

**SECCP**

# Secop Group Holding GmbH



**Interim Report  
Q4-2025**

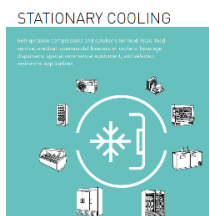
## MANAGEMENT REPORT

### The Secop Group

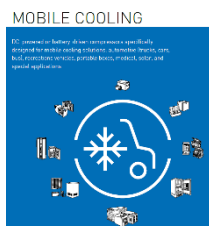
**The Secop Group** Secop is the expert for advanced hermetic compressor technologies and cooling solutions in commercial refrigeration. We develop high performance stationary, mobile and medical cooling solutions for leading international commercial refrigeration manufacturers. We are the first choice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

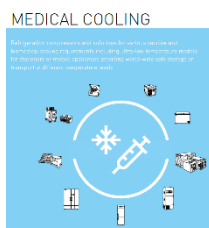
#### Business Segments



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



In the fourth quarter of 2025 we confirmed the solid revenue growth shown along the previous quarters for the Mobile Cooling and Medical Cold Chain segments, while Stationary Cooling has not yet achieved a recovery.

The Mobile Cooling segment delivered again an excellent quarter, particularly in China where the business was still sustained by the strong demand of car refrigerators for Electric Vehicles (EVs). The positive trajectory seen during previous quarters continued together with a dynamic development pipeline of new projects from major car makers in China. In parallel the demand in Europe and the U.S. for Internal Combustion Engine (ICE) applications, trucks and Recreation Vehicles (RVs) remained poor and below previous year. The outperformance of the EV-related business could offset the weaker demand from the standard automotive market and as a result the overall results of Mobile Cooling were outstanding.

Stationary Cooling finished the last quarter of 2025 behind previous year's level. Market demand in China, Europe and the U.S. was still soft across food service and food retail segments. Moreover, the Middle East area continued to show an unstable demand given the political-economic environment, and also South-East Asia area showed a demand below previous year.

Medical Cold Chain confirmed in Q4 the strong positive trend, with notable contributions from new projects in the Americas and a robust recovery in China. In addition, the new products launched recently to market showed a solid ramp-up phase.

In Q4 2025, Secop launched to market the new models of KLF/KLE series and continued customer approval of the new SCE+ range. The development of the new generation of control units arrived at the final gate to support the product roadmap for light commercial applications. In parallel, the development of the BDN versions tailored to specific applications progressed as planned and active sampling phase with customers started. Moreover, the approval phase of the new Medical solar direct drive platform entered into an active approval phase with top customers.

## Key Highlights Q4-2025

### Q4-2025

- **Net Sales** reached EUR 60.5m in Q4-2025, overall almost 5% above of previous year's quarter (Q4-2024: EUR 57.7m); a significantly higher demand in Mobile Cooling and Medical Cooling compensated lower Net Sales in Stationary Cooling.
- The **Contribution Margin** remained stable at 26.4 % of Net Sales, consistent with 26.6 % recorded in Q4-2024, driven by continued discipline in managing production costs.
- The **Internal Adjusted EBITDA** amounted to EUR 7.0m in Q4-2025, broadly in line with the previous quarter, and significantly above the Q4-2024 level of EUR 5.7m, reflecting increased volumes and an effective fixed costs management.
- The **Bond EBITDA** declined to EUR 3.0m in Q4-2025, from EUR 5.7m in Q4-2024, mainly due to impairment of obsolete material, tools and spare parts in connection with the phase-out of TL/DL and FR compressor platforms (EUR 1.7m) and write-down of aged receivables against Middle East customers (EUR 1.9m). These could not be normalized due to the limitation of adjustments under the Bond Terms & Conditions.
- Following the Bond EBITDA and burdened with additional impairments of EUR 2.6m on fixed assets for TL/DL and FR, the **EBIT** ended at EUR -3.7m (Q4-2024: EUR 1.4m) with a corresponding EBIT-margin of -6.2 % (Q4-2024: 2.4 %).
- The **Net Income** decreased to EUR -6.8m (Q4-2024: EUR -3.0m), reflecting the negative EBIT impacts, which was partly compensated by favourable deferred tax effects related to impairments.

