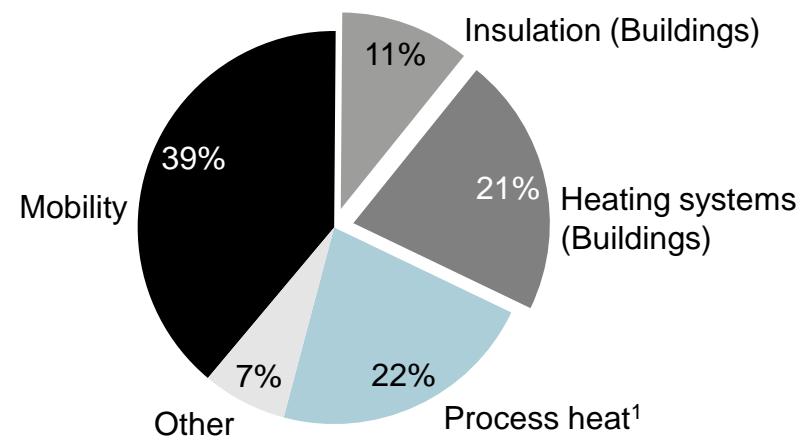
Market environment

Development of relevant construction markets

Market environment

	Residential forecast 2021	Non-residential forecast 2021
	-0.2%	0.9%
	1.8%	-4.0%
	-3.5%	0.8%
	-1.4%	-3.9%
	-2.8%	-1.6%
	9.8%	6.3%
	-5.4%	-7.6%
	9.0%	3.4%
	5.0%	2.8%
	10.6%	12.2%

"Green deal" impact on Germany



- Buildings are responsible for ~33% of energy-usage and CO₂ emissions in Germany (similar to all EU-countries)
- Market share of old heating systems in Germany: ~57% or 11.8 M units (2018)
- Insulating existing buildings is expensive and at times unfeasible, thus CO₂ savings are easiest to achieve by replacing the heating system
- Green deal has already resulted in **high double-digit growth in renewable heating systems** in Germany
- To achieve the goal of 3.5 M installed heat pumps by 2030, average installation has to double to 400'000 p.a.

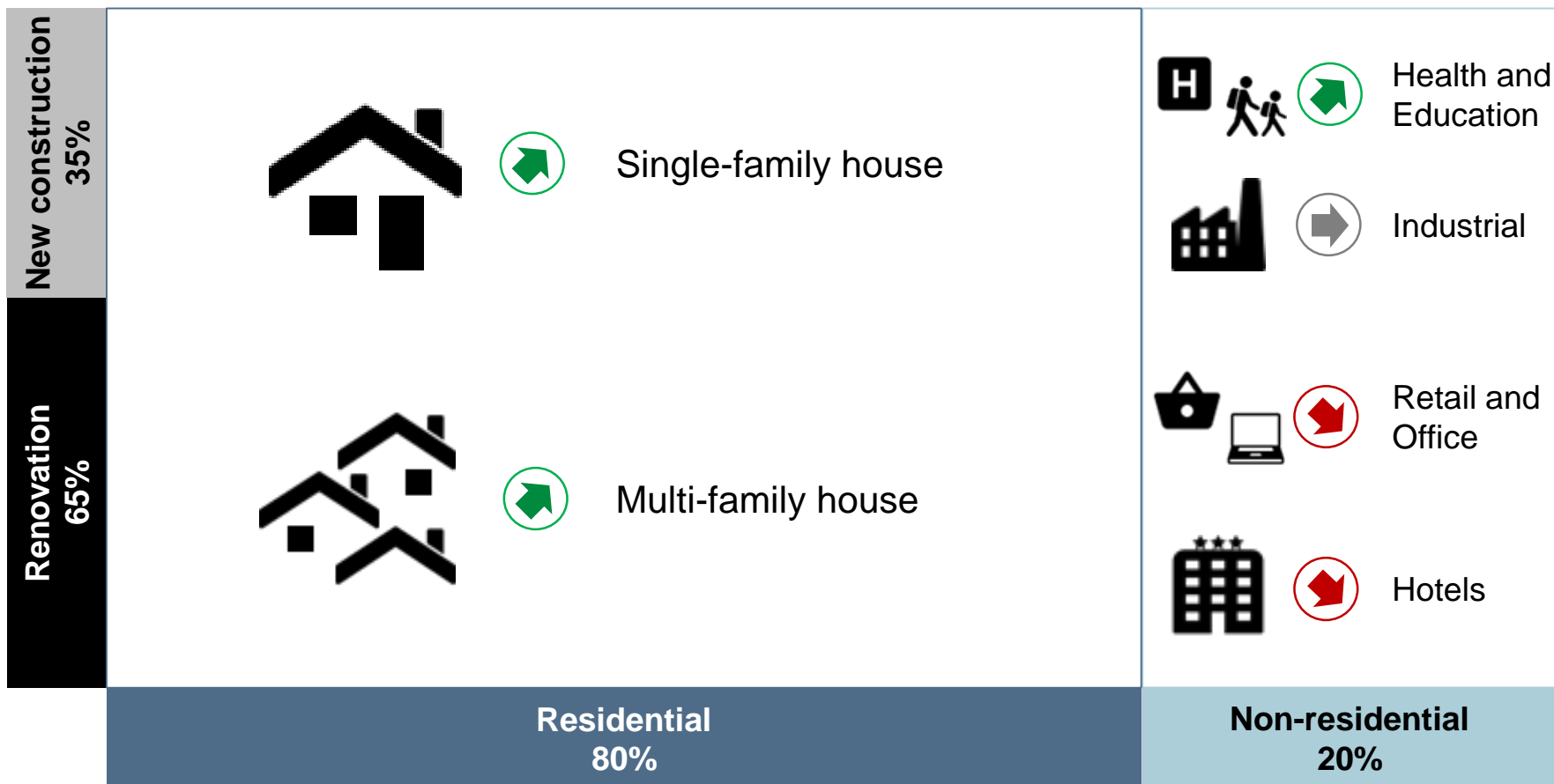
Source: 90th Euroconstruct Report 2020, BDH – Bundesverband der Deutschen Heizungsindustrie, European Commission – COM(2020) 662

¹ Heat required for certain technical processes (especially in industry)

Construction – Market segments and outlook

Arbonia's main market segments are residential construction and renovation

Arbonia's approximate revenue split by segments



➡ Expected positive outlook until 2021/22
 ➡ Expected neutral outlook until 2021/22
 ➡ Expected negative outlook until 2021/22

Source: B+L Marktdaten GmbH, 90th Euroconstruct Report

Agenda

1. **Sale of Windows Division, adapted structure and strategy**
2. **Group results 2020**
3. **Market environment and key drivers**


4. Strategy

5. Guidance

Questions

Group structure as of 1 July 2021

Two strong divisions

		ARBONIA 			
		Heating, Ventilation and Air Conditioning (HVAC)	Doors		Group
		Heating, Ventilation and Air Conditioning	Wood solutions	Glass solutions	
2020 (proforma)	Revenues ¹	529.1	509.4		1038.4
	EBITDA ^{1,2}	59.2	66.1		116.3
	Employees	2914	2836		5750

