

Annual General Meeting

20. May 2020

Speech of the Board of Directors:

Dirk Engel, Spokesman of the Management Board

- The spoken word shall prevail -

Welcome / Introduction

Dear Shareholders! Welcome to the virtual Shareholders' Meeting of technotrans SE!

Normally I would now be standing at the lectern in the Münsterland hall, my colleagues would be sitting next to me on the podium and the rows of chairs in front of us would be packed. But this time everything's different. We are witnessing the first virtual Shareholders' Meeting in technotrans' history. That is why we welcome you live from our headquarters in Sassenberg, where we have set up a studio especially for the broadcast. In this way, we have the opportunity to conduct the Annual General Meeting safely and in accordance with the necessary recommendations for conduct at the planned time. Even without physical presence.

50 years technotrans

Before we look back on the past year 2019: The current year is an exceptional year. We have to cope with the consequences of a pandemic that poses a major challenge for all of us. technotrans is also celebrating its 50th birthday this year. The technotrans Group has been a reliable systems partner in the field of liquid technology for half a century.

Since 1970, our core competencies have been cooling and tempering, filtering and separating, as well as pumping and spraying liquids. Since then, we have installed over half a million systems worldwide in a wide range of industries.

The nucleus of technotrans SE lies precisely here: in Sassenberg in Westphalia. This has resulted in an international group with 18 production, sales and service locations. 1. The work of 455 employees contributes towards ensuring that technotrans today has such a broad product range. And this for numerous industries, whereby we are constantly developing new areas of application. Mr. Hirsch will show you a few exciting examples of this.

Since our foundation in 1970 we have experienced different phases. The financial crisis in 2008 / 2009 was certainly a defining factor in the recent past. This crisis was the starting point for diversifying and above all strengthening the existing technotrans Group through successful acquisitions. We experienced a decade of solid, continuous growth until last year when economic momentum slowed. Since then, there has been increasing uncertainty in the global markets. The Covid 19 pandemic greatly increases this uncertainty: We recently had to learn how susceptible to disruption global supply chains are. The economic consequences of the Covid-19 spread are hardly foreseeable for the entire global economic system. Like many other companies around the world, we are currently having to operate out of acute uncertainty.

Guiding principle / reorientation

However, we already initiated a realignment of the technotrans Group last year - in other words before the Corona crisis. With this decision we will be well positioned for the present and for the future. Our guiding principle for the next five years is **"Shaping the future through development!"**

In this Group-wide change process, we want to get the most out of our product portfolio while promoting the strengths of each individual subsidiary. An important point here is also the further development of our employees in their core competencies. Following the business acquisitions of recent years, our aim is to create an integrated group and strengthen the technotrans brand worldwide. The core of this strategy lies in detail in the fact that we are creating a clear sales sector focus and expanding the location-related competence profiles within the Group. We must continuously leverage synergies and, above all, make even better use of our development and innovation power throughout the Group.

Personnel change

The year 2020 therefore marks a new phase in the history of the technotrans Group. We have also underpinned our reorientation at the personnel level. At this point I would also like to stress that the personnel decisions we have implemented as part of our realignment are not related to the Corona pandemic: These decisions have already been made in advance. I have already indicated that the sales sector focus is an important goal of our realignment. For this reason, Michael Finger has been strengthening the Management Board since the beginning of this month and will henceforth be responsible for sales. He brings with him a distinctive sales expertise and has extensive experience in the automotive sector. With Michael Finger, we will intensify the growth course we have embarked on in the new markets and especially in the field of electromobility. Welcome on board Mr Finger!

Thanks to our shareholders

We would like to thank you, dear shareholders, for the trust you have placed in us during the good years, but also during the difficult years! We, that is the Board of Management, the Supervisory Board and all technotrans employees worldwide. From Sassenberg to Singapore.

More than ever before, what counts is cohesion and a common goal. We will do everything in our power to ensure that our Group is optimally positioned for this new decade. We thank you for your support, but also for the loyalty you have shown us. Some of you have been associated with us for many years and we hope that this will continue. We therefore ask you today to continue to place your confidence in us for the future of technotrans.

Thanks to our employees

We would also like to take this opportunity to thank all technotrans employees. Only through the dedicated work of each and every one of our employees have we even managed to celebrate half a century this year. Our employees also play a major role in the realignment. We can only **"shape the future through development"** if we continuously improve what we already have and at the same time create something new.

