

Secop Group Holding GmbH



Interim Report
Q1-2025

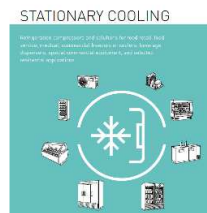
MANAGEMENT REPORT

The Secop Group

The Secop Group Secop is the expert for advanced hermetic compressor technologies and cooling solutions in commercial refrigeration. We develop high performance stationary (light commercial), mobile cooling solutions and medical refrigeration solutions for leading international commercial refrigeration manufacturers. We are the first choice when it comes to leading hermetic compressors and electronic controls for refrigeration solutions for AC-powered stationary light commercial, DC-powered, and medical cold-chain applications.

Secop has a long track record of successful projects to adopt energy efficient and green refrigerants that feature innovative solutions for compressors, electronic controls and cooling units.

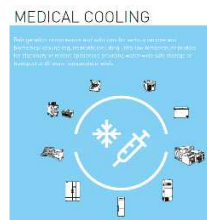
Business Segments



Our **Stationary Cooling** business segment (AC-supply compressors for static applications) encompasses compressors for light commercial applications in food retail, food service, merchandisers, and special applications including selected beverage applications. <https://www.secop.com/products/stationary-cooling>



Our **Mobile Cooling** business segment (battery-driven DC-supply for mobile applications) is the global leader in high-performance hermetic DC compressors for electrical vehicles, automotive, trucks, buses, recreation vehicles, portable boxes, solar, and other transport applications. <https://www.secop.com/products/mobile-cooling>



Our **Medical Cooling** business segment with its stationary and mobile solutions, make us a market leader for medical refrigeration of storage and transportation solutions. We support the development of the global ULT (ultra-low temperature) cold-chain optimization with green and efficient solutions, and we are WHO approved with solutions like the solar direct drive. <https://www.secop.com/products/medical-cooling>

Message of the CEO



The first quarter of 2025 confirmed the strong trajectory seen in recent periods, with solid revenue growth in the Mobile Cooling segment and steady performance in Stationary Cooling, despite regional differences.

The **Mobile Cooling** segment maintained its impressive momentum, particularly in China where demand was powered by the rapid adoption of refrigerators in Electric Vehicles (EVs). This trend, established in the second half of 2024, gained further strength as key projects successfully transitioned into mass production. Encouragingly, the development pipeline continues to expand, with several promising initiatives approaching production readiness. While demand in Europe and the Americas for Internal Combustion Engines (ICEs), trucks, and Recreation Vehicles (RVs) was softer than anticipated, this reflects a broader market shift rather than a decline in Secop's positioning.

The **Stationary Cooling** segment saw a stable start into the year, slightly below Q1 2024 overall, but with notable improvements in key areas. Europe recorded encouraging growth in food service and food retail, and Southeast Asia delivered a remarkable year-over-year increase. Although demand in China, the Americas, and the Middle East was softer, the underlying fundamentals remain strong, and the company is well positioned to capitalize on recovery trends as they emerge.

The **Medical Cooling** segment performed significantly better than in the previous year, bolstered by new projects in the Americas and consistent demand in Europe and China. Notably, initiatives launched in 2024 to develop next-generation medical cold chain cabinets are progressing well and gaining traction.

Regarding **innovation and development**, Secop made significant strides. The company advanced the approval process for multiple strategic projects and launched new product variants. The KLF/KLE rollout is progressing rapidly, replacing legacy platforms with enhanced solutions. The expanded SCE+ range received excellent market feedback and offers new business opportunities, while the BDN EV compressor is under evaluation for several EV programs. Additionally, the innovative Solar Direct Drive solution for medical applications entered the approval phase with top-tier partners.

Finally, at the **Hotelex exhibition in China**, Secop showcased its complete portfolio of green and energy-efficient solutions for the food service sector—reinforcing our commitment to sustainability and customer-centric innovation.