### Q1-2025 - Q4-2025

- **Net Sales** of EUR 241.5m remained on the level of PY (PY: EUR 240.1m) with a significantly stronger performance in Mobile Cooling and Medical Cooling, which compensated a lower performance of the Stationary Cooling segment.
- The **Contribution Margin in %** of Net Sales increased slightly to 26.2 % (PY: 25.5 %) reflecting stable production costs. The prior year had been adversely affected by extraordinary ramp-up costs associated with the BD Nano production.
- The **Internal Adjusted EBITDA** of EUR 24.4m well overperformed previous year (PY: EUR 21.6m) following the improved Contribution Margin and strong control over fixed costs.
- The **Bond EBITDA** reached EUR 19.8m comparable to the PY's level of EUR 19.2m, despite the negative one-off effects in Q4-2025 subject to the adjustment limitation under the Bond Terms & Conditions.
- The **Net Income** amounted to EUR -15.0m, down from EUR -11.3m in prior year. The decline was driven by extraordinary effects from the phase-out of compressor platforms and aged receivables as well as higher regular amortization from completed R&D projects. These effects were partly offset by improved interest result year on year.

## Business Development Q4-2025

### General

In Q4-2025, Net Sales exceeded the level of the prior-year quarter by almost 5%, with lower revenues in Europe, the Americas and Middle East, Africa & South Asia, which were more than offset by strong growth in China.

### Regions

Net Sales in the different regions developed as follows:

	EUR M	Q4 2025	Q4 2024	2025	2024
Europe		10.8	15.7	58.9	73.4
China		40.8	29.2	143.6	112.8
Americas		4.4	5.6	18.1	20.9
Middle East, Africa & South Asia		4.5	7.1	20.9	33.0
<b>Net Sales</b>		<b>60.5</b>	<b>57.7</b>	<b>241.5</b>	<b>240.1</b>

### Europe

In Q4-2025, overall market activity in Europe declined versus Q4-2024. Net Sales in the food retail sector remained limited, while food service showed modest improvement. Demand from the automotive and recreational vehicle segments continued to underperform prior-year levels.

### China

Net Sales in China for Q4-2025 were substantially higher than the same period last year, driven mainly by robust growth in the Mobile Cooling segment, particularly within the domestic EV market. The Light Commercial segment reported lower Net Sales year over year, while the Medical Cooling segment achieved a strong annual increase.

### Americas

In the U.S., Q4-2025 Net Sales trailed the prior year's quarter. Solid, sustained growth was achieved in the Medical Cooling segment, supported by the ramp-up of newly launched products, while demand in both food service and food retail performed below expectations, impacted by the uncertainties generated by new import tariffs.

### Middle East, Africa, and Southeast Asia

In Q4-2025, Net Sales in the Middle East declined compared to the same period last year. The reduction was largely attributable to low distributor order intake in several countries, where stagnant demand persisted because of the ongoing economic and political instability.

## Segments

Across the business segments, Q4-2025 Net Sales were primarily supported by strong performance in Mobile Cooling and Medical Cooling, while the Stationary Cooling segment remained below prior-year levels.

	EUR M	Q4 2025	Q4 2024	2025	2024
Stationary Cooling		27.6	34.8	128.2	150.3
Mobil Cooling		29.7	20.5	102.8	82.1
Medical Cooling		3.2	2.3	10.5	7.7
<b>Net Sales</b>		<b>60.5</b>	<b>57.7</b>	<b>241.5</b>	<b>240.1</b>

### Stationary Cooling

Net Sales in Q4-2025 decreased compared to the same quarter last year. In China, performance weakened across all areas due to soft market demand driven by limited economic growth. In Europe and U.S., Net Sales also declined versus last year, reflecting subdued food retail activity, constrained investments and the US-tariff impact, while food service showed a slight recovery in Europe. The biggest negative impact came from the Middle East, where Net Sales fell sharply year over year because of a challenging economic and political environment.

### Mobile Cooling

In Q4-2025, Net Sales were significantly higher than in Q4-2024, led by strong EV-related demand in China. Additionally, the rapid expansion of the Chinese EV market supported multiple new project awards from major domestic OEMs. Conversely, Net Sales from ICE vehicles, trucks, and recreational vehicles in Europe and the U.S. were lower than the same period in 2024, consistent with soft demand throughout 2025.