Outlook in brief / Completion of the first part

Despite the current challenging conditions, we are optimistic about the future. We believe in the potential of the technotrans Group and are firmly resolved to embark on a new path. We will certainly need a lot of staying power in this phase, but we will not be diverted from our goals by the consequences of the pandemic! We must face the economic headwind this year.

As matters stand, technotrans is in a sound position to do so thanks to a strong balance sheet, a high equity ratio, good liquidity and adequate financing reserves. Thus we can deal with the existing requirements in an orderly manner. But we also see it as a great opportunity to strengthen the Group sustainably right now in order to master the next 50 years!

The 2019 financial year

Keywords at a glance

Ladies and gentlemen,

the 2019 financial year presented us with several internal and external challenges. After an extremely successful previous year 2018, a decline in economic momentum set in, as already indicated.

The past fiscal year was marked by protectionist, political influences. But geopolitical distortions and structural changes in our industries also played an important role. The declining propensity to invest in the automotive-related plastics processing industry led to heavy burdens on our subsidiary gwK Gesellschaft Wärme Kältetechnik, especially in the first quarter. Successful marketing efforts made it possible to compensate for part of these declines in sales of cooling and temperature control systems for injection molding machines: For example, gwK

achieved new contracts for applications in the field of plastics extrusion and food processing. In the second half of the year, however, gwk experienced unexpectedly large production and delivery bottlenecks in the course of an ERP system changeover, which additionally burdened the year as a whole.

Sales / EBIT

The events mentioned above led to significant declines in sales and earnings in the Group, which were not anticipated to this extent. As a result, the annual forecast had to be adjusted twice to reflect the changed realities: Most recently, the sales forecast was adjusted downwards to 205 million euros.

The expectations for earnings before interest and taxes - EBIT - were simultaneously revised downwards to the range of EUR 7.6 to 8.4 million.

At the end of fiscal 2019, we exceeded our revised forecast with consolidated sales of EUR 207.9 million. In terms of operating profit - EBIT - we reached the upper end of the expected range at EUR 8.3 million. But: As the Board of Management, we too are not satisfied with the business progress of the technotrans Group in the past financial year. After all, we had to accept a 3.9 percent drop in sales compared to the previous year. On the earnings side, operating profit even halved and the EBIT margin fell from 8.0 to 4.0 percent. The consolidated net income of EUR 6.1 million and thus earnings per share also fell far short of the previous year's figures. At the end of the year, we had to cope with two additional unexpected burdens amounting to EUR 1.4 million. Adjusted for these effects, the EBIT margin would have been 4.7 percent.

Balance sheet / equity / gearing / investments

Despite the challenging underlying conditions, the financial position and balance sheet ratios of the technotrans Group remain sound. The balance sheet total rose by 7.3 percent to EUR 146.0 million in the past fiscal year due to investments.

Following the distribution of profit of around € 6.0 million for the 2018 financial year, equity at the end of 2019 was back at the previous year's level of € 75.1 million. The equity ratio was 51.4 percent. On the balance sheet date, net debt increased by EUR 4.8 million to EUR 24.2 million. This development is due on the one hand to the raising of low-interest, long-term loans and on the other hand to the first-time inclusion of leasing liabilities in accordance with IFRS 16. In addition,

a clearly positive free cash flow of EUR 7.6 million - after deducting investment-related cash outflows - was achieved. Thus, a factor of 1.5 indicates a comfortable debt ratio and, on balance, a solid financial position.

Employees

At the reporting date of December 31, 2019 the technotrans Group employed a total of 1,474 people, 21 more than at the end of 2018. The Technology segment accounted for 1,070 employees and the Services segment for 404 employees. For many years we have attached great importance to vocational training. The technotrans Group's range of vocational training currently comprises 19 professions. We see this, as well as continuous personnel development, as an important investment in the future.

Segments / Markets

Let us briefly turn to our Technology and Services segments and the key facts about the course of business over the past twelve months: Revenue in the Technology segment fell by 5.1 percent to EUR 148.4 million. The decline in sales of EUR 8.1 million is based - as already described - on two aspects: The slowdown in economic growth and the introduction of the new ERP system at gwk. Nonetheless, continued positive development in our growth areas - electromobility, semiconductor and scanner technology as well as analytics and medical technology - partially compensated for the declines.