¹ In CHF M

² With one-time effects

Divisional strategy

Heating, Ventilation and Air Conditioning



Strategy

Increase share of HVAC systems from currently 30% to 50% of sales relative to components by way of accelerated organic growth and supplemented by inorganic growth

Offer "plug and play" energy efficient HVAC systems (energy storage, heat pumps, underfloor heating, fan coils & radiators and ventilation) including filtration

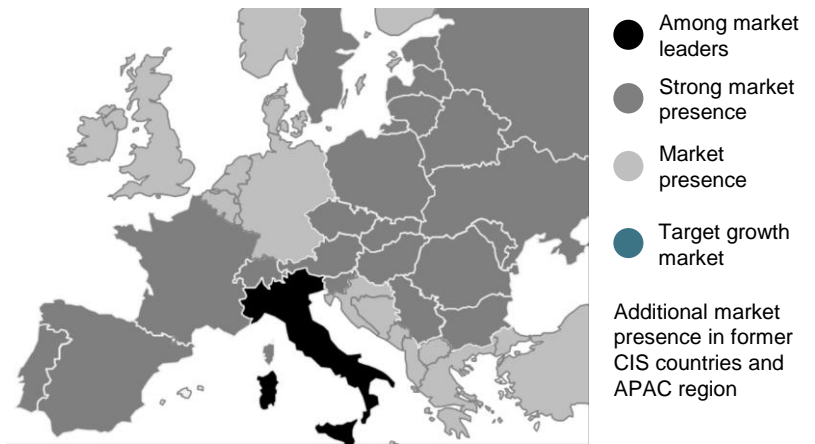
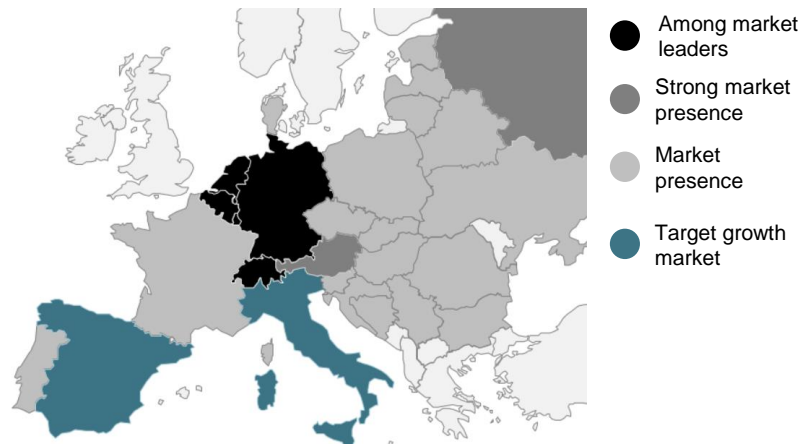
Markets

Heating

- Expansion capex in new manufacturing facility for heat pumps in CZ to satisfy the high demand
- Continued process and production footprint optimisation in steel panel radiators to maintain cost leadership and to benefit from ongoing consolidation
- Organic growth in Eastern Europe and RU with local production sites

Ventilation and Air Conditioning

- Strong organic growth with ventilation and filter products through ongoing product innovation and subsidized purchases from end customers
- Supplemented by bolt-on acquisitions to extend product and/or geographic footprint



Divisional strategy

Doors



Leverage synergies between the Doors Division and former Sanitary Equipment Division by combining sales efforts for project and dealer business, by consolidating procurement and extending joint product portfolio to provide interior wood and glass solutions

Strategy

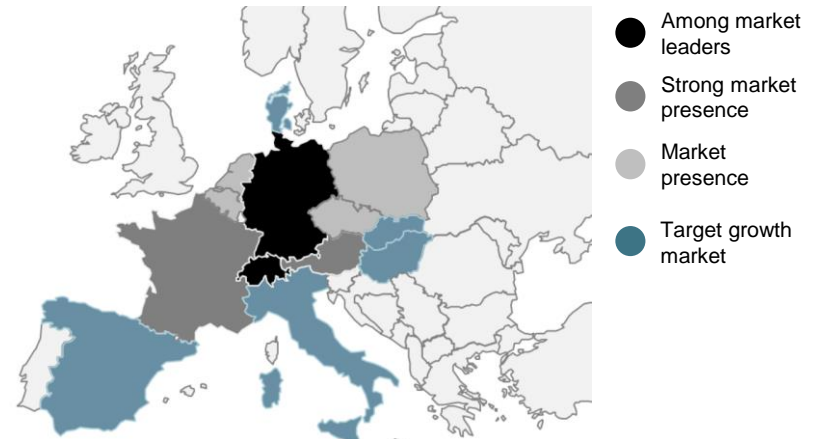
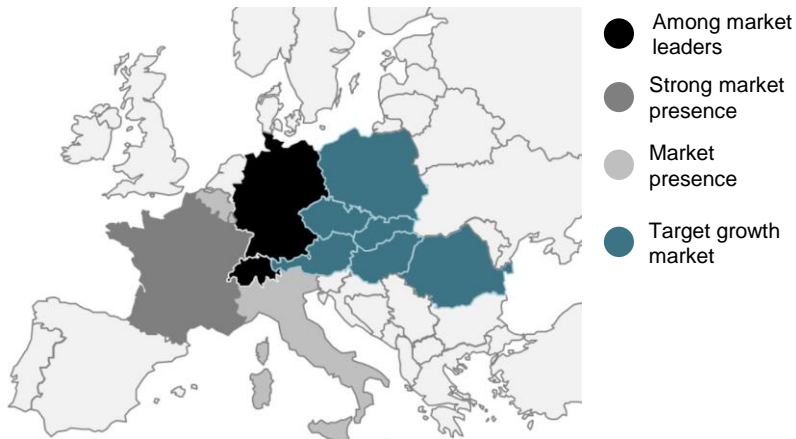
Wood solutions

- Extend production capacity by 40% in Prüm (DE) and Invado (PL) and 30% in Garant (DE) to drive organic growth
- Further develop project business in Germany and dealer business in Switzerland
- Profit from product innovations such as premium edge door
- Inorganic growth in main markets and Eastern Europe