Key Highlights Q1-2025

Q1-2025

- **Net Sales** reached EUR 54,4m in Q1-2025, on the level of previous year's quarter (Q1-2024: EUR 53,9m) diversifying the segment structure, strong demand in the Mobile Cooling segment compensated lower Net Sales in Stationary Cooling.
- The **Contribution Margin in %** of Net Sales kept improving and reached a level of 27%, which is higher than preceding quarter and exceeded the 26% recorded in Q1-2024.
- Following the higher Contribution Margin and fixed costs under control the **Internal Adjusted EBITDA** rose to EUR 4,6m, slightly above Q1-2024 (EUR 4,4m).
- The **Bond EBITDA** in Q1 2025 remained on almost the same level as the Internal Adjusted EBITDA as only EUR 0,05m limitation of Adjustments according to the Bond T&C were applied.
- The **EBIT** ended positive at EUR 0,8m (Q1-2024: EUR 1,2m) with a corresponding EBIT-margin of 1,4% (Q1-2024: 2,1%). Higher depreciation and amortization from finalized R&D projects in 2024 prevented a further improvement.
- Following the EBIT development, the **Net Income** reached EUR -2,4m (Q1-2024: EUR -1,7m).

Business Development Q1-2025

General

In Q1-2025, Net Sales were overall on the level of previous year's quarter, slightly above previous year in all regions excluding Middle East and Africa.

Regions

Net Sales in the different regions developed as follows:

EUR M	Q1 2025	Q1 2024	LTM	2024
Europe	17,3	16,9	72,4	19,2
China	26,1	25,4	115,3	114,5
Americas	5,1	4,9	19,3	72,0
Middle East, Africa & South Asia	5,9	6,7	33,6	34,4
Net Sales	54,4	53,9	240,6	240,1

Europe:

The market development in Europe during Q1-2025 showed a slight improvement compared to the same period in the previous year. Net Sales from the food service and food retail sectors was solid, while the Net Sales from the automotive and recreational vehicle segments remained weak and unstable.

China:

Net Sales in China during Q1-2025 were slightly higher than in the same quarter of the previous year, primarily driven by a strong growth in the Mobile Cooling segment, especially within the domestic EV market. Conversely, the Light Commercial segment saw reduced Net Sales in the Q1 year-over-year in both the food service and food retail sectors driven by reduced investments in China over the last months. The Medical Cooling segment Net Sales remained stable, in line with the previous year.

Americas:

U.S. Net sales in Q1-2025 ended slightly above those in Q1-2024. The growth came from the Medical Cooling segment, supported by the ramp-up of new projects launched in 2024. Although demand in food service, food retails fell short of expectation, Secop could see a growth coming from new projects developed in 2024 that are facing the ramp-up in 2025.

Middle East, Africa, and Southeast Asia:

In Q1-2025, Net Sales in the Middle East declined compared to the same quarter of the previous year. This mainly resulted from high inventory levels among distributors in certain countries, where stagnant demand persisted due to ongoing economic and political instability. In contrast, Net Sales in Southeast Asia in Q1-2025 were well above those of the previous year's quarter.

Segments

Across the business segments, Net Sales were bolstered by Mobile Cooling and Medical Cooling, while the Stationary Cooling segment lagged behind.

EUR M	Q1 2025	Q1 2024	LTM	2024
Stationary Cooling	34,0	35,7	148,7	150,3
Mobil Cooling	18,1	16,6	83,6	82,1
Medical Cooling	2,3	1,6	8,3	7,7
Net Sales	54,4	53,9	240,6	240,1

Stationary Cooling:

Net Sales in Q1-2025 reached a lower level than in the same quarter of previous year. In China and the Americas, the business remained soft, with limited growth in both the food service and food retail segments. Conversely, Net Sales in Europe were well above last year's level, supported by a strong demand in food service and food retail, and a recovery in heat pump sales. However, demand in the Middle East was significantly lower than in previous year, negatively impacting the overall performance of the segment.