### Medical Cooling

Net Sales in Q4-2025 were well above Q4-2024, reflecting robust year-over-year growth driven by the ramp-up of new projects in America and a solid recovery in China relative to 2024 performance.

<sup>(1)</sup> EV: Electrical Vehicles; <sup>(2)</sup> ICE: Internal Combustion Engines

## Profit

Main KPI's developed as follows:

	EUR M	Q4 2025	Q4 2024	2025	2024
Internal Adjusted EBITDA		7.0	5.7	24.4	21.6
Bond EBITDA		3.0	5.7	19.8	19.2
Reported EBITDA		2.9	5.9	19.9	19.2
Net Income		-6.8	-3.0	-15.0	-11.3

In Q4-2025, the **Internal Adjusted EBITDA** reached EUR 7.0m, significantly above the level in Q4-2024 (EUR 5.7m). The positive development was based on both higher Net Sales leading to an increased Contribution Margin, and well managed fixed costs across most functions. These positive impacts were partially reduced by realized foreign exchange losses in Q4-2025 of EUR -0.2m (compared to a net FX-gain of EUR 0.3m in Q4-2024).

The **Bond EBITDA** amounted to EUR 3.0m, down from EUR 5.7m in the previous year's quarter. The decline was mainly driven by the phase-out of the TL/DL and FR compressor platforms (replaced by alternative Secop compressors), which led to the write-off of specific raw materials, production tools and spare parts, totalling EUR -1.7m. In addition, ongoing political restrictions resulted in a write-down of aged trade receivables from Middle East customers of EUR -1.9m. Such effects could not be normalized due to the limitation of Adjustments according to the Bond Terms & Condition.

The Q4-2025 **Reported EBITDA** followed the development of the Bond EBITDA, fell short versus the same period of previous year, and ended at EUR 2.9m (Q4-2024: EUR 5.9m).

The **Net Income** declined to EUR -6.8m in Q4-2025 versus the prior-year quarter (PY: EUR -3.0m). Following the Reported EBITDA, a further reduction was caused by an impairment of fixed assets in connection with the phased -out compressor platforms amounting to EUR -2.6m, partly compensated by an overall deferred tax income from asset impairments (EUR +1.4m). Overall, the phase-out of the mentioned compressor platforms and the correction of trade receivables led to extraordinary effects of EUR -6.2m in total in the Net Income.

## Supply Chain

Raw material prices in Q4-2025 were slightly lower than in the same period of previous year. Declines in steel and electronic component prices helped offset upward pressure from higher copper prices, which continued to increase into early 2026.

## Investments

In Q4-2025, total investments amounted to EUR 4.2m (Q4-2024: EUR 4.9m), including EUR 1.8m in R&D capitalization (Q4-2024: EUR 1.4m). The investments in Q4-2025 were focused on a 2<sup>nd</sup> BD Nano-production line (EUR 0,2m), further improvements of the production efficiency in Chinese and Slovak factories, as well as quality and efficiency upgrades and lab enhancements.

