

## **Annual General Meeting**

**May 12, 2023**

**Speech script – The spoken word counts–**

**Speech by Michael Finger (CEO) / Part I & III  
and Peter Hirsch (CTO/COO) (Part II)**

**Stability and profitability.  
Transformation for a better future.**

Let me start with a question:

What do you expect from a good company  
in times of uncertainty and change?

The world is changing. Geopolitically, economically and technologically.

For the past three years, we have been witnessing events  
the like of which we have not seen for decades  
in terms of their nature and pace.

A pandemic of unprecedented scale, ever more frequent natural disasters,  
yet more banking crises and most recently the unfathomable war in Ukraine, with  
consequences such as higher energy costs and rampant inflation, on top of the  
continuing problems with supply chains worldwide!  
Supply chain problems that massively increase procurement and logistics costs.

In parallel with these occurrences, we are seeing a pressing need  
to transform industry as swiftly as possible in order to handle climate change,  
digitalisation and globalisation.

Transformation has already been a reality for technotrans for many years.

We kicked off our transformation back in 2020 with our  
“Future Ready 2025” strategy. Our motto for Phase I was stability and profitability.  
We successfully brought the first phase to a close last year and achieved notable  
results again in 2022!  
And with that, I welcome you most cordially.