Glass solutions

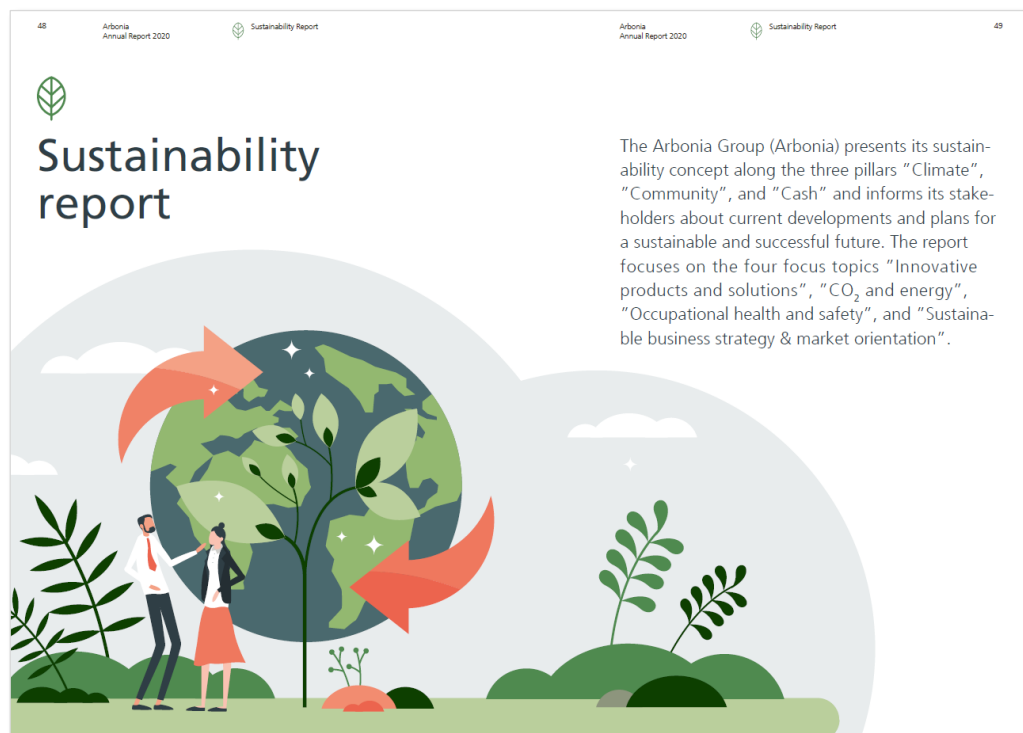
- Further extend service business
- Strengthen project an key account business
- Continue process optimisation and digitisation
- Inorganic growth to develop domestic Eastern European markets, expand product portfolio and establish best cost country footprint

Markets



ESG-reporting

Establishing an ESG-reporting system



Initial Arbonia ESG report



Integrated GRI-compliant ESG-report within annual report as a starting-point for the future



Defining goals and strategies

Developing a dedicated ESG-reporting system with input from employees, customers, analysts etc.



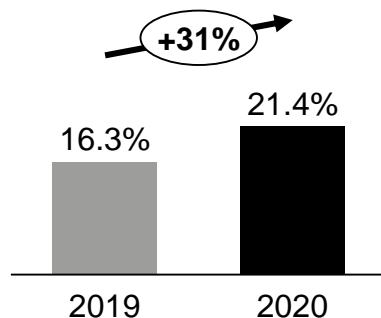
Developing next years report

Building on this years report and inputs from internal and external sources, Arbonia will improve both the internal and external reporting

ESG-reporting

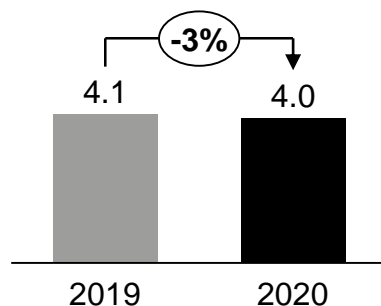
Highlights 2020

Innovative products and solutions



- The share of new products in relation to all products sold has increased by **more than 30%** (Total: 21.4%)¹
- The HVAC and Sanitary Equipment divisions are working on a 100% foil-free packaging

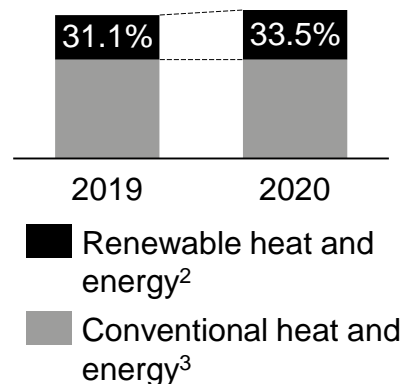
Occupational health and safety



Accident rate (per 200'000 work hours)

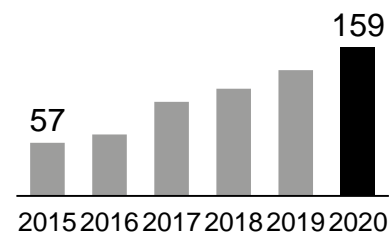
- The accident rate (per 200'000 work hours) has **decreased by 3%**
- **> 90%** of all employees are covered by a management system for occupational health and safety⁴

CO₂ and Energy



- With self-produced heat and energy plus purchased green energy, the share of renewable energy used (in MWh) increased from **31.1% to 33.5%**²
- **~ 90%** of all energy used is electricity, natural gas or self-produced

Sustainable business strategy and market orientation



EBITDA without one-time effects (in CHF million)

- The strategy to focus on products like sustainable heating and ventilation as well as insulating doors is also paying off financially
- Going forward Arbonia is dedicated to a broad commitment to sustainability


¹ Defined as products that have been launched in the past 3 years | ² Incl. in-house PV systems, a wind turbine, CHP (combined heat and power) systems and purchased green energy | ³ Purchased non-green energy and heat as well as fuels | ⁴ In addition to government mandated health and safety measures

Agenda

1. **Sale of Windows Division, adapted structure and strategy**
2. **Group results 2020**
3. **Market environment and key drivers**
4. **Strategy**
5. **Guidance**