<b>Trade Working Capital</b>	At the end of Q4-2025, Trade Working Capital declined to EUR 10.5m from 31 December 2024 EUR 11.3m. Inventory remained stable at EUR 33.3m. The additional raw material purchases of EUR 1.3m to mitigate specific Chinese supplier risk, pre-purchased motors of EUR 0.5m due to rising copper prices, and a EUR 0.9m increase in consignment stock of BD Nano compressors to secure higher volumes, were more than compensated by a EUR -1.0m write-off of specific materials, an FX impact of EUR -1.3m, and by other reductions. Following higher sales volumes, the Trade Receivables increased by EUR 1.4m to EUR 28.1m. This increase was offset by a EUR 1.7m rise in Trade Payables, which reached the level of EUR 50.9m.
<b>Cash &amp; Bank</b>	With EUR 13.3m, the Cash & Bank balance of 31 December 2025 increased by EUR 2.1m vs. the balance as of 31 December 2024. The increase in cash was primarily driven by the very good operational performance, more than enough for financing investments, taxes and interests.
<b>Equity</b>	The Equity as of 31 December 2025 reached a negative value of EUR 2.9m; its development reflects the Net Income and the Other Comprehensive Income of the period. The negative equity was primarily caused by the phase-out of compressor platforms with impairment impacts totalling to EUR -4.5m and the write-down of trade receivables against Middle East customers of EUR -1.9m. However, Secop continued to generate strong operating cash flow and maintained robust liquidity and cash management. In addition, shareholder loans are fully subordinated and can therefore be considered as equity in the economic assessment of capitalization. Including all subordinated Shareholder Loans, the equity ratio of the Secop Group amounted to 35 %.
<b>Net Debt</b>	The Net Debt position acc. to the Bond Terms & Conditions declined by EUR 2.1m vs. 31 December 2024, to EUR 36.9m. The book-value of the outstanding Bonds amounted to EUR 50,0m before offsetting capitalized transaction costs. As of 31 December 2025, no short-term financing facilities were utilized, such as Letter of Credit, Supply Chain financing or senior revolving credit facility (RCF). The company continues to use a EUR 0,2m bank guarantee for business purposes in China.
<b>Employees</b>	At the end of Q4-2025, Secop's workforce totalled 956 full-time equivalents (FTE), of which 139 in R&D and 736 in production, down by 41 FTEs from 31 December 2024. Staff levels fell across all functions (Production, G&A, Sales & Marketing, and R&D).
<b>Bonds</b>	Secop has outstanding Bonds of EUR 50m, which carry a floating coupon of 8,4% above 3-months EURIBOR. It matures on 29 December 2026, therefore, as of 31 December 2025 it was no longer presented under Non-current Financial Liabilities, but disclosed within Current Financial Liabilities in amount of EUR 49.7m. The company does not hold any of its own Bonds and is currently not planning to acquire such in the foreseeable future. Within the near future, the company will analyze the market conditions and decide on the refinancing options.

## Outlook

### Business Development

Secop expects a stable demand compared with 2025, supported primarily by continued expansion in the Mobile Cooling segment compensated by a stable or slightly decreasing demand for Stationary Cooling in Q1-2026.

In Mobile Cooling, growth is projected to continue through 2026, driven by sustained EV demand in China and the scale-up of projects introduced during 2025. Conversely, demand for ICE vehicles, trucks, and RVs in Europe and the Americas is anticipated not to recover in full, only partially. The development pipeline for the EV automotive sector remains active, with new product variants planned to address specific application needs.

For Stationary Cooling, demand is expected to remain in line or slightly below with 2025 across most regions. The outlook incorporates softer market conditions in China, although regulatory measures on energy efficiency are expected to provide some support to investments. In the U.S., demand is forecast to show a modest increase despite ongoing tariff-related uncertainties. Europe is expected to maintain 2025 demand levels. The demand in the Middle East, Africa, and Southeast Asia is projected to match last year's level, assuming challenging conditions and instability persist. While regulatory momentum continues to favour the adoption of green and energy-efficient refrigeration solutions, the broader investment climate remains cautious. Secop plans to introduce new products in 2026 aimed at capturing additional opportunities in Food Service and Food Retail, with the launch of new models for most of the portfolio of green and efficient products.

In Medical Cooling, demand is expected to maintain its positive trajectory, with solid growth supported by the ramp-up of recently launched projects and ongoing development activities. Overall performance in this segment is anticipated to exceed the previous year's results.

### Investments

Following a slowdown in investment activity in 2025, the activities in 2026 will be strongly influenced by the installation of a second BD Nano assembly line. This initiative was approved and launched in Q3 2025 and will continue well into 2026, with total planned spending of EUR 5.2m, of which EUR 0.8m were spent in 2025 already. Other key investments include EUR 1.5m aimed at mitigating supplier risk, as well as spending on technology upgrades and upkeep of quality and laboratory equipments. Overall, CAPEX in 2026 is expected to be significantly higher than in 2025.

### Profit

Given the expected but still uncertain business development, and the negative impact of weaker currency exchange rates, Secop expects Net Sales in 2026 to remain

slightly below previous year's level. Together with increasing raw material prices, especially for copper and aluminium, this puts some pressure on Contribution Margin and Internal Adjusted EBITDA. The group already started to evaluate numerous opportunities and measures to counter this development, which may also result in deeper adjustments. Anticipating savings in the fixed cost area, the group expects the Internal Adjusted EBITDA to remain on or slightly below previous year's level. The Net Income will remain negative and continue to comprise significant accrued interests for subordinated shareholder loans, which do not lead to any cash payments short-term.