Mobile Cooling:

In Q1-2025, Net Sales stated well above Q1-2024, mainly due to the ramp-up of various EV projects in China. Order intake for EV⁽¹⁾ applications rose sharply, and several projects launched in 2024 progressed rapidly into full production. In contrast, Net Sales from ICE⁽²⁾ vehicles and trucks were substantially lower than in the same period of last year, caused by a reduced and unstable demand in Europe's automotive market. Net Sales in the recreational vehicle segment were also lower than in Q1-2024, reflecting continued weak demand in that area.

Medical Cooling:

Net Sales in Q1-2025 rose significantly year-on-year, driven by the ramp-up of new projects in the Americas and a good pipeline of new business opportunities. Net Sales across Europe and China remained on par with the previous year.

⁽¹⁾ EV: Electrical Vehicles; ⁽²⁾ ICE: Internal Combustion Engines

Profit

Main KPI's developed as follows:

	EUR M	Q1 2025	Q1 2024	LTM	2024
Internal Adjusted EBITDA		4,6	4,4	21,8	21,6
Bond EBITDA		4,5	4,4	19,4	19,2
Reported EBITDA		4,9	4,6	19,6	19,2
Net Income		-2,4	-1,7	-12,0	-11,3

In Q1-2025, the **Internal Adjusted EBITDA** ended-up slightly higher year-on-year, driven by a higher Contribution margin due to lower material prices and stable production costs. This stronger Contribution margin more than offset positive FX-effects recorded in Q1 2024, while fixed costs remained on a stable level.

The **Bond EBITDA** matched almost the Internal Adjusted EBITDA as it was only slightly affected by the limitation of Adjustments according to the Bond Terms & Conditions (EUR 0,05m), in Q1 2024 the same values were recorded.

The Q1-2025 **Reported EBITDA** followed the development of the Bond EBITDA and reached a slightly higher level comparing to the same period of previous year.

Beyond the impacts on the Reported EBITDA, the Q1-2025 **Net Income** was affected by increased depreciation and amortization from finalized investments and R&D development projects, but lower interest expenses. Unlike Q1-2024, tax expenses were not negatively influenced by a revaluation of deferred tax liabilities.

Supply Chain

Raw material prices in Q1-2025 reduced from the previous quarter and were also under the level of Q1-2024 driven primarily by motor prices.

Investments

In Q1 2025, total investments amounted to EUR 2.1m (Q1 2024: EUR 3.2m), including EUR 1.5m in R&D capitalization (Q1 2024: EUR 1.8m), reflecting the BD Nano capacity investments now largely completed. Beyond sustaining the planned—but significantly reduced—BD Nano capacity investments, funds in the first quarter were directed toward quality and efficiency upgrades at our production sites in China and Slovakia.

Trade Working Capital

At the end of Q1 2025, Trade Working Capital was EUR 11.6m, up EUR 0.3m from 31 December 2024. Inventory rose by EUR 1.3m to EUR 35.0m, driven by seasonal needs and stronger demand in China from the expanding BD Nano volumes. Enhanced collection efforts lowered Trade Receivables by EUR 1.0m to EUR 25.7m, while Trade Payables remained unchanged at EUR 49.1m.

Cash & Bank	With EUR 13,1m, the Cash & Bank balance of 31 March 2025 increased by EUR 1,9m vs. the balance as of 31 December 2024. The higher level of cash was mainly coming from operations, lower investments needs and short-term financing through Letter of Credit in China.
Equity	The Equity as of 31 December 2024 amounted to EUR 10,9m; its development reflects the Net Income and the Other Comprehensive Income of the period. Including all Shareholder Loans, the equity ratio of the Secop Group amounted to 38,7%.
Net Debt	The Net Debt position acc. to the Bond Terms & Conditions increased by EUR 0,4m vs. 31 December 2024, to EUR 39,5m. The book-value of the outstanding Bonds amounted to EUR 50,0m before offsetting capitalized transaction costs. As of 31 March 2025, a financing through Letter of Credit of EUR 2,3m was utilized, no further financing such as senior revolving credit facility (RCF) were used. The company continues to use a EUR 0,3m bank guarantee for business purposes in China.
Employees	At the end of Q1 2025, Secop's workforce totalled 977 full-time equivalents, of which 137 in R&D and 758 in production, down 20 FTEs from 31 December 2024. Staff levels fell across all functions (G&A, marketing and sales, and R&D), with a smaller reduction in production.
Bonds	Secop has outstanding Bonds of EUR 50m, which mature on 29 December 2026 and carry a floating coupon of 8,4% above 3-months EURIBOR. The company does not hold any of its own Bonds and is currently not planning to acquire such in the foreseeable future.