Questions

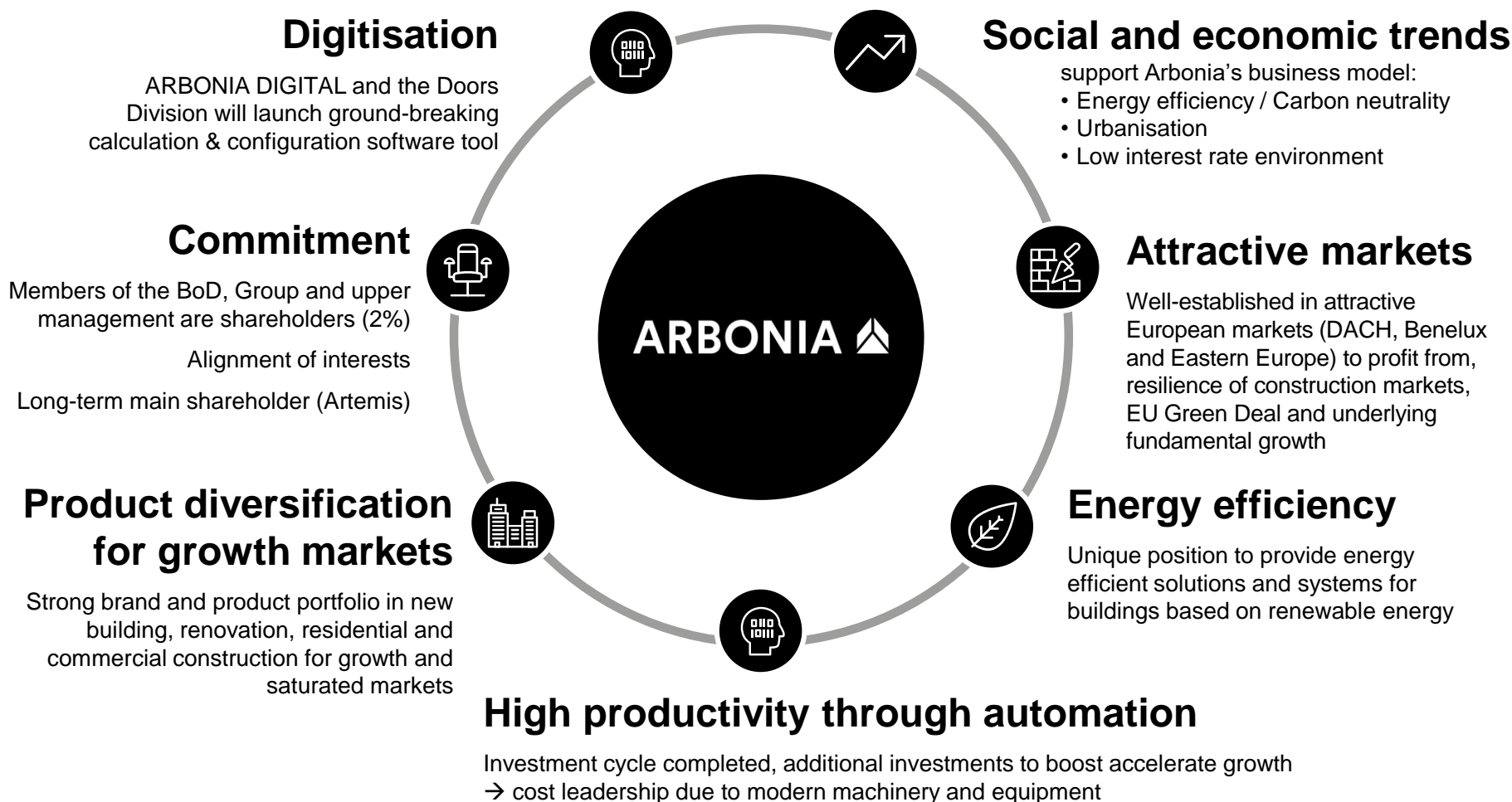
Guidance 2021

ARBONIA 				
	Heating, Ventilation and Air Conditioning (HVAC)	Doors		Group
	Heating, Ventilation and Air Conditioning	Wood solutions	Glass solutions	
Organic growth	3.5 – 4.5%	>5%		4.0 – 5.0%
EBITDA margin	>11%	>13%		>11%

Dividend target

- 10% annual growth through the cycle
- For 2020: Dividend of CHF 0.25 per share AND in addition CHF 0.22 per share postponed dividend for business year 2019
- Total dividend **CHF 0.47 per share** payable following AGM 2021 on April 23, whereof 50% out of capital contribution reserves free of withholding tax

Why Arbonia?



Proven business model supported by social, ecological and economic trends – focussed two divisions with a clear strategy and value proposition

Agenda

- 1. Sale of Windows Division, adapted structure and strategy**
- 2. Group results 2020**
- 3. Market environment and key drivers**
- 4. Strategy**
- 5. Guidance**

Questions

Disclaimer

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This presentation may contain certain forward-looking statements relating to the Group's future business, development and economic performance. Such statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to (1) competitive pressures; (2) legislative and regulatory developments; (3) global, macroeconomic and political trends; (4) fluctuations in currency exchange rates and general financial market conditions; (5) delay or inability in obtaining approvals from authorities; (6) technical developments; (7) litigation; (8) adverse publicity and news coverage, which could cause actual development and results to differ materially from the statements made in this presentation.

The Arbonia AG assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise.

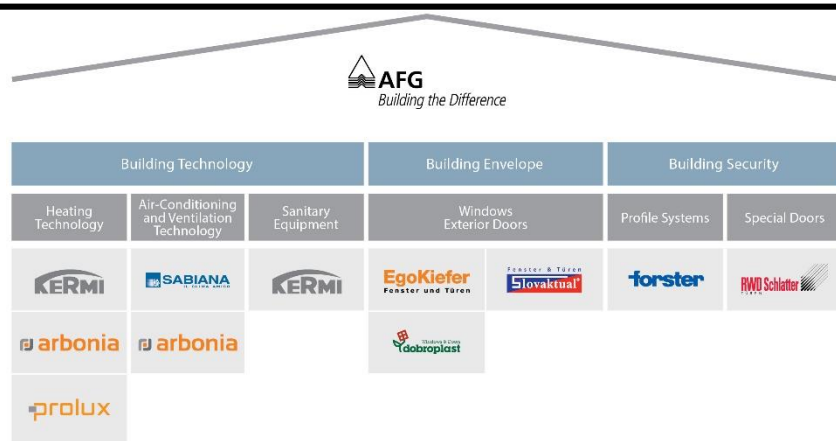
ARBONIA 

Thank you

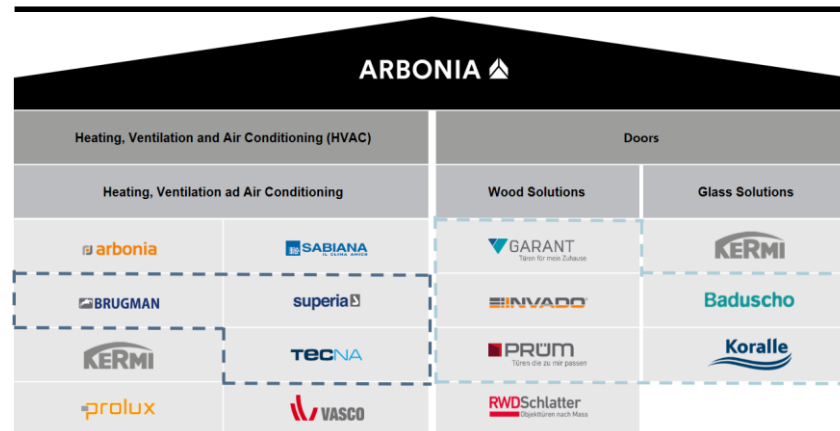
Arbonias transformation 2015-2021

Development Key figures, including discontinued operations

AFG in 2015



Arbonia in 2021¹



Acquisitions 2018 2016

in CHF M	H1 2015	2015	2016	2017 ²	2018 ²	2019 ³	2020 ³
Net revenue	425.1	941.4	995.3	1'245.6	1'374.0	1'416.0	1'396.3
EBITDA ⁴	18.2	56.7	66.0	101.3	115.1	134.8	159.2
EBIT ⁴	-2.9	16.5	28.6	42.6	47.8	52.3	75.6
Group result ⁴	-20.0	-14.5	12.2	22.8	23.8	36.5	47.7
Equity ratio	22.9%	39.1%	47.7%	60.9%	58.7%	56.9%	59.0%
Net debt	228.7	21.7	225.1	43.3	116.8	180.6 ⁵	140.6 ⁵
CF from op. activities	0.6	54.5	32.0	68.8	69.6	111.8	141.3
FCF	-6.0	16.0	-67.3	190.4	-53.8	8.4	52.5
Capex	9.3	21.9	62.1	105.1	134.7	113.0	95.5