## FINANCIAL STATEMENTS

### Consolidated Income Statement

	EUR M	Q4 2025	Q4 2024	2025	2024
<b>Net Sales</b>		<b>60.5</b>	<b>57.7</b>	<b>241.5</b>	<b>240.1</b>
Raw Materials & Consumables		-39.7	-38.0	-158.6	-159.0
Labor Production		-2.9	-2.9	-13.0	-13.4
Sales Variable Costs (incl. Royalty Fees)		-1.3	-1.0	-4.7	-4.4
Other Direct Cost		-0.7	-0.5	-2.0	-2.1
<b>Contribution Margin</b>		<b>16.0</b>	<b>15.3</b>	<b>63.2</b>	<b>61.3</b>
<i>As Percent of Net Sales</i>		26.4%	26.6%	26.2%	25.5%
Fixed Costs		-9.1	-9.9	-38.9	-42.0
<i>As Percent of Net Sales</i>		-15.0%	-17.2%	-16.1%	-17.5%
Other Income/Expenses		-4.0	0.4	-4.4	0.0
<b>EBITDA reported</b>		<b>2.9</b>	<b>5.9</b>	<b>19.9</b>	<b>19.2</b>
Depreciation & Amortization		-6.6	-4.5	-19.3	-14.9
<b>EBIT</b>		<b>-3.7</b>	<b>1.4</b>	<b>0.7</b>	<b>4.4</b>
<i>As Percent of Net Sales</i>		-6.2%	2.4%	0.3%	1.8%
Interest Result		-3.0	-2.7	-11.8	-12.4
<b>Profit before Tax</b>		<b>-6.7</b>	<b>-1.3</b>	<b>-11.1</b>	<b>-8.1</b>
Taxes		-0.1	-1.7	-3.9	-3.3
<b>Net Income</b>		<b>-6.8</b>	<b>-3.0</b>	<b>-15.0</b>	<b>-11.3</b>

### Adjusted EBITDA Reconciliation

	EUR M	Q4 2025	Q4 2024	2025	2024
<b>EBITDA reported</b>		<b>2.9</b>	<b>5.9</b>	<b>19.9</b>	<b>19.2</b>
Leasing Costs acc.t to IFRS 16		-0.4	-0.5	-1.7	-1.8
Unrealized Currency Effects		0.2	0.0	-0.2	0.0
<b>EBITDA before Adjustment</b>		<b>2.7</b>	<b>5.4</b>	<b>18.0</b>	<b>17.5</b>
<b>Adjustments:</b>					
Restructuring Costs		0.4	0.3	0.6	0.6
Consulting Fees		0.5	0.0	2.3	2.3
Others		3.3	0.1	3.5	1.2
<b>Internal Adjusted EBITDA</b>		<b>7.0</b>	<b>5.7</b>	<b>24.4</b>	<b>21.6</b>
Adjustment Limitation acc. to Bond T&C		-4.0	0.0	-4.6	-2.4
<b>Bond EBITDA</b>		<b>3.0</b>	<b>5.7</b>	<b>19.8</b>	<b>19.2</b>

## Consolidated Balance Sheet

### ASSETS

	EUR M	Q4 2025	Q4 2024
Intangible Assets		64.0	65.3
Tangible Assets		86.6	94.8
<b>Total Fixed Assets</b>		<b>150.6</b>	<b>160.0</b>
Deferred Tax Assets		0.7	0.5
<b>Total non-current Assets</b>		<b>151.3</b>	<b>160.6</b>
Inventories		33.3	33.7
Trade Receivables		28.1	26.7
Current Financial Assets		4.0	5.4
Cash & Bank		13.3	11.2
Current non-financial Assets		4.7	6.2
<b>Total current Assets</b>		<b>83.4</b>	<b>83.3</b>
<b>Total Assets</b>		<b>234.7</b>	<b>243.8</b>

### EQUITY & LIABILITIES

	EUR M	Q4 2025	Q4 2024
<b>Equity</b>		<b>-2.9</b>	<b>14.4</b>
Pension provisions		2.9	3.2
Other Provisions		1.7	1.6
<b>Non-current Provisions</b>		<b>4.6</b>	<b>4.8</b>
Non-current Financial Liabilities		3.9	54.4
Non-current Payables		86.1	81.4
Deferred Tax Liabilities		19.1	18.7
<b>Non-current Liabilities</b>		<b>109.1</b>	<b>154.5</b>
Current Payables from income taxes		0.3	0.0
Current Personnel-related Payables		4.3	4.3
Other current Payables		5.8	7.1
<b>Current non-financial Liabilities</b>		<b>10.5</b>	<b>11.4</b>
Current Financial Liabilities		50.4	0.9
Accounts Payables		50.9	49.1
Current Provisions		12.2	8.7
<b>Current Liabilities</b>		<b>113.4</b>	<b>58.7</b>
<b>Total Equity and Liabilities</b>		<b>234.7</b>	<b>243.8</b>