The Technology segment's share of consolidated revenue fell only slightly to 71 percent. All in all, the unsatisfactory business progress meant that the Technology segment only achieved a break-even result last year.

In the Services segment, the sales volume of the previous year was maintained at EUR 59.5 million. The share of total sales has thus increased from 28 to 29 percent. A positive contribution was made here by the Technical Documentation section. Here, sales increased by 4.5 percent to EUR 7.4 million. At EUR 8.3 million, the operating segment result achieved a profit margin of 14 percent.

By 2019, the economic weakness was already being felt in almost all the sub-markets relevant to us. The **plastics processing industry** was hit hardest. There was a significant drop in sales in this area. This was primarily due to structural declines in the market for automotive-related injection molding technology.

However, these were partially offset by the focus on alternative applications. A positive sales contribution to compensation was also made by the revived subsidiary Reisner Cooling Solutions. However, this positive trend was not able to cushion the impact of the unplanned ERP implementation at the sister company. The decline in sales in the Engineered Plastics segment resulted in a negative contribution to earnings in this area - from the perspective of the Management Board, however, a one-off effect. Today we can confirm that the SAP implementation project at gwk has been completed and the problems have been overcome. We have learned from this and done our homework for future system conversion projects. We will therefore continue to standardize the ERP systems in the Group as planned in the coming years.

The development in the **laser and machine tool industry** was more positive. Although this market is becoming increasingly difficult and price-sensitive, we were able to gain market share here and thus stabilize sales at the previous year's level.

By contrast, the subdued economic climate also had a negative impact on the **printing industry**. In addition, the consolidation of the printing companies continued. However, print remains an important part of our DNA and we continue to attach great importance to the printing business. Despite the challenging market environment, we were able to expand business relations with some customers. Overall, there was a slight decline in sales in the printing sector.

The **growth markets** remained largely unimpressed by the economic trend, and we were again able to achieve double-digit sales growth in these markets. Thus, the chosen path of focusing more strongly on the areas of **electromobility, semiconductor and scanner technology** and, above all, **analytics and medical technology** is increasingly proving to be the right one.

Dear Shareholders!

Looking back over the past decade, I would like to take this opportunity to emphasise that technotrans has benefited from its strategic emphasis on diversifying our product portfolio through targeted takeovers. We have moved away from our core printing business and are now much broader and more stable. Our Group is now in a position to remain profitable even under difficult conditions, as the past financial year has shown. We want to build on this!

Q1 2020

Let us now take a look at the current business figures for the first quarter of 2020, which we presented on 12 May.

The Covid 19 pandemic has spread rapidly around the world since the beginning of the year. The operating activities of the technotrans Group were initially only affected by this in certain areas: Our Taicang site in China was the first to be affected. Here, production had to rest for five weeks. After that, the pandemic continued in Europe and we had to accept noticeable reductions in our sales and service units - this affected France, Spain and Italy in particular. We have taken extensive precautions at our production sites to protect our employees: These include stricter hygiene regulations, home office and separate two-shift operation. A positive aspect is that we have thus been able to maintain business operations at almost all locations - especially in the production plants - to date. Production at our German plants has been running without interruption since the beginning of the year.

In the printing industry, we experienced a decline in revenue in the first quarter, which was slightly higher than expected due to corona. In addition, drupa - the world's leading trade fair for the printing industry - was postponed until April 2021 due to the pandemic. This means that an important industry impulse will be missing in the third and fourth quarters. Outside the printing industry, however, the volume of orders on hand remained stable and revenue rose by around 2 percent compared with the prior-year quarter.

As already mentioned, the difficulties encountered by our company gwk in the course of implementing SAP have been overcome. The operating activities have normalised and with good capacity utilisation, gwk achieved a quarterly turnover which was above the previous year's level.

Sales in the laser and machine tool industry were stable and in line with our expectations.

In the electromobility segment, the high sales of the previous year could not be maintained. This was due to a noticeable decline in sales of cooling systems for stationary battery charging stations, so-called high-power charging stations (HPC). This decline was due to the continued low availability of HPC-compatible vehicles, but also to an increasingly competitive environment. By contrast, our other growth

markets - medical and scanner technology - developed stably in the first quarter, as expected.

