

secto

**Secto Topco Group
Q3 2021 Financial reports**

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Management comments & Operative summary

Secto Topco Group – Management comments Q3 2021

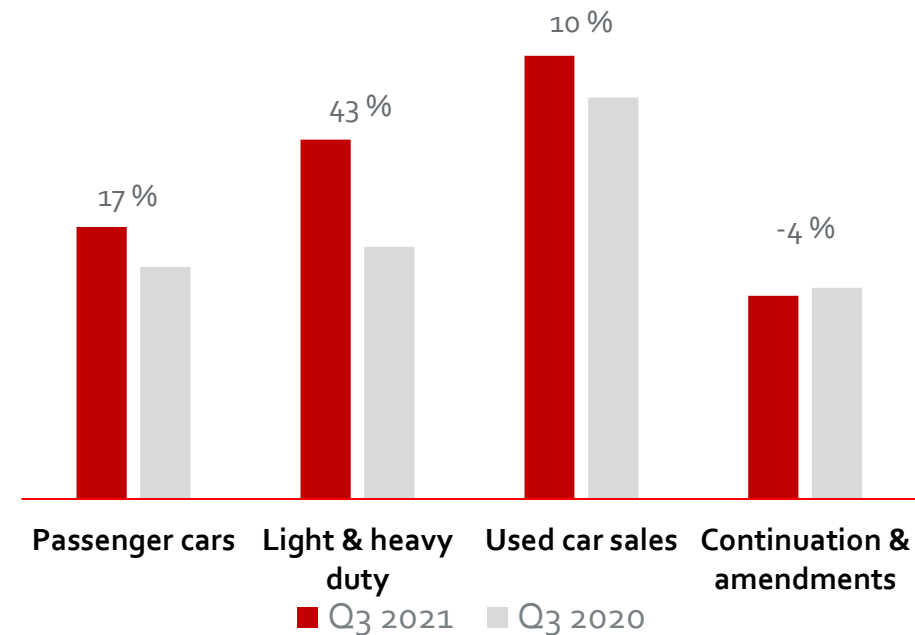
- Strong result again, with LTM Adj EBITDA 9.5M€.
- Adjusted Net Sales up +8.9M€ compared to Q3 2020. Gross Margin grew +1.3M€ respectively and adj. EBITDA by +793k€. Gross margin/ Adj. Net Sales was 9.7%. Adj. EBITDA / Gross Margin was 52.7%, a 2.3ppt improvement compared to Q3 2020.
- Cashflow development was positive during Q3 resulting to a closing balance of 16.6 M€. The positive development was impacted by a new consignment solution for imported cars.
- Secto Automotive was announced as the new title sponsor for Jyväskylä World Rally Championship in the FIA WRC series. In the words of Secto's CEO Matias Henkola: "For us, it's a great platform to tell our story and gain recognition. We've always taken great pride in our forward-thinking approach with sustainability at the heart of what we do. The motorsport community faces the same challenges that we've been tackling within the car industry during the last decade. Thus, we feel confident that we can add value and help with the transition."



Secto Topco Group – Operative summary Q3 2021

INCOME STATEMENT	Secto Topco Group	Secto Topco Group	Change
QUARTER ENDING	30.09.2021	30.09.2020	
Net Sales	83 100 k €	71 619 k €	11 481 k €
Net Sales adjustments	25 860 k €	23 256 k €	2 604 k €
Adjusted net sales*	57 240 k €	48 363 k €	8 876 k €
Other Income	20 k €	39 k €	-19 k €
Purchases	-77 553 k €	-67 412 k €	-10 142 k €
Materials and services total	-77 553 k €	-67 412 k €	-10 142 k €
Gross margin	5 566 k €	4 246 k €	1 320 k €
Personnel expenses total	-1 786 k €	-1 426 k €	-360 k €
Other operative expenses (Opex)	-848 k €	-728 k €	-120 k €
EBITDA	2 932 k €	2 092 k €	840 k €
Adjustments		-47 k €	47 k €
Adjusted EBITDA	2 932 k €	2 139 k €	793 k €