## Consolidated Cash Flow Statement

	EUR M	Q4 2025	Q4 2024	2025	2024
<b>EBIT</b>		-3.7	1.4	0.7	4.4
<i>Amotization &amp; Depreciation</i>		6.6	4.5	19.3	14.9
<b>EBITDA reported</b>		<b>2.9</b>	<b>5.9</b>	<b>19.9</b>	<b>19.2</b>
Change in Working Capital		2.1	4.0	0.6	6.4
<i>Δ Inventory</i>		0.6	2.6	-0.9	0.9
<i>Δ Trade Receivables</i>		2.8	5.0	-2.9	2.1
<i>Δ Trade Payables</i>		-1.4	-3.6	4.4	3.4
Other balance sheet items		3.5	-1.0	5.4	1.9
Net cash from tax		-0.9	0.0	-3.2	-2.1
<b>Operating Cash Flow</b>		<b>7.6</b>	<b>9.0</b>	<b>22.7</b>	<b>25.4</b>
CAPEX		-2.4	-3.1	-5.6	-6.7
Capitalized R&D		-1.8	-1.4	-6.6	-6.7
Capitalized IFRS 16		0.0	-0.3	-0.4	-1.0
Proceeds from disposals		0.1	0.0	0.1	0.1
<b>Cash Flow from Investing Activities</b>		<b>-4.2</b>	<b>-4.9</b>	<b>-12.5</b>	<b>-14.2</b>
<b>Free Cash Flow</b>		<b>3.4</b>	<b>4.1</b>	<b>10.2</b>	<b>11.2</b>
Change in Deposites/Loans		-1.3	-3.0	-1.0	-0.8
Interest Result		-1.7	-1.4	-6.7	-7.5
<b>Cash Flow from Financing Activities</b>		<b>-3.0</b>	<b>-4.4</b>	<b>-7.7</b>	<b>-8.3</b>
<b>Net increase / decrease in Cash</b>		<b>0.4</b>	<b>-0.3</b>	<b>2.5</b>	<b>3.0</b>
<b>Cash Beginning of Period</b>		<b>12.8</b>	<b>11.3</b>	<b>11.2</b>	<b>8.1</b>
Cash Increase/Decrease		0.4	-0.3	2.5	3.0
FX-Effects		0.1	0.2	-0.4	0.2
<b>Cash End of Period</b>		<b>13.3</b>	<b>11.2</b>	<b>13.3</b>	<b>11.2</b>

## 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	Q4 2025	Q4 2024	2025	2024
Fixed Personnel Costs		6.6	6.8	28.9	30.7
Other Fixed Costs		2.7	3.1	10.0	11.3
<b>Net Sales</b>		<b>9.2</b>	<b>10.0</b>	<b>38.9</b>	<b>42.0</b>

In Q4-2025, Fixed Personnel Costs were reduced year on year, reflecting headcount reductions across departments that more than compensated for salary increases.

Other Fixed Costs were significantly lower in Q4-2025 compared to the same quarter of last year. The improvement was mainly attributable to increased capitalization of R&D costs (EUR 0.3m) and reduced global cost spending (EUR 0.3m), partially offset by lower fixed cost capitalization in inventory (EUR -0.1m).

### Other Income/Expenses

In Q4-2025, Other Income/Expenses were affected mainly by phase-out of compressor platforms TL/DL and FR leading into write-offs of obsolete materials, tools and spare-parts totalling to EUR 1.7m, and the revaluation of aged trade receivables against Middle East customers resulted in a write-down of EUR 1.9m. In addition, the Other Income/Expenses included net FX-losses of EUR 0.4m, compared with net FX-gains EUR 0.3m in Q4-2024.