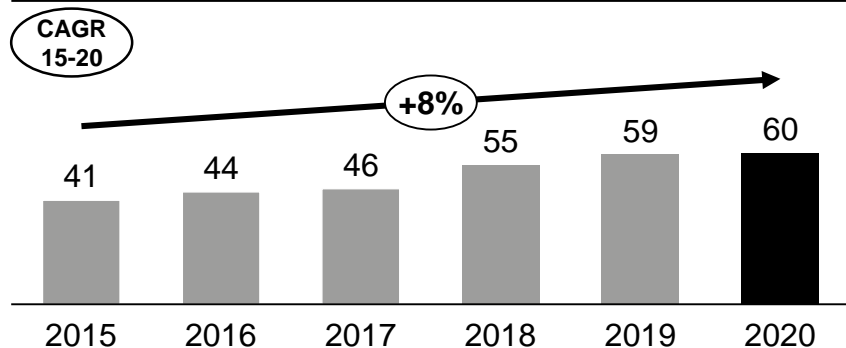
¹ New organisation after the sale of the Windows Division | ² Continuing operations | ³ Incl. discontinued operations | ⁴ Without one-time effects | ⁵ Incl. IFRS 16

Arbonia's 6-year EBITDA performance: Divisions

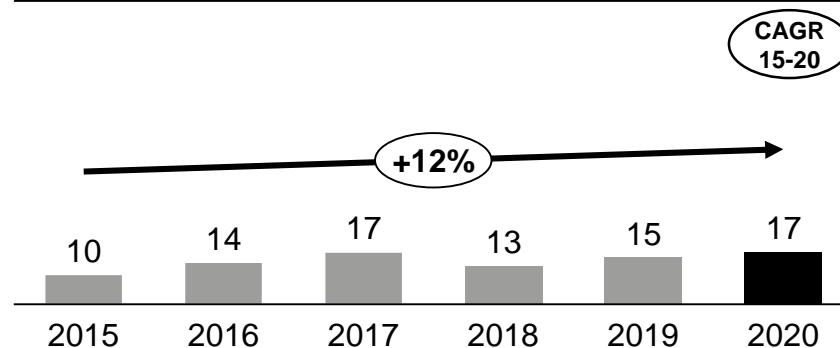
Key figures 2015-2020 (CHF M), including discontinued operations



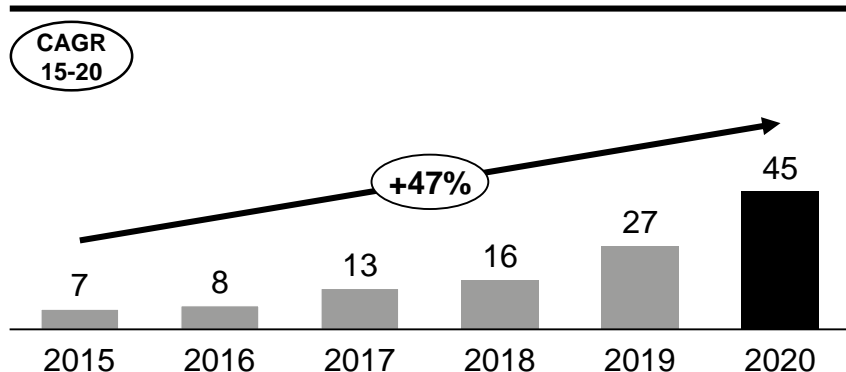
HVAC¹



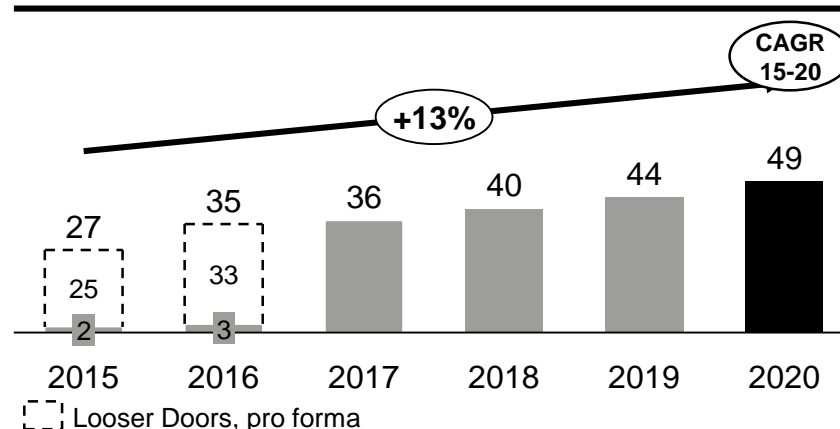
Sanitary Equipment²



Windows³



Doors⁴



EBITDA figures without one-time effects

1 Acquisition of Vasco Group in June 2018 and Tecna in September 2018

2 Acquisition of Koralle Group in October 2017

3 Acquisition of Wertbau in October 2015

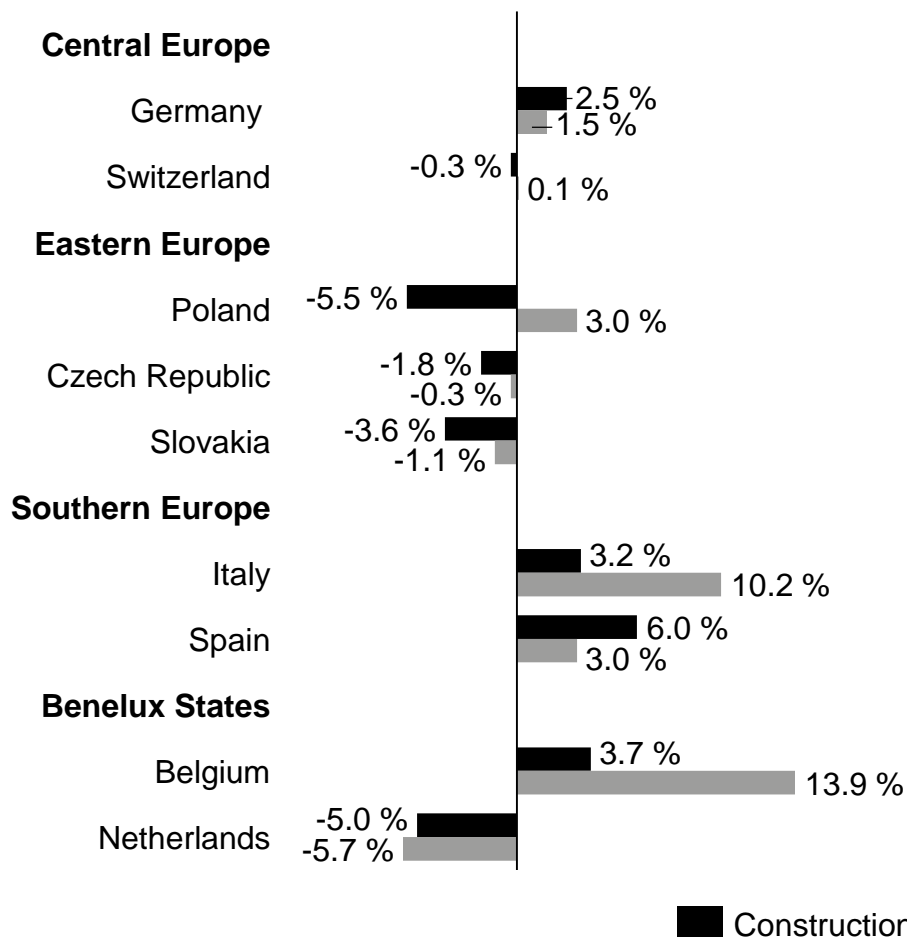
4 Without disposed Profile Systems Business Unit. Acquisition of Looser Group in December 2016