Sales - handover breakdown



Quarter margin comparisons	Q3 2021	Q3 2020	Diff pts
Gross margin / Adj. Net Sales	9,7 %	8,8 %	0,9 %
Adj. EBITDA / Adj. Net Sales	5,1 %	4,4 %	0,7 %
Adj. EBITDA / Gross Margin	52,7 %	50,4 %	2,3 %

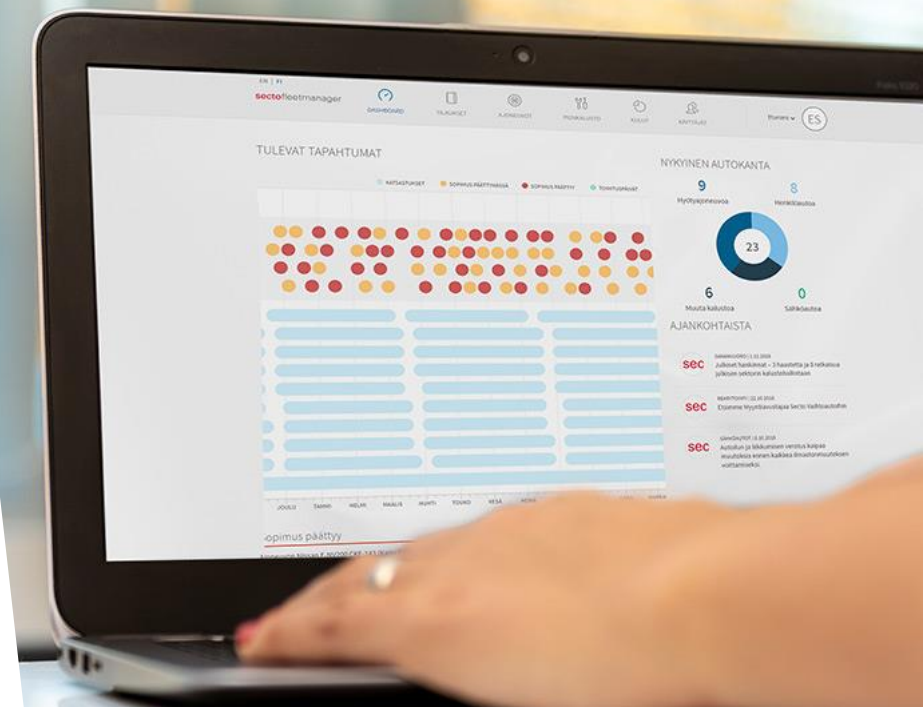
30.09.2021			
Fleet size	9 990	IB Debt	34 711 K €
Cash	16 579 k €	IB Net debt	18 132 K €
LTM Adj. EBITDA	9 457 k €	IB Net Debt / adj. EBITDA	1,92