All in all, we started the new fiscal year in line with expectations despite the developments described above: In the first three months of the 2020 financial year, we generated revenues of EUR 52.2 million. At 1.7 percent, we were thus only slightly below the previous year. In terms of EBIT - earnings before interest and taxes - we realised EUR 1.8 million. Compared to the previous year, this represents a decline of 47 percent. As a result, the EBIT margin was 3.4 percent compared to 6.3 percent in 2019. However, this result includes costs of structural and personnel adjustments amounting to EUR 1.3 million and a positive one-off effect of EUR 0.6 million from the termination of a fine proceedings. Adjusted for these, the quarterly operating result increases to EUR 2.5 million with a margin of 4.7 percent.

Dear Shareholders!

The COVID 19 pandemic has slowed down the entire global economy in an unprecedented way. We only need to look at the current forecasts: The International Monetary Fund expects the German economy to shrink by 7 percent this year. In the euro zone, economic output is even expected to decline by 7.5 percent.

As a result, we must expect a considerable drop in incoming orders and sales in the coming months. The economic and legal conditions are currently changing dynamically, so that the concrete extent of the effects of the pandemic cannot be quantified with sufficient accuracy. Thus, on April 30, 2020, we withdrew our original revenue and earnings forecast for the current fiscal year. We will publish an updated forecast as soon as this is possible with sufficient quality.

At this point I would like to point out that the sound net worth and financial position of the technotrans Group ensures good liquidity for the foreseeable future. At the end of the first quarter, cash and cash equivalents amounted to EUR 17 million. The equity ratio increased slightly to 51.7 percent. Cash flow from operating activities was EUR 3.4 million, compared with EUR 5.2 million in the previous year, and free cash flow was still slightly negative at EUR -2.1 million. As planned we started the new building project for Reisner Cooling Solutions in Holzwickede. We intend to move with the company in the first quarter of 2021.

Irrespective of the Covid 19 pandemic, we remain committed to the strategic realignment of the technotrans Group. Mr. Hirsch will provide detailed information on this in a moment.

I would like to clearly emphasize once again that our primary and most important goal is to protect all employees from infection. Health comes first! We would like to thank our employees once again for persevering in this extreme situation. We are proud that we can count on them, and we are confident that we will get through the Corona era largely unscathed.

Outlook

Announcement of a new forecast currently not possible

But what does the coming time look like in concrete terms!

Let us now turn to the outlook. In the context of the figures for the first quarter, I already indicated that a reliable forecast is not possible against the background of the pandemic. Nobody yet knows when and how we can get back on track and how quickly the economy will return to a new "normality", on the basis of which we can derive a new forecast.

We expect the technotrans Group to face considerable burdens on the market over the next two quarters. Declines in sales and earnings are to be expected. However, the extent of this is not yet foreseeable today. In the current situation, the priority is to protect all employees and ensure production at the sites. We have taken extensive measures in this context.

We will respond flexibly to the economic impact of the pandemic by means of short-time working and strict cost discipline.

technotrans is now generally well positioned and financially stable. We have laid the foundations for sustained growth for the technotrans group of companies. These include above all the potential of existing and new markets, the strong customer orientation, the measures initiated to improve the competitive position and to reduce costs.

We are therefore sticking to our strategic medium-term goals. The focus of future development is on profitable growth. In the medium term, consolidated sales are to be increased to 300 million euros. To achieve this goal, we will expand our market share with existing and new customers and open up new markets. This is supported by new technological developments, among other things. Strategic expansion through acquisitions is also an integral part of the strategy, but no concrete option is yet apparent in the short term.

Let us therefore state for the present that technotrans will return to a sustained positive development over the next few years, with a focus on growth and earnings. This also applies to the share price.

Share price

We are not satisfied with the development of the share price since the last Annual General Meeting. Over the year as a whole, the share price fell by 23.7 percent. The share price performance in the course of the year was marked by two reductions in the annual forecasts, which I have already mentioned. Until the end of the year, the share price was volatily sideways. On the last trading day of the year, the share price was even able to regain some ground, rising slightly to EUR 18.70.

However, since the beginning of 2020, the share price has again deteriorated significantly, closing yesterday at 12.56 euros.

In February, the global spread of the COVID 19 pandemic led to massive price losses on the German stock market. Technotrans shares were likewise unable to escape this trend.

As it is not possible to predict how the Corona crisis will develop further, we must expect the share price to remain volatile in the current year. We have nevertheless laid the foundations for the technotrans Group and will continue to do our homework with vigour. The word homework takes on a completely new meaning in the wake of the pandemic. In fact, some decisions are currently being made from the home office via telephone and online meetings.