Market environment

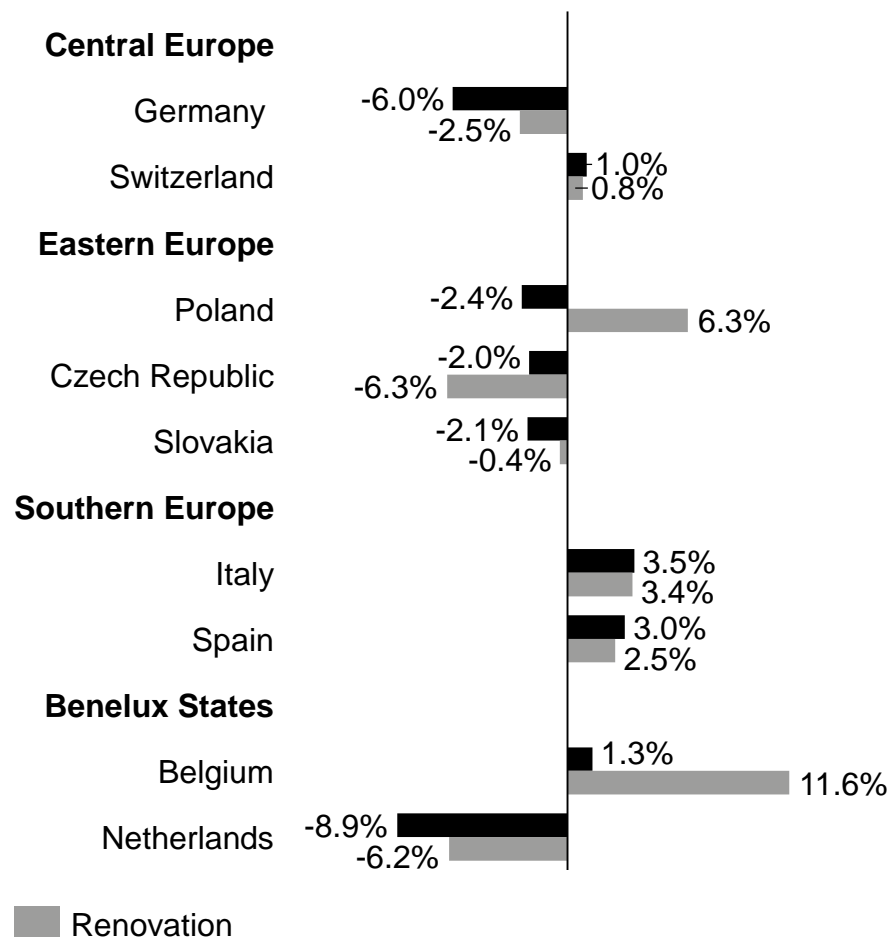
Construction market 2021



Residential



Non-residential



■ Construction ■ Renovation

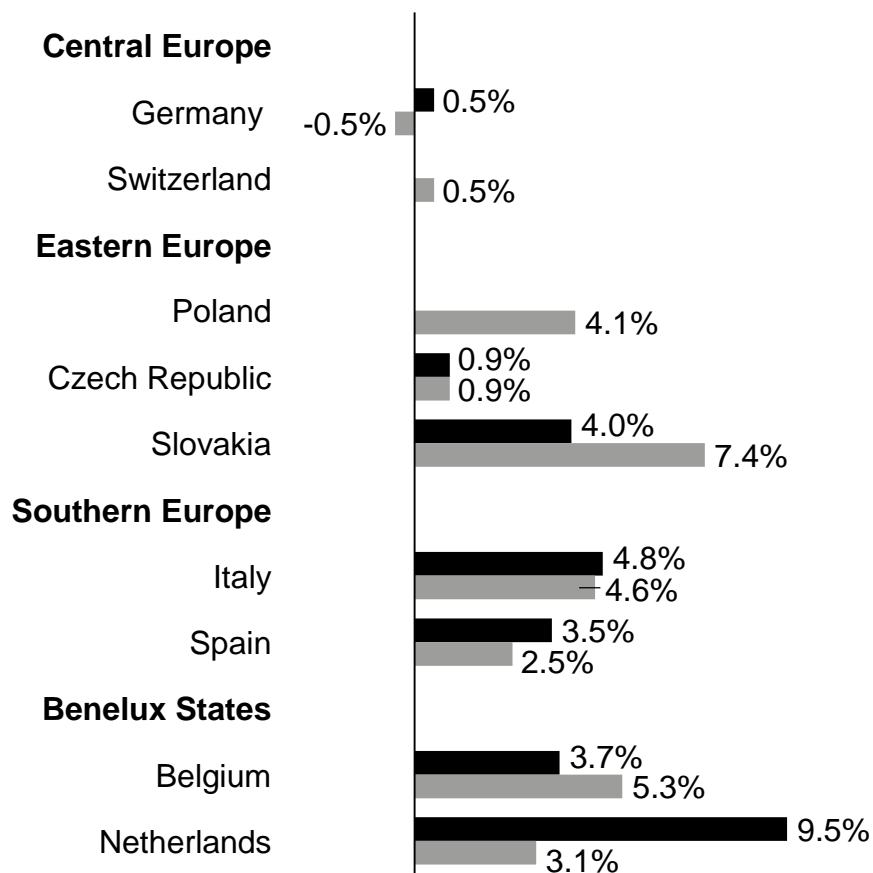
Source: 90th Euroconstruct Report 2020

Market environment

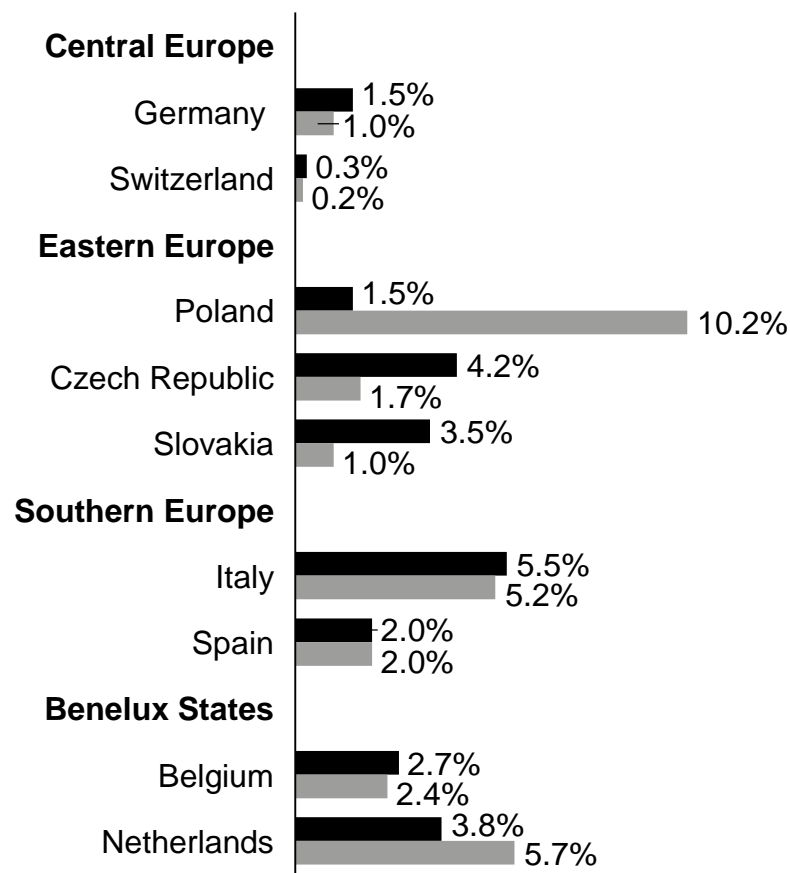
Construction market 2022



Residential



Non-residential

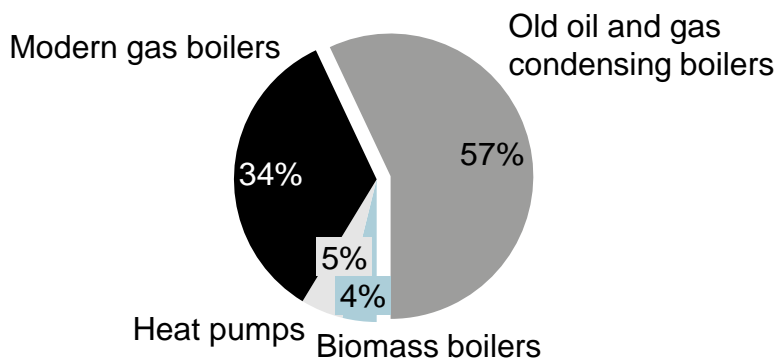


■ Construction ■ Renovation

Source: 90th Euroconstruct Report 2020

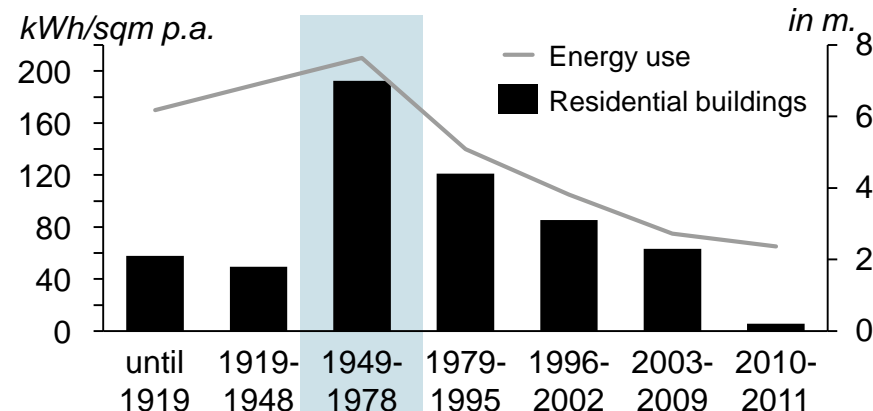
Energy efficiency / Carbon neutrality

German Climate Protection Concept



Usage of different heating systems in Germany (2018)

- Market share of old heating systems: roughly 57% represent 11.8 M units



German housing market