* Sales where pass-through kind of items are eliminated

Financial reports – Secto Topco Group

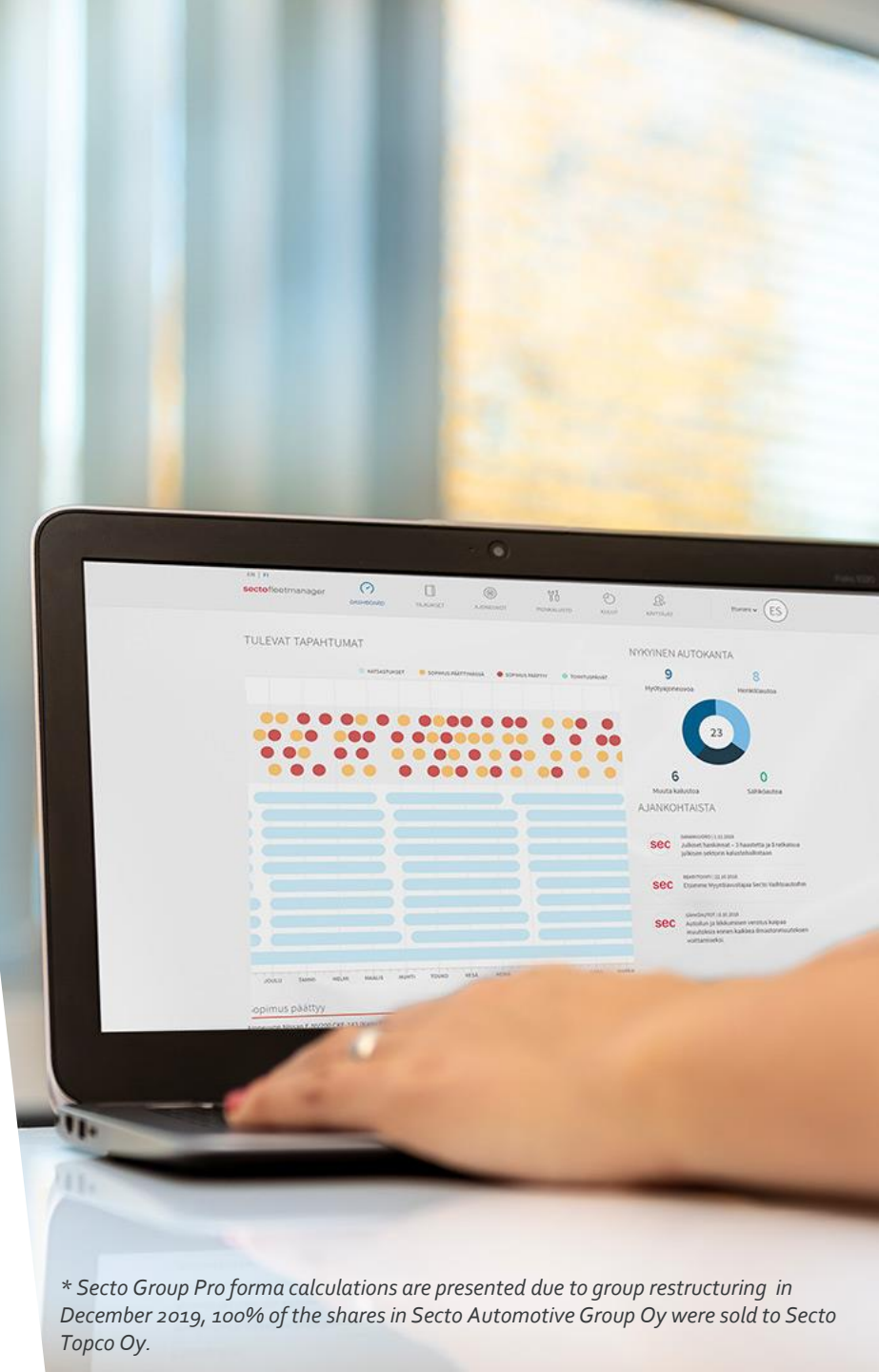
Secto Topco Group – PL Q3 2021

INCOME STATEMENT	Secto Topco Group	Secto Topco Group	Change
QUARTER ENDING	30.09.2021	30.09.2020	
Net Sales	83 100 k €	71 619 k €	11 481 k €
Net Sales adjustments	25 860 k €	23 256 k €	2 604 k €
Adjusted net sales*	57 240 k €	48 363 k €	8 876 k €
Other Income	20 k €	39 k €	-19 k €
Purchases	-77 553 k €	-67 412 k €	-10 142 k €
Materials and services total	-77 553 k €	-67 412 k €	-10 142 k €
Gross margin	5 566 k €	4 246 k €	1 320 k €
Personnel expenses total	-1 786 k €	-1 426 k €	-360 k €
Other operative expenses (Opex)	-848 k €	-728 k €	-120 k €
EBITDA	2 932 k €	2 092 k €	840 k €
Adjustments		-47 k €	47 k €
Adjusted EBITDA	2 932 k €	2 139 k €	793 k €
Depreciations	-294 k €	-380 k €	86 k €
Goodwill amortizations	-1 836 k €	-1 836 k €	0 k €
EBIT	802 k €	-124 k €	926 k €
Financial income	131 k €	11 k €	120 k €
Financial expenses	-806 k €	-830 k €	24 k €
Financial items total	-675 k €	-819 k €	144 k €
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS	128 k €	-943 k €	1 070 k €
Extraordinary Items			
PROFIT (LOSS) BEFORE TAXES	128 k €	-943 k €	1 070 k €
TAXES	-548 k €	-313 k €	-235 k €
Minority share of the profit			
PROFIT (LOSS)	-420 k €	-1 255 k €	835 k €



