

**Production Lines
Secop European
Plants**

**Communication to
Market:
January – 2020**

Dear Business Partner,

Following our previous communication sent in October 2019, concerning the Secop Group's plan to pool the group's European production capacities at one location, we hereby send you an official update outlining Secop's short term plans for relocating the manufacturing lines in our plant in Austria and the manufacturing set-up in Slovakia.

The KAPPA production line in the Austrian plant will relocate to the Secop Slovakian facility in August 2020. The production of KAPPA compressors in Slovakia will begin in October 2020. The KAPPA compressor family is a key priority for the Secop core strategy in "Stationary Cooling". In addition to the relocation of the production line to Slovakia, Secop is developing new models to expand the KAPPA product range by launching new high efficiency R290 and R600a compressors.

Concerning the DELTA compressor range production in Austria, we can confirm that Secop Group is evaluating options for future steps related to this platform, balancing the needs of the market and customers with the company core strategy going forward. The production of DELTA compressors will continue in Austria until further notice, at the latest until December 2020, and the plan for this platform will be disclosed in a timely manner.

The Secop Group is announcing the phase-out of the XV compressors range, effective from July 2020. The XV platform is no longer generating enough revenue to support the costs of actively maintaining the line, and the applications served do not fit the core strategic focus of the company. We are committed to supporting our customers during this transition to migrate to alternative solutions.

We would like to reinforce our commitment to concentrating our efforts and investments into our core businesses of stationary and mobile refrigeration, while striving to maintain our leadership in these key market segments.

If you have any questions, please do not hesitate to contact your Secop counterpart.

Yours sincerely,



Ricardo Maciel
President & CEO
Secop Group

About Secop Group – <https://www.secop.com/about-us/>

Secop Group is an internationally active, global provider of hermetic compressors for refrigeration appliances in light commercial, battery driven and selected domestic segments. Secop has belonged to the ESSVP IV fund since September 2019, advised by Orlando Management AG, a leading investor in industrial businesses.

The group has 1,800 employees worldwide and production sites in Austria, Slovakia, and China as well as research centers in Germany, Austria, Slovakia, China, and the USA. Secop Group design and manufacture hermetic compressors for refrigeration solutions in two major business segments: Stationary Cooling and Mobile Cooling.

Secop's "Stationary Cooling" business segment (AC-supply compressors for static applications) provides compressors for light commercial applications in food retail, food service, merchandisers, medical, and special applications and also for selected domestic applications, for example, in regions that experience harsh environments or voltage fluctuations as well as high ambient temperatures.

Secop's "Mobile Cooling" business segment (Battery-Driven DC-supply for mobile applications) is the global leader in high-performance hermetic DC compressors, for automotive, trucks, recreation vehicles, portable boxes, solar, and other mobile applications.

Secop has a long track record of successful projects for energy efficient and green refrigerants adoption projects, using innovative solutions for both compressors and control electronics.