- Large share of German housing was built prior to 1978 and is highly energy inefficient (heating and isolation)

German Climate Protection Concept announced in September 2019

- Subsidies for exchange of oil-fired boiler and use of renewable heat sources as of 1st January 2020
- Tax reduction of up to 20% over 3 years for replacement of old heating systems
- Introduction of a CO₂ charge in 2021
- Impediments for the installation of oil-fired boilers from 2026 onwards

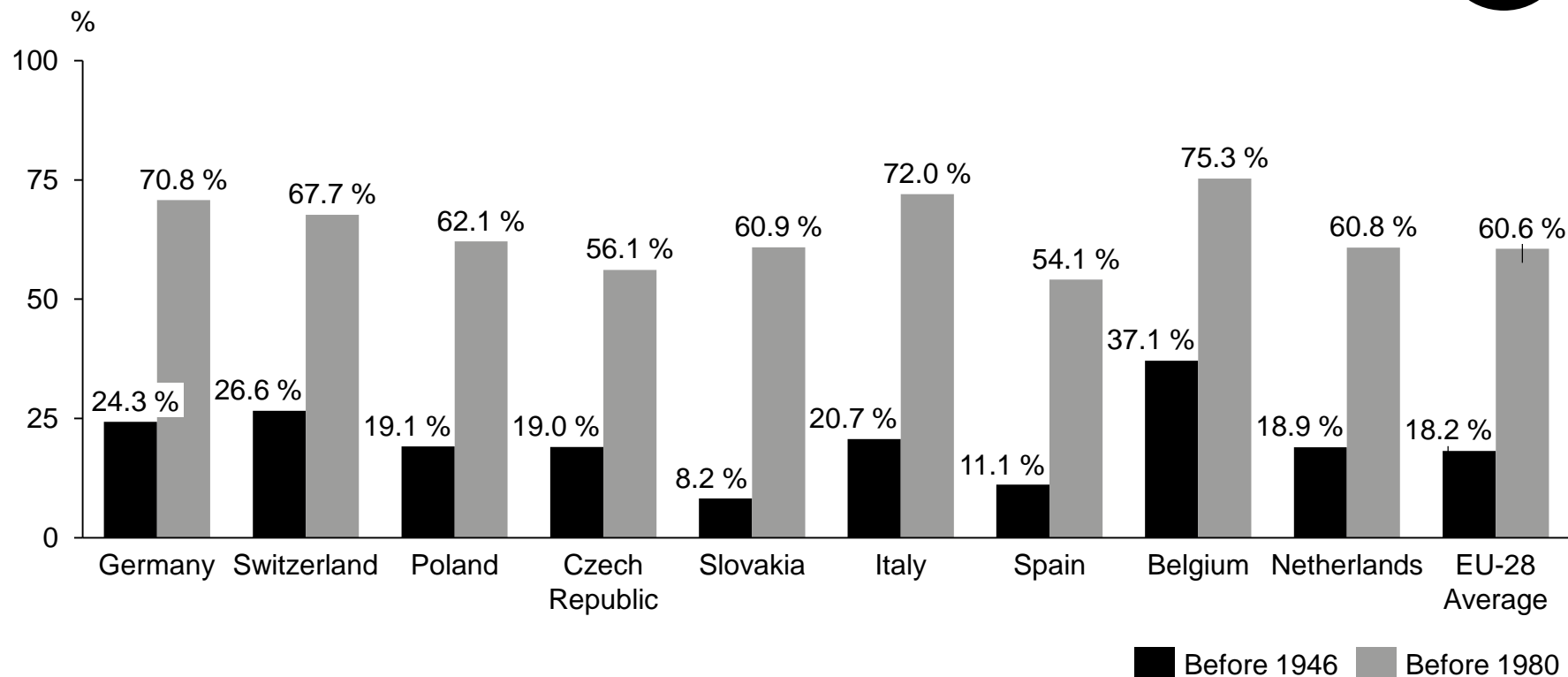
Selected climate protection concepts in other countries

- Switzerland committed to a CO₂ reduction of 50% by 2030 compared to 1990
- It has paid CHF 340 M in subsidies from 2010 and 2018 for energy efficient heating systems and increased its CO₂ charge to 96 CHF/t in 2018
- Similar programs are ongoing in the Benelux countries