Secto Topco Group – PL YTD 2021

INCOME STATEMENT	Secto Topco Group	Secto Topco Group	Change
YTD ENDING	30.09.2021	30.09.2020	
Net Sales	242 759 k €	215 894 k €	26 865 k €
Net Sales adjustments	76 068 k €	73 307 k €	2 761 k €
Adjusted net sales*	166 691 k €	142 587 k €	24 104 k €
Other Income	66 k €	416 k €	-350 k €
Purchases	-227 475 k €	-203 850 k €	-23 625 k €
Materials and services total	-227 475 k €	-203 850 k €	-23 625 k €
Gross margin	15 351 k €	12 460 k €	2 891 k €
Personnel expenses total	-5 542 k €	-5 124 k €	-418 k €
Other operative expenses (Opex)	-2 783 k €	-2 695 k €	-88 k €
EBITDA	7 025 k €	4 641 k €	2 384 k €
Adjustments	-323 k €	-342 k €	19 k €
Adjusted EBITDA	7 349 k €	4 984 k €	2 365 k €
Depreciations	-886 k €	-1 032 k €	145 k €
Goodwill amortizations	-5 507 k €	-5 507 k €	0 k €
EBIT	632 k €	-1 897 k €	2 530 k €
Financial income	395 k €	65 k €	331 k €
Financial expenses	-2 481 k €	-2 707 k €	226 k €
Financial items total	-2 086 k €	-2 642 k €	556 k €
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS	-1 454 k €	-4 539 k €	3 086 k €
Extraordinary Items			
PROFIT (LOSS) BEFORE TAXES	-1 454 k €	-4 539 k €	3 086 k €
TAXES	-1 272 k €	-665 k €	-607 k €
Minority share of the profit			
PROFIT (LOSS)	-2 725 k €	-5 204 k €	2 479 k €



Secto Topco Group – Balance sheet

GROUP BALANCE SHEET	Secto Topco Group	Secto Topco Group	Change
In '000 €			
ASSETS	30.09.2021	30.09.2020	
Current assets			
Intangible assets	50 434 k €	57 711 k €	-7 277 k €
Goodwill	1 541 k €	1 476 k €	65 k €
Group goodwill	48 893 k €	56 235 k €	-7 342 k €
Tangible assets	1 334 k €	1 468 k €	-133 k €
Machinery and equipment	1 334 k €	1 468 k €	-133 k €
Investments	5 289 k €		5 289 k €
Current assets total	57 057 k €	59 178 k €	-2 122 k €
Non-current assets			
Inventories	9 926 k €	5 930 k €	3 996 k €
Receivables			
Long-term receivables	322 k €	465 k €	-143 k €
Short-term receivables			
Sales receivables	10 421 k €	17 202 k €	-6 781 k €
Loan receivables	4 k €		4 k €
Other receivables	1 137 k €	2 061 k €	-924 k €
Accrued receivables	1 475 k €	1 251 k €	224 k €
Short term receivables total	13 037 k €	20 514 k €	-7 478 k €
Cash at bank	16 579 k €	15 720 k €	860 k €
Non-current assets total	39 864 k €	42 628 k €	-2 765 k €
ASSETS TOTAL	96 920 k €	101 806 k €	-4 886 k €

	Secto Topco Group	Secto Topco Group	Change
In '000 €			
LIABILITIES	30.09.2021	30.09.2020	
Equity			
Share capital	3 k €	3 k €	0 k €
Non-restricted equity	26 623 k €	26 382 k €	240 k €
Retained earnings	-6 247 k €	-285 k €	-5 961 k €
Own shares	-2 k €	-2 k €	0 k €
Other		4 k €	-4 k €
Dividends			
Profit (loss) of the financial period	-2 725 k €	-5 204 k €	2 479 k €
Equity total	17 651 k €	20 898 k €	-3 246 k €
Liabilities			
Long term loans	40 046 k €	40 053 k €	-7 k €
Other loans			
Short term loans			
Loans from financial institutions			
Bonds			
Prepayments	17 717 k €	19 473 k €	-1 757 k €
Purchase payables	15 157 k €	14 216 k €	940 k €
Other payables	2 837 k €	5 148 k €	-2 310 k €
Accrued payables	3 513 k €	2 018 k €	1 494 k €
Short term loans total	39 223 k €	40 856 k €	-1 633 k €
Liabilities total	79 269 k €	80 909 k €	-1 640 k €
LIABILITIES TOTAL	96 920 k €	101 806 k €	-4 886 k €