### Depreciation & Amortization

Depreciation & Amortization in Q4-2025 exceeded last year's quarter by EUR 2.2m, primarily due to the impairment of fixed assets related to the phased-out compressor platforms totalling EUR 2.6m in Q4-2025.

### Interest Result

Interest expenses in Q4-2025 were slightly lower (by EUR 0.3m) year-on-year, thanks to a lower market interest rate base of issued Bonds. The volume of Bonds outstanding did not change.

### Taxes

In Q4-2025, the recognition of corporate income tax of EUR -1.2m mainly in Chinese factory was compensated by the recognized deferred tax assets of EUR 1.4m (netted against deferred tax liabilities) primarily related the assets impairments, thus the overall tax costs were significantly lower year-over-year.

## Additional Commentary on the Balance Sheet

### Current Financial Assets

The reduction in Current Financial Assets was driven by lower retention from the factoring program EUR -1.2m.

<b>Current non-financial Assets</b>	Current Non-financial Assets were reduced by write-off tools and spare-parts related to the phase-out of compressor platforms TL/DL and FR of EUR -0.8m and by lower VAT receivables of EUR -0.6m.
<b>Non-current Financial Liabilities</b>	The decrease in Non-current Financial Liabilities was mainly driven by the bond's maturity in December 2026, which required the EUR 49.7m outstanding amount as of 31 December 2025 to be reclassified from Non-current to Current Financial Liabilities. In addition, reduction by EUR 0.8m naturally reflected lowering leasing liabilities as no new contracts have been initiated.
<b>Non-Current Payables</b>	Non-current payables mainly comprise subordinated Shareholder Loans, which increased by EUR 4.7m vs. 31 December 2024, primarily due to capitalized interest.
<b>Deferred Tax Liabilities</b>	The Deferred Tax Liability increase was driven by the tax review initiated by the Chinese tax authorities for services rendered within the group in prior periods. This reassessment resulted to deferred tax adjustments of EUR 1.6m due to cancellation of tax losses carried forward, partly offset by deferred tax assets arisen from assets impairments in Q4-2025, leading to a net increase of EUR 0.4m overall.
<b>Current Personnel-related Payables</b>	Current Personnel-related Payables are the same like Q4-2024, driven by overall same level of personnel related accruals compared to year-end 2024.
<b>Other current Payables</b>	Other current payables dropped by EUR 1.3m from 31 December 2024, mainly driven by a reduction of withholding tax accruals. This was due to the payment of dividends from previous periods by the Chinese entity, triggering WHT payment of EUR 0.6m, as well as payments related to service invoices resulting in withholding tax of EUR 0.2m. In addition, payables from investments declined mainly in the Chinese entity by EUR 0.4m.
<b>Current Provisions</b>	As of 31 December 2025, current provisions increased by EUR 3.5m compared to year-end 2024, reflecting primarily the higher accruals of customer bonus commissions (EUR 3.9m).

### Additional Commentary on the Cash Flow

<b>Other Balance Sheet Items</b>	In Q4-2025, Other Balance Sheet Items were mainly positively impacted by an increase in customer bonus commissions of EUR 1.6m, the conclusion of an arbitration case with former owner Nidec resulting into a cash inflow of EUR 0.5m, and write-offs of tools and spare parts related to phased-out compressor platforms amounting EUR 0.8m.
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**Financing Activities** The overall cash-out from financing activities in Q4-2025 was linked with repayment of short-term financing through Letter of Credit of EUR 1.0m; leasing payments of EUR 0.3m; as well as payment of Bond-interests of EUR 1.3m, and interest from Letter of Credit.

## 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

<b>Demand &amp; Supply</b>	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.
<b>Operations</b>	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.
<b>IT</b>	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.
<b>Finance</b>	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.
<b>ESG</b>	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.
<b>Market risk</b>	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

<b>Name</b>	Secop Group Holding GmbH
<b>Address</b>	Lise-Meitner-Straße 29, 24941 Flensburg, Germany
<b>Registration</b>	HRB 14025
<b>Financial year</b>	1 January - 31 December
<b>Website</b>	<a href="https://www.secop.com">https://www.secop.com</a>
<b>Executive Management</b>	Jan Ehlers Michael Engelen (until 28 February 2026)
<b>Auditor</b>	BDO AG Wirtschaftsprüfungsgesellschaft Kupferschmiedestraße 16-28 23552 Lübeck DEUTSCHLAND