Resolutions (assign heading to the next but one paragraph)

So today we have to set the future course purely virtually instead of gathering together as usual. The last item on the agenda today will be the election of a new member of the Supervisory Board. Dieter Schäfer, who has been a member of the Supervisory Board since 2010, is leaving the Supervisory Board as a shareholder representative for personal reasons at the end of today's Annual General Meeting. Ten years is a long time, so I would like to thank Mr. Schäfer all the more for the very good cooperation and the always constructive exchange. Dear shareholders, you will decide today on Mr. Schäfer's successor on our Supervisory Board under agenda item 7.

Another important item on the agenda is the resolution on the appropriation of the net profit for the 2019 financial year. The development of current events has prompted us to withdraw our original proposal for the appropriation of profits this year. Instead, we propose not to pay a dividend. We are thus acting in the interests of the Group. This is because there is currently reason to fear that companies that pay dividends could be denied access to short-time work compensation in the future, or at least have to reckon with restrictions. However, we would like to completely exclude possible disadvantages in using the instrument of short-time work compensation, as it represents an important control element in the flexible adjustment of personnel costs. Our primary goal is to offer our employees a secure and long-term perspective. We have taken this decision independently of our currently stable liquidity situation and it takes into account the uncertain political situation in this respect. Despite the change in the proposal for the appropriation of profits, we are maintaining our existing dividend policy: Our goal remains to distribute up to 50 percent of the consolidated net income for the year. Dear shareholders, we hope you understand this decision in the current situation.

This brings me to the end of my presentation. Thank you very much for your attention and support. I look forward to seeing you again in person at our Annual General Meeting in Münster next year at the latest, stay healthy.

I now hand over to my colleague on the board, Peter Hirsch. He will explain individual aspects of our strategic realignment to you! But he will also explain our products and technologies and report where we see growth potential even in these difficult times.

Peter, please!

Virtual Annual General Meeting

20. May 2020

Board of Management speech:

Peter Hirsch, Member of the Executive Board

- Check against delivery -

Welcome

Dear shareholders, ladies and gentlemen,

I too would like to welcome you to this year's virtual Annual General Meeting. I would have much rather welcomed you personally, but the current situation forces us to keep our distance. For technotrans, a group of companies that attaches great importance to closeness to people, this is a hitherto unimaginable situation.

We are in a challenging time in which a single global event is paralysing the world economy and threatening livelihoods. So, I would like to take this opportunity to express my best wishes to you. I hope that you, together with your family and friends, will survive this crisis healthy and unscathed.

Our health is the most important good - this is more true than ever in view of the current situation.

Status determination Technology / Organization

After Mr. Engel has given you a detailed insight into the course of business and the key financial figures for the past year and the first quarter, I would like to focus my speech on two topics:

- 1) the strategic reorientation up to 2025 and
- 2) the technological diversity and innovative strength of our group of companies.

But before we look ahead, I would like to start by paying tribute to the path we have taken so far, ten years ago. At that time, the strategic emphasis was on diversifying the product portfolio through targeted acquisitions and opening up new markets for technotrans. Today we can say with certainty: This strategy was successful. It bears fruit. A company focusing on a single core industry has become a stable and broad-based group that is profitable even under adverse conditions. We appreciate that very much, especially at this time.

We stand on a solid technological and economic foundation. Our goal is to expand this position and continue to grow as a group of companies.

Strategic reorientation until 2025

But how do we want to achieve this? What are the necessary measures? I would like to go into this in more detail below. Dirk Engel has already mentioned it: The focus is on the strategy process already initiated to strengthen the global technotrans brand.

In the 50th year of our existence, a new phase of our company's history has begun. It is a necessary process in order to better meet the growing complexity of the global markets and the associated competition. It opens up great opportunities for us, which we want to and will take advantage of. It is also, and I would like to stress this here, a process that we have initiated and launched independently of the current COVID19 pandemic. The Corona crisis therefore comes at the wrong time. Nevertheless, we are firmly convinced that our path of change is right and important in order to actively and sustainably promote the development of the Group. In order to internalize our new orientation and make it more tangible, we have created a corresponding mission statement: **„Shaping the future through development!“**

As the Board of Management, we have a clear mission from which we have derived concrete goals for the coming years. These must be implemented according to a strict timetable. This is what we stand for as a team of the board and we will do our utmost to achieve it!