Secto Topco Group – Cash flow

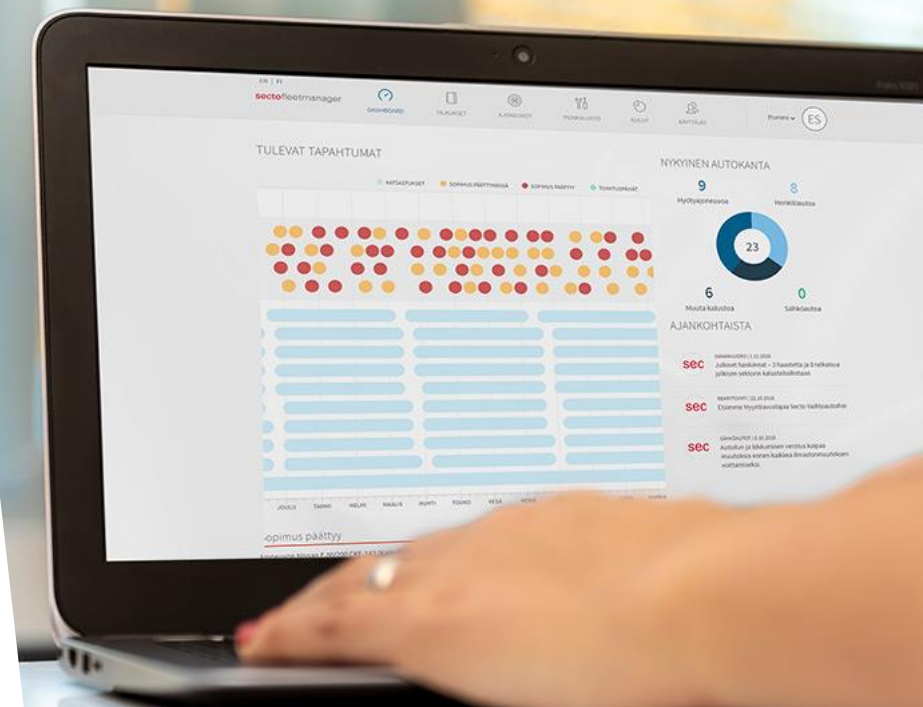
GROUP CASH FLOW - YTD	Q1 2021	Q2 2021	Q3 2021
EBITDA	1 776 k €	2 317 k €	2 932 k €
Change of NWC	-2 941 k €	-1 788 k €	2 269 k €
Investments	-1 172 k €	61 k €	-360 k €
Operative cash flow after investments	-2 337 k €	590 k €	4 841 k €
Taxes	-300 k €	-424 k €	-548 k €
Operative financial items net	-10 k €	18 k €	41 k €
Cash flow after taxes and interests	-2 646 k €	184 k €	4 334 k €
Bond interest payments	-710 k €	-710 k €	-716 k €
Capital re-payment			27 k €
Dividends			k €
Other	-7 k €		k €
Cash flow total	-3 363 k €	-526 k €	3 646 k €
Cash in the beginning	16 823 k €	13 459 k €	12 934 k €
Cash in the end	13 459 k €	12 934 k €	16 579 k €
Change in cash	-3 363 k €	-526 k €	3 646 k €