Outlook

Business Development

For 2025, Secop anticipates an overall good increase in demand compared to 2024, particularly in the Mobile Cooling segment.

In the **Mobile Cooling** segment, we expect a strong growth in 2025, primarily driven by the EV market in China. High order volumes for platforms already launched are complemented by a dynamic pipeline of new projects approaching market readiness. In contrast, demand in other areas — such as ICE vehicles, trucks, and RVs in Europe and the Americas — is not expected to exceed 2024 levels.

In the **Stationary Cooling** segment, demand is expected to remain broadly in line with 2024 levels. This projection reflects soft demand in China, solid demand in Europe, instability in US demand, and a continued challenging environment in the Middle East and Africa. Although regulatory trends support the adoption of green and energy-efficient cabinets in food and beverage refrigeration, the current market environment remains unfavourable for significant investment in these segments.

For the **Medical Cooling** segment, a gradual recovery in demand is anticipated from customers in China and Europe. In the Americas, growth is expected to continue, supported by the ramp-up of new projects.

Investments

Investment activity eased at the start of 2025, although the BD Nano capacity remains a priority with reduced spending. Further funds will be allocated to R&D labs to eliminate bottlenecks, enhance quality, and drive production efficiency via new equipment and product development. Overall, total investments are expected to match 2024 levels.

Profit

Given the expected development of the different markets, Secop expects in 2025 an overall growth of the Net Sales with a different platform-mix development. Contribution Margin and Internal Adjusted EIBTDA are expected to be well above 2024 driven by a better product mix and cost savings initiatives.

FINANCIAL STATEMENTS

Consolidated Income Statement

	EUR M	Q1 2025	Q1 2024	LTM	2024
Net Sales		54,4	53,9	240,6	240,1
Raw Materials & Consumables		-35,0	-35,2	-158,8	-159,0
Labor Production		-3,4	-3,3	-13,4	-13,4
Sales Variable Costs (incl. Royalty Fees)		-1,0	-1,1	-4,3	-4,4
Other Direct Cost		-0,3	-0,3	-2,1	-2,1
Contribution Margin		14,7	14,0	62,0	61,3
<i>As Percent of Net Sales</i>		<i>27,0%</i>	<i>26,0%</i>	<i>25,8%</i>	<i>25,5%</i>
Fixed Costs		-9,8	-9,7	-42,2	-42,1
<i>As Percent of Net Sales</i>		<i>-18,1%</i>	<i>-17,9%</i>	<i>-17,5%</i>	<i>-17,5%</i>
Other Income/Expenses		0,0	0,3	-0,2	0,0
EBITDA reported		4,9	4,6	19,6	19,2
Depreciation & Amortization		-4,1	-3,4	-15,6	-14,9
EBIT		0,8	1,2	4,0	4,4
<i>As Percent of Net Sales</i>		<i>1,4%</i>	<i>2,1%</i>	<i>1,7%</i>	<i>1,8%</i>
Interest Result		-2,8	-3,6	-11,7	-12,4
Profit before Tax		-2,1	-2,4	-7,7	-8,1
Taxes		-0,4	0,7	-4,4	-3,3
Net Income		-2,4	-1,7	-12,0	-11,3