Three key points are particularly important to us, which I would like to explain to you below. These are: Agility, industry focus and innovation.

The technotrans group is already a highly flexible technology partner in the field of liquid management. We develop technically sophisticated solutions for and together with our customers worldwide. In doing so, we draw on our wealth of experience from various industries and use the local expertise of our production sites. This mix enables us to be successful together with our customers in a wide variety of markets.

This current flexibility will become an agile action in the next five years. We understand **agility** as an active process. Agility describes the ability of the technotrans Group to respond to changing internal and external requirements not only flexibly, but also proactively and proactively within a very short space of time. This gives us the opportunity not only to keep pace with the high speed of the markets, but also to help shape them through innovative technological solutions. Against the background of the increasing project business, this enables us to meet the demands of our customers faster and in a more targeted manner while at the same time conserving our resources.

This project is flanked by another core aspect of our strategic realignment: Group-wide **industry focus**. As a result, we focus our sales activities much more on business areas than on products, locations and regions. The historically determined sales differentiation according to products and control from the individual production sites will no longer apply. Instead, in future we will bundle the entire sales power in a sales unit that is geared to industries. This will enable us to penetrate the market much faster and more intensively with the entire range of our product portfolio: This is a major step towards systematically increasing technotrans' market shares and accelerating the group's organic growth.

At the same time, we are increasingly focusing on and strengthening the location-related competencies of the respective group members. Additional synergies must be leveraged in all areas. We want to eliminate existing parallel structures, especially in technology, products and production. In this way, we will sustainably improve the competitiveness of the Group in the coming years.

For us, however, competitiveness is also closely linked to the concept of **innovation**, the third core element of our strategic orientation. The technotrans Group has always stood for technical expertise and reliability. Together with our customers, a large number of innovative products have been developed over the years, which are still successfully on the market today.

But what do we understand by the term innovation? For us, innovation means progress. A process that generates unique selling points from the combination of technology, experience and knowledge. But we also see innovation as a process from which products and solutions emerge in the end that have a claim to technological leadership. These form the basis for the continuing positive development of technotrans as a highly competitive technology company. To this end, we will from now on invest more each year in both basic and user research. We do not pursue innovation as an end in itself. We want to create real, tangible added value for our customers that they can only obtain from technotrans. This starts with energy efficiency: We are constantly developing new concepts to further reduce the CO2 footprint of our products. We do not see the conservation of resources as a freestyle exercise, but as a sustainable obligation. In service, we are increasingly focusing on digital solutions that will enable new service and maintenance concepts in the future. Specifically, these are for example dynamic QR codes on our products. This enables us to provide operators with supplementary information both online and offline. But we also promote innovation internally. Our internal structures and processes are undergoing change against the background of the strategic realignment. The aim is to promote flexibility and agility in both productive and non-productive areas of the company, to streamline processes and increase the efficiency of all operations. In this way, we are improving our cost structure in the long term. A must in international competition.

The three pillars of our strategic realignment mentioned at the beginning - agility, industry focus and innovation - form the foundation for the overarching goal for 2025: The creation of an integrated group in which all the employees of the group see themselves as part of technotrans. As such a strong community, we will get the most out of our portfolio to ensure that we continue to be successful for the next 50 years. In the future, our group of companies is to be perceived even more strongly as a complete work of art, as a single entity. One group, one company, one technotrans!

What have we already initiated and done?

Dear Shareholders,

As you can see, there is a spirit of optimism at technotrans and a strong will to change. In the coming years, we have a number of plans to successfully implement the strategic realignment. The go-ahead was given at the end of March, so I can report here on the first concrete measures.

At the Sassenberg location, the nucleus of the group, we have dissolved the previous structure of business units. The former four technical units "temperature control", "fluid conditioning", "dampening solution" and "ink technology" became a central technical department. It now comprises four specific groups for refrigeration, mechanics, electrical engineering and application-related software. In this way, we are streamlining the organisational structure right down to the management level. With the elimination of cross-departmental interfaces, we can now deploy our personnel resources much more flexibly and in line with our needs. In short, we save costs. As a further advantage, the new, topic-related specialist groups guarantee the technological exchange of experience across product boundaries. New developments are now created in defined project teams with short communication channels - fast and agile.

In addition, the new organization creates a basis for greater standardization of components and assemblies. An absolute must for exploiting purchasing synergies and savings potential, not only at the Sassenberg location, but throughout the entire group.