Appendix – Secto Topco Oy

Secto Topco Oy – PL Q3 2021

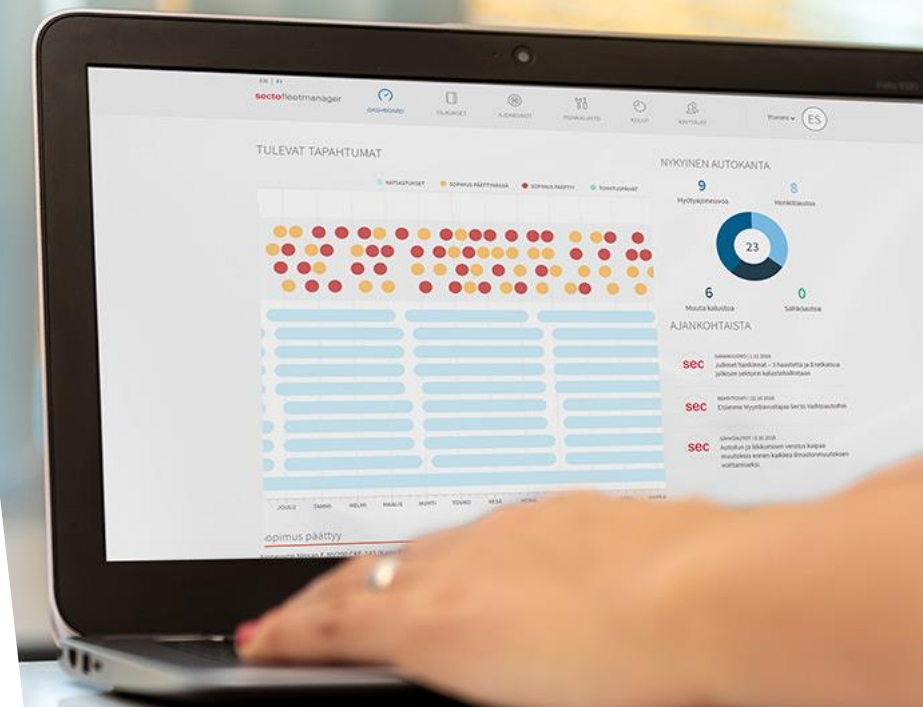
INCOME STATEMENT	Secto Topco Oy	Secto Topco Oy	Change
QUARTER ENDING	30.09.2021	30.06.2021	
Net Sales	240 k €	240 k €	0 k €
Net Sales adjustments			
Adjusted net sales*	240 k €	240 k €	0 k €
Other Income			
Purchases			
Materials and services total			
Gross margin	240 k €	240 k €	0 k €
Personnel expenses total	-237 k €	-224 k €	-13 k €
Other operative expenses (Opex)	-6 k €	-34 k €	28 k €
EBITDA	-4 k €	-18 k €	14 k €
Adjustments			
Adjusted EBITDA	-4 k €	-18 k €	14 k €
Depreciations			
Goodwill amortizations			
EBIT	-4 k €	-18 k €	14 k €
Financial income	251 k €	248 k €	3 k €
Financial expenses	-805 k €	-799 k €	-6 k €
Financial items total	-555 k €	-551 k €	-4 k €
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS	-558 k €	-569 k €	10 k €
Extraordinary Items			
PROFIT (LOSS) BEFORE TAXES	-558 k €	-569 k €	10 k €
TAXES			
Minority share of the profit			
PROFIT (LOSS)	-558 k €	-569 k €	10 k €



* Secto Topco Oy was established on October 2019. December 2019, 100% of the shares in Secto Automotive Group Oy were sold to Secto Topco Oy.

Secto Topco Oy – PL YTD 2021

INCOME STATEMENT	Secto Topco Oy	Secto Topco Oy	Change
YTD ENDING	30.09.2021	30.09.2020	
Net Sales	720 k €	240 k €	480 k €
Net Sales adjustments			
Adjusted net sales*	720 k €	240 k €	480 k €
Other Income			
Purchases			
Materials and services total			
Gross margin	720 k €	240 k €	480 k €
Personnel expenses total	-670 k €	-153 k €	-517 k €
Other operative expenses (Opex)	-51 k €	-8 k €	-43 k €
EBITDA	0 k €	79 k €	-80 k €
Adjustments			
Adjusted EBITDA	0 k €	79 k €	-80 k €
Depreciations			
Goodwill amortizations			
EBIT	-1 k €	79 k €	-80 k €
Financial income	752 k €	156 k €	596 k €
Financial expenses	-2 402 k €	-766 k €	-1 636 k €
Financial items total	-1 650 k €	-610 k €	-1 040 k €
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS	-1 651 k €	-531 k €	-1 120 k €
Extraordinary Items			
PROFIT (LOSS) BEFORE TAXES	-1 651 k €	-531 k €	-1 120 k €
TAXES	-1 k €	0 k €	-1 k €
Minority share of the profit			
PROFIT (LOSS)	-1 652 k €	-531 k €	-1 121 k €



* Secto Topco Oy was established on October 2019. December 2019, 100% of the shares in Secto Automotive Group Oy were sold to Secto Topco Oy.