Adjusted EBITDA Reconciliation

	EUR M	Q1 2025	Q1 2024	LTM	2024
EBITDA reported		4,9	4,6	19,6	19,2
Leasing Costs acc.t to IFRS 16		-0,5	-0,4	-1,8	-1,8
Unrealized Currency Effects		-0,3	-0,2	-0,1	0,0
EBITDA before Adjustment		4,1	4,0	17,6	17,5
Adjustments:					
Restructuring Costs		0,1	0,1	0,6	0,6
Consulting Fees		0,4	0,3	2,4	2,3
Others		0,0	0,0	1,2	1,2
Internal Adjusted EBITDA		4,6	4,4	21,8	21,6
Adjustment Limitation acc. to Bond T&C		0,0	0,0	-2,4	-2,4
Bond EBITDA		4,5	4,4	19,4	19,2

Consolidated Balance Sheet

Assets

	EUR M	Q1	Q4	Q1
		2025	2024	2024
Intangible Assets		64,7	65,3	64,9
Tangible Assets		92,2	94,8	95,3
Total Fixed Assets		156,9	160,0	160,1
Deferred Tax Assets		0,5	0,5	0,4
Total non-current Assets		157,4	160,6	160,5
Inventories		35,0	33,7	40,3
Trade Receivables		25,7	26,7	30,4
Current Financial Assets		4,6	5,4	4,8
Cash & Bank		13,1	11,2	3,4
Current non-financial Assets		6,1	6,2	7,2
Total current Assets		84,5	83,3	86,1
Total Assets		241,8	243,8	246,6

EQUITY & LIABILITIES

	EUR M	Q1	Q4	Q1
		2025	2024	2024
Equity		10,9	14,4	23,2
Pension provisions		3,1	3,2	2,9
Other Provisions		1,7	1,6	1,7
Non-current provisions		4,8	4,8	4,6
Non-current Financial Liabilities		54,1	54,4	54,5
Non-current Payables		82,5	81,4	77,9
Deferred Tax Liabilities		18,6	18,7	16,7
Non-current Liabilities		155,3	154,5	149,1
Current Personnel-related Payables		5,2	4,3	4,5
Other current Payables		6,0	7,1	5,3
Current non-financial Liabilities		11,3	11,4	9,8
Current Financial Liabilities		0,8	0,9	1,0
Bank Liability		2,3	0,0	1,4
Accounts Payables		49,1	49,1	48,7
Current Provisions		7,3	8,7	8,7
Current Liabilities		59,5	58,7	59,8
Total equity and liabilities		241,8	243,8	246,6

Consolidated Cash Flow Statement

	EUR M	Q1 2025	Q1 2024	LTM	2024
EBIT		0,8	1,2	4,0	4,4
<i>Amotization & Depreciation</i>		4,1	3,4	15,6	14,9
EBITDA reported		4,9	4,6	19,6	19,2
Change in Working Capital		-0,3	-4,9	11,0	6,4
<i>Δ Inventory</i>		-1,8	-6,1	5,2	0,9
<i>Δ Trade Receivables</i>		0,5	-2,2	4,8	2,1
<i>Δ Trade Payables</i>		1,0	3,4	1,0	3,4
Other balance sheet items		-0,5	1,0	0,4	1,9
Net cash from tax		-0,4	-1,0	-1,5	-2,1
Operating Cash Flow		3,7	-0,3	29,4	25,4
CAPEX		-0,5	-1,2	-5,8	-6,5
Capitalized R&D		-1,5	-1,8	-6,4	-6,7
Capitalized IFRS 16		-0,1	-0,2	-0,9	-1,0
Cash Flow from Investing Activities		-2,1	-3,2	-13,1	-14,2
Free Cash Flow		1,6	-3,5	16,3	11,2
Change in Deposites/Loans		2,0	1,1	0,2	-0,8
Interest Result		-1,6	-2,3	-6,8	-7,5
Cash Flow from Financing Activities		0,4	-1,2	-6,6	-8,2
Net increase / decrease in Cash		2,0	-4,7	9,7	3,0
Cash Beginning of Period		11,2	8,1	3,4	8,1
Cash Increase/Decrease		2,0	-4,7	9,7	3,0
FX-Effects		-0,2	0,0	0,0	0,2
Cash End of Period		13,1	3,4	13,1	11,2

ADDITIONAL INFORMATION

General Information

Secop Group Holding GmbH Secop Group Holding, HRB 14025, District Court Flensburg, is a limited liability company registered in Germany with its registered office in Flensburg. The address of the head office is Lise-Meitner-Straße 29, 24941 Flensburg, Germany. The operations of the Secop Group Holding GmbH (the “Parent Company”) and its subsidiaries (the “Group”) comprise of development, manufacturing and sale of compressor products and related activities.