The second concrete measure concerns the area of "Corporate Development". For longer-term projects of strategic importance, we will establish internal start-ups in the future. In these agile project teams, we bring together employees from all areas of the company who enjoy innovation and want to develop a new product or industry together - quickly, efficiently and in an interdisciplinary manner. In addition to technical know-how, we rely above all on the enthusiasm of our employees to create something new and to be "founders". Because joy and motivation are always at the beginning of success.

Even if the adjustments to the organisational structure are initially only implemented at one location, they are important pilots for the entire group of companies. In the medium term, such start-ups will be open to all employees in the Group, regardless of their location.

Status Lean Transformation

Another cross-site objective is lean transformation. For us, it remains one of the most important components in increasing productivity and efficiency in the Group. Examples include the new logistics concept at klh in Bad Doberan, the new production line for the beta.line at technotrans in Sassenberg and the new building for Reisner Cooling Solutions in Holzwickede. Each individual project follows the "lean" principles of our Group-wide lean concept.

A particular highlight in this context is certainly the scheduled commissioning of the new termotek location in Baden-Baden in August of last year. The ultra-modern building is already a strong statement in itself and underlines our claim as a future-oriented technology provider in terms of flexibility, lean manufacturing processes and optimized material flows.

The production area has been designed entirely from a lean standpoint and represents a new benchmark for the technotrans Group in terms of energy efficiency.

With around 3,600 square metres of production space and 1,800 square metres for administration, we have tripled our spatial capacities. Thus, the location offers optimal conditions for the future in terms of its size, infrastructure and potential expansion possibilities.

Technological diversity of the Group

Ladies and gentlemen,

many of you have been following the development of technotrans for many years. During this time, you have witnessed how the company has changed. The industry leader for liquid-based peripheral systems in the printing industry has developed into a diverse global group of companies with the claim to be one of the leading technology providers in the field of liquid management.

In the course of the year, we develop a large number of innovative products for promising areas of application. As Management Board member responsible for 'Technology and Operations', it is therefore a particular concern of mine to give you a concrete impression of our technological diversity. After all, you want to know what technologies you have invested your money in.

Corporate Chiller

One of the central tasks of recent months and of great strategic importance was the development of the so-called Group Chiller, a modular construction kit for auxiliary cooling systems in a range of one to 330 kilowatts cooling capacity. This is the first cross-location development of a series that can be used to cover all customer requirements from the various industries of the entire group of companies.

Whereas there were previously separate equipment concepts at each location, which led to technological overlaps and parallel developments, the Group chiller now offers a common, Group-wide uniform basis. The original 9 independent series thus became 3 modular group platforms.

With the help of this Group-wide platform, we generate numerous advantages - both internally and externally. For one thing, it helps us to save costs. Production is resource-optimised through optimised use of materials, purchasing synergies through the use of common parts and lean production. On average, we will thus reduce manufacturing costs by 15 %.

On the other hand, the modular design of the new series enables us to react much faster to customer inquiries and shorten the development and delivery time of application-specific solutions. The system is available in two series: "pure" is the cost-optimised and compact standard line, while "xtend" can be individually adapted to the customer's requirements by means of numerous equipment options. The product launch will take place in the second half of 2020.

Peltier cooling

At the beginning of the year, we were also able to add a new technology to our product portfolio, which opens up exciting prospects for us. In addition to the classic, refrigerant-based cooling systems, a cooling system based on Peltier technology was developed at the Baden-Baden site. This is a thermoelectric cooling principle based on semiconductor elements. This technology brings numerous advantages. As no moving parts are required for refrigeration, there are no vibrations or noise emissions. A property that is particularly appreciated for cooling precision lasers, but also in medicine and analytics. Here, in the Healthcare sector, we also see the greatest market potential and the best growth opportunities for this technology. Our Peltier system is particularly suitable for smaller cooling capacities from 200 to 750 watts, where a very high temperature accuracy is required.

Spectrum Medical

Medical and analytical technology is of particular importance within our so-called growth markets. One focus here is the development of cooling technology for medical applications. The Baden-Baden, Sassenberg and Taicang locations in China play an important role for the Healthcare segment.

Last year I reported to you about a promising project for cooling the blood circulation during open heart cardiopulmonary interventions. Together with our customer termotek developed a compact and powerful cooling unit for seamless integration into the OEM system.