Source: German Ministry of Economics, BDH; Survey by "Schornsteinfegerhandwerk"

Source: Das Gebäudeprogramm, Bundesamt für Energie BFE

European renovation potential



Overview: European housing market

- Large share of European housing was built prior to 1980
- Large renovation potential after new construction trails off
- Subsidies for energy-efficient heating systems expected or in place in most of Arbonia's core markets

Source: Eurostat: Census 2011, EU-28 Age of Dwellings;

Follow up: German Climate Protection Programme



Type of heating system		Renovation ¹	
		Rate of subsidies	incl. replacement of oil fired boilers
biomass <i>or</i> heat pump		35%	45%
solar panels		30%	
renewable energy hybrid systems		35%	45%
gas-hybrid heating system	incl. renewable heat generation	30%	40%
	renewable ready	20%	

Source: German Federal Office for Economic Affairs and Export Control

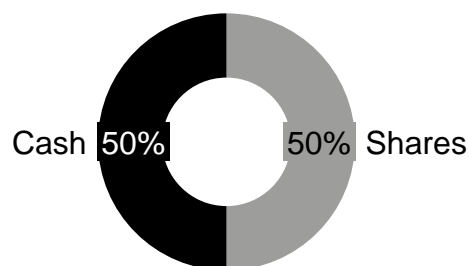
¹ No direct subsidies for construction, as of 2021 energy-efficient heating systems in construction are supported by favourable financing through the development bank KfW

Management compensation and incentive



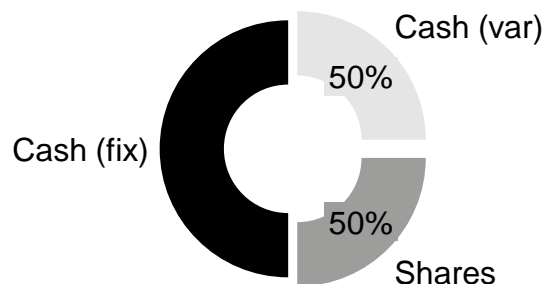
Board of Directors

- Members of the Board of Directors receive a base compensation as well as additional compensation for membership of committees.¹
- At least 50% of the total annual sum is given out in the form of shares with a lock-up period of four years.²



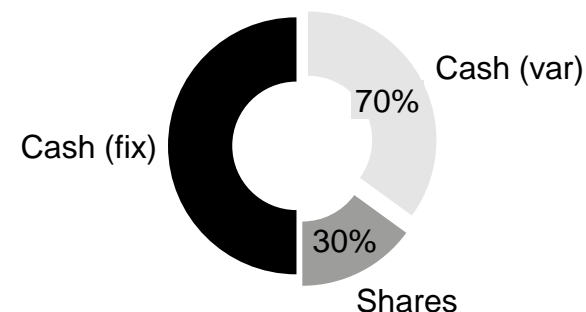
Group Management

- Members of Arbonia's Group Management receive a individual base compensation in cash with considerations to function, experience and skills.³
- Individual variable compensation in % of base salary is dependent on financial targets. 50% of variable compensation is payed out in the form of shares with a lock-up period of four years.⁴



Upper management

- Members of Arbonia's upper management receive a individual base compensation in cash with considerations to function, experience and skills.
- Individual variable compensation in % of base salary is dependent on financial targets. 30% of variable compensation is payed out in the form of shares.



The whole management is committed to long term success

¹ The Chairman of the Board of Directors waives compensation for membership of all committees

² One Board member is resident in the USA and receives his fee in cash only

³ In his function as interim CEO, the Chairman and delegate of the Board of Directors receives a base compensation with cash and share components

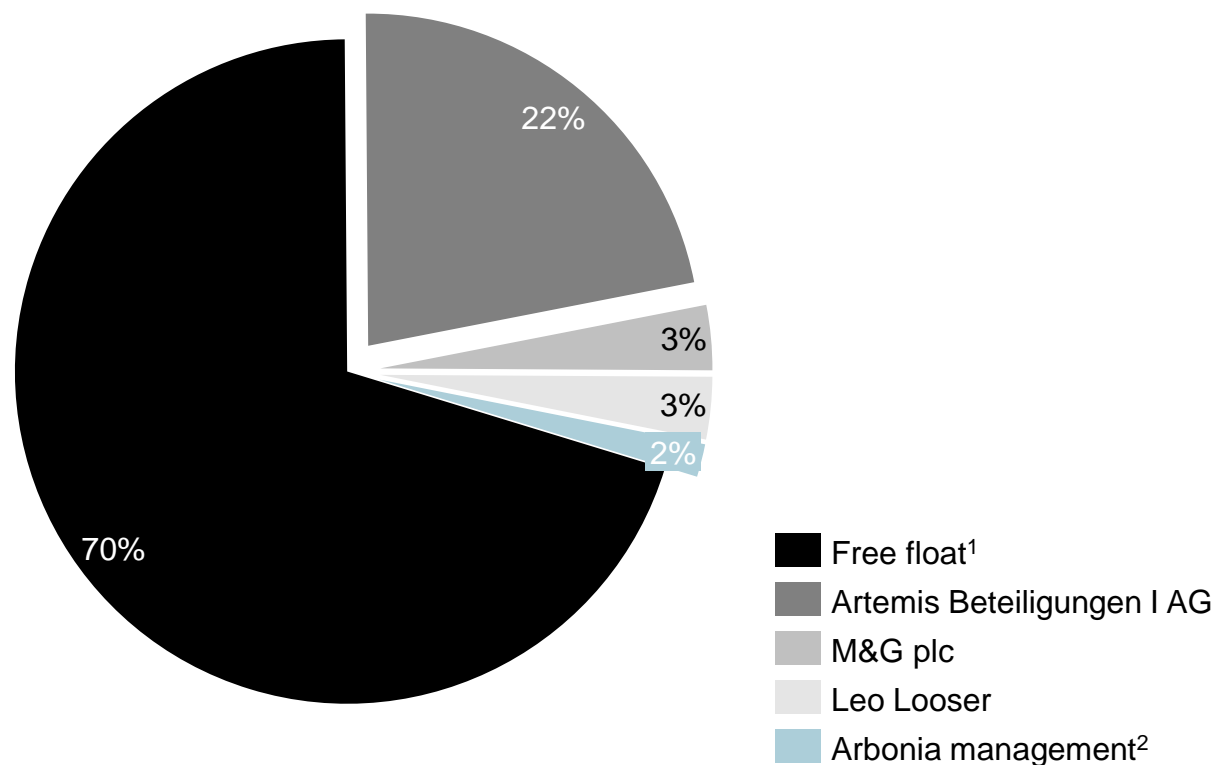
⁴ In his function as interim CEO, the Chairman and delegate of the Board of Directors waives any variable compensation

Arbonia shareholder structure

As of 31 December 2020



Free float market capitalisation:
CHF 686 M³



Tradeable free float of ~70%

¹ Every other shareholder with <3% of shares outstanding

² Members of the Board of Directors, Group Management and upper management of Arbonia Group

³ Based on the closing price of 31 December 2020 and 70% of shares outstanding