Secop Group Since September 2019, Secop Group has belonged to the ESSVP IV fund, advised by Orlando Management AG, a leading investor in industrial businesses. Since its acquisition, the company re-focused its strategy to the core business: design and manufacturing of hermetic compressors and electronic controls for refrigeration solutions used in light commercial and DC-powered applications.

The strategic focus of the Secop Group is reflected in its three segments Stationary Cooling, focussing on light commercial applications, Mobile Cooling, providing battery-driven solutions, and Medical Cooling, serving the medical cold-chain with ultra-low temperature requirements.

Basis of Preparation The consolidated financial statements of the Secop Group Holding GmbH have been prepared in accordance with the International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and endorsed by the European Union. The consolidated financial statements were prepared in line with the International Financial Reporting Standards in accordance with Section 315e (3) in connection with Section 315e (1) German Commercial Code.

The consolidated financial statements have been prepared on a historical cost basis. The financial year of the Secop Group Holding GmbH and its subsidiaries included in the consolidated financial statements corresponds to the calendar year. The consolidated statement of comprehensive income was prepared using the function of expense method.

The Secop Group presents assets and liabilities in the statement of financial position based on a current/non-current classification. Assets and liabilities are current, when they are expected to be realized within twelve months after the reporting period. Net employee defined benefit liabilities and Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities.

This quarterly consolidated financial statement includes Secop Group Holding GmbH and subsidiaries controlled by it.

Unless stated otherwise, all amounts are presented in millions of EUR (EUR m), rounding differences of \pm one digit/unit are possible.

Events after Balance Sheet Date

No material events after the balance sheet date took place.

Audit

This Interim Report has not been audited or reviewed by the Group auditor.

Additional Commentary on the Income Statement

Fixed Costs

Fixed Costs are split as follows:

	EUR M	Q1 2025	Q1 2024	LTM	2024
Fixed Personnel Costs		7,6	8,0	30,3	30,7
Other Fixed Costs		2,3	1,7	11,9	11,3
Total Fixed Costs		9,8	9,7	42,2	42,1

In Q1 2025, Fixed Personnel Costs declined year-on-year as reductions in average headcount more than offset salary increases.

In Q1-2025, Other Fixed Costs exceeded previous year's level mainly due to reduced R&D capitalizations (EUR 0,3m) resulting from the finalization of several R&D-development projects and less fixed costs capitalized in inventory (EUR 0,2m).

Other Income/ Expenses

In Q1-2025, Other Income/Expenses comprised primarily of positive FX-effects, which were lower than in previous year's quarter.

Depreciation & Amortization

Depreciation & Amortization in Q1-2025 exceeded last year's quarter by EUR 0,7m, resulting from the amortization of several finalized R&D development projects (EUR 0,6m), which were finalized mainly in Q3-2024.

Interest Result

Interest expenses in Q1-2025 were EUR 0,7m lower year-on-year, partly because Q1-2024 included a EUR 0.5m provision for potential tax interest. The volume of Bonds outstanding did not change, interest rates slightly reduced.

Taxes

In Q1-2025, taxes were primarily driven by withholding taxes on services rendered to the Chinese factory, amounting to EUR -0,3m. In contrast, the corresponding quarter of the previous year was significantly affected by a reassessment of both withholding tax liabilities (EUR -0,7m) and Deferred Tax liabilities (EUR 1,4m).

Additional Commentary on the Balance Sheet

Current Financial Assets	The reduction in Current Financial Assets by EUR 0,8m was mainly caused by a lower retention from the factoring program (EUR 0,7m)
Non-Current Payables	The main item under the Non-Current Payables is subordinated Shareholder Loans that increased by EUR 1,1m vs. 31 December 2024 from capitalized interests.
Current Personnel-related Payables	Current Personnel-related Payables mainly comprise of liabilities towards employees and related social security contributions and other taxes. The level of liability increased by EUR 0,9m mainly due to the accrued personnel achievement bonus and holidays entitlement.
Other current Payables	Other current payables dropped by EUR 1,1m from 31 December 2024, driven by reduction of investment-related liabilities, primarily in the Chinese entity of EUR 0,8m.
Bank Liability	From the end of last year short term financing through Letter of Credit of EUR 2,3m was utilized in China.
Current Provisions	As of March 31, 2025, current provisions decreased by EUR 1.4m compared to year-end, reflecting the payment of some of 2024 annual customer bonus commissions in Q1 2025.

Additional Commentary on the Cash Flow

Other Balance Sheet Items	The Other Balance Sheet Items in Q1-2025 were negatively affected by commission pay-out to customers (EUR 0,8m reduction); while compensated by lower factoring retention (EUR 0,7m).
Financing Activities	The overall cash-in from financing activities in Q1-2025 was obtained by short term financing through Letter of Credit of EUR 2,3m, which offset the cash-out from the Bond-interests of EUR 1,5m.

Definition of Key Indicators

Reported EBITDA	The Reported EBITDA is calculated according to IFRS standards. It reflects the Group Net Income according to IFRS before taking into the account any Income Taxes, Financial Result and Depreciation & Amortization.
Internal Adjusted EBITDA	In line with the Bond Terms & Conditions, the Internal Adjusted EBITDA represents the Reported EBITDA excluding unrealized currency gains/losses and gains/losses from the disposal of assets but including leasing costs acc. to IFRS 16. It also does not include extraordinary or non-recurring items, which are not in line with the ordinary course of the business (so called Adjustments).
Bond EBITDA	The Bond-EBITDA represents the Internal Adjusted EBITDA, however, acc. to the Bond Terms & Conditions the excluded Adjustments are limited to 10% of the EBITDA before Adjustments or to specific costs originating from the period prior to the acquisition of the Group in September 2019.
Trade Working Capital	The Trade Working Capital comprises of Inventory and Trade Receivables minus Accounts Payable.
Net Debt	According to the Bond Terms & Conditions, the Net Debt position comprises interest-bearing Financial Liabilities less the Cash & Bank balance. Subordinated Shareholder Loans are not part of the Net Debt position.

Key Risks and Uncertainties

Demand & Supply	The Group's key risks and uncertainties relate to fluctuations in the demand for its products and the prices and availability of raw material, energy, and electronics as well as other commodity material prices.
Operations	Key operational risks are associated with the proper functioning of property, plant and equipment, the availability of trained staff and the access to raw material and logistics services.
IT	Failures of the IT-infrastructure and applications form a relevant risk for the Group as all relevant business processes rely on a continuing IT-availability. In addition, increasing cybercrime activities form a more present risk for the Group.
Finance	The main financial risks arise from the exposure to exchange rate fluctuations, in particular of USD and RMB, from increasing interest rates and from a possible default of Trade Receivables.
ESG	Main ESG-risks relate to the effect of energy, climate change mitigation on the group's operation, substances of concern, the resources used and our own workforce. However, the company may also benefit from an increasing demand for cooling solutions as a consequence of the climate change adaption.
Market risk	The recently announced changes in tariffs in the US against China and other countries and regions, such as Europe, generate uncertainties for product imports and business development in the US.

For a more detailed description of key risks and uncertainties, please refer to Secop Group's latest Annual Report.

Company Information

Name	Secop Group Holding GmbH
Address	Lise-Meitner-Straße 29, 24941 Flensburg, Germany
Registration	HRB 14025
Financial year	1 January - 31 December
Website	https://www.secop.com
Executive Management	Jan Ehlers Michael Engelen
Auditor	BDO AG Wirtschaftsprüfungsgesellschaft Kupferschmiedestraße 16-28 23552 Lübeck DEUTSCHLAND