Today I can inform you that the product was able to convince with its perfect function and easy handling during a first operation in Bristol, Great Britain, in February of this year. Further clinical tests confirmed the positive result. Thus, after a two-year development period - apart from CORONA - nothing stands in the way of the market launch. All in all, we associate this project with an annual sales potential in the low seven-digit range.

This is only one of many examples of our performance in the medical environment. It is a great pleasure for us to become more and more visible in this industry with a lot of growth potential. In addition, our innovative solutions can help to support patients in their healing and recovery.

E-mobility as a potential carrier / Mining truck

Dear Shareholders,

electric mobility is inseparably linked to our growth markets. We identified it early on as one of the most important areas of business for the future of the technotrans Group. Thus, electric mobility is and will remain the most important potential carrier in 2020 - this applies in particular to battery and converter cooling.

In order to be able to draw on the full potential in this area and take advantage of the opportunities in the market, we are currently creating additional capacities - not least through the appointment of Michael Finger to the Management Board. With him, we will dynamically continue the electric mobility business field. Following a boom in cable-cooled fast-charging stations in the first half of 2019, we are currently observing a weakening of this potential. The low number of available fast-

charging vehicles is slowing down the expansion of the high-power charging infrastructure along the trunk roads and motorways.

However, demand for customized solutions for battery and converter cooling in both rail-bound local public transport and electrified special vehicles remains unbroken. Here technotrans has enjoyed an outstanding reputation for many years. We are currently receiving new enquiries almost weekly and are looking forward to an extremely positive project and order situation. With an average development time of the end product of two to three years, we increasingly feel that past investments are paying off.

An impressive example of this wide range of applications is the mining truck shown here, a battery-powered dump truck with a payload of around 360 tonnes. For the first prototype, we supply the battery cooling systems located in the front area of the vehicle. In addition to the sheer size of the vehicle and cooling systems, it is above all the drive concept developed for high-altitude mining areas that is technologically fascinating. The electrically driven, empty truck drives from its unloading point in the valley to the higher mining area and picks up its load there. On the way back to the valley, the speed of the loaded tipper is controlled by a recuperation brake. The kinetic energy is converted into storable electrical energy. This newly gained energy is then available again for the next ascent. In the ideal case, this innovative drive concept creates a virtually autonomous cyclical process that functions without any additional energy supply. technotrans' cooling systems ensure that the battery has the correct temperature management, thus ensuring maximum service life. The sales potential of such a project quickly reaches one to two million euros.

Laser Industry

Our customers also place their trust in technotrans' innovative strength and quality in the area of laser technology. From its original light source, the laser has long since developed into the most important tool of the present day. Whether for cutting sheet metal, joining plastics, removing tissue or transferring data, to name but a few - the range of applications for a laser is diverse and almost limitless.

klh Kältetechnik in Bad Doberan has developed a special cooling system with a maximum cooling capacity of 300 kilowatts for the world's largest laser robot according to customer specifications. The novel laser system is used for automatic paint stripping and repainting of aircraft. The laser beam is used to melt and vaporize the individual colour pigments and then suck them off. With this

technology, which is currently in the test stage, it is possible to dispense with complex preparation processes and the use of a pickling agent that is hazardous to health. This means for the user: More security at lower costs. We also want to profit from this in the future.

Ladies and gentlemen,

all this is only a small part of the technological diversity of the technotrans Group. Each of these developments, which I have just explained, poses new challenges for our group of companies, and not only in technological terms. Agility needs to be promoted, innovative strength strengthened, the speed of development increased, suitable structures created and cost efficiency increased. These are challenges that we take up as a matter of course and I am confident that we will meet them successfully.

Thanks to our employees

Our employees are an essential foundation for coping with future tasks, and I would like to thank them for their strong commitment in the past and especially in the current year. The Corona crisis is placing great demands on colleagues at all locations. Despite these difficult circumstances, they do an excellent job day after day. The success of the technotrans group of companies is largely attributable to its performance and expertise. Their tireless efforts, passion, commitment and perseverance deserve the highest recognition and gratitude. For this reason, we say with all our hearts Thanks!

We also rely on this active support in our strategic realignment. Because **shaping the future through development!** can only be achieved through the trusting cooperation of employees, management, investors, the Board of Management and the Supervisory Board.

Thank you for going with us on this journey. Stay with us and above all, stay healthy during this time!