Secto Topco Oy – Balance sheet

BALANCE SHEET				Secto Topco Oy			
In '000 €	Secto Topco Oy	Secto Topco Oy	Change	In '000 €	Secto Topco Oy	Secto Topco Oy	Change
ASSETS	30.09.2021	30.09.2020		LIABILITIES	30.09.2021	30.09.2020	
Current assets				Equity			
Intangible assets				Share capital	3 k €	3 k €	0 k €
Goodwill				Non-restricted equity	26 615 k €	26 379 k €	236 k €
Group goodwill				Retained earnings	-189 k €	-286 k €	97 k €
Tangible assets				Own shares	-2 k €	-2 k €	0 k €
Machinery and equipment	3 k €		3 k €	Other			
Investments	55 699 k €	50 410 k €	5 289 k €	Dividends			
Current assets total	55 702 k €	50 410 k €	5 292 k €	Profit (loss) of the financial period	-1 652 k €	-1 605 k €	-47 k €
Non-current assets				Equity total	24 775 k €	24 489 k €	286 k €
Inventories				Liabilities			
Receivables				Long-term loans	40 000 k €	40 000 k €	0 k €
Long-term receivables	121 k €	254 k €	-133 k €	Other loans			
Short-term receivables				Short-term loans			
Sales receivables				Group debts	7 463 k €	1 941 k €	5 522 k €
Group receivables	16 581 k €	15 963 k €	619 k €	Bonds			
Other receivables	71 k €	34 k €	37 k €	Prepayments			
Accrued receivables	6 k €	8 k €	-2 k €	Purchase payables	18 k €	24 k €	-7 k €
Short-term receivables total	16 659 k €	16 005 k €	654 k €	Other payables	307 k €	320 k €	-13 k €
Cash at bank	140 k €	151 k €	-11 k €	Accrued payables	59 k €	45 k €	13 k €
Non-current assets total	16 920 k €	16 410 k €	510 k €	Short-term loans total	7 847 k €	2 331 k €	5 516 k €
ASSETS TOTAL	72 622 k €	66 820 k €	5 802 k €	Liabilities total	47 847 k €	42 331 k €	5 516 k €
				LIABILITIES TOTAL	72 622 k €	66 820 k €	5 802 k €

Form of Compliance Certificate

To: Nordic Trustee Oy
From: Secto Topco Oy
Dated: **25.10.2021**

Secto Topco Oy – EUR 40,000,000 Senior Secured Floating Rate Bonds 2019/2022 with ISIN FI4000410667 (the "Bonds")

1. We refer to the terms and conditions for the Bonds dated 20 November 2019 (the "**Terms and Conditions**"). This is a Compliance Certificate referred to in the Terms and Conditions. Terms defined in the Terms and Conditions have the same meaning when used in this Compliance Certificate.

2. This compliance certificate relates to:

Test date: **30.09.2021**

We confirm that:

The Maintenance Test is met and the ratio of Net Interest Bearing Debt to EBITDA was: **1,92 / 4,75**

3. The calculations for the Maintenance Test above are based on the following figures:

Net Interest Bearing Debt: **18 131 823,06 €**

EBITDA (adjusted): **9 457 102,41 €**

4. We confirm that so far as we aware, no Event of Default is continuing.

5. The calculations of the Maintenance Test above have been made on the figures for the Reference Period ending on the date stated above as set out in schedule 1.

The Net Interest Bearing Debt figure takes into account the share of bond repurchased back by Secto Topco Oy.

Secto Topco Oy



Name: Kati Parkkonen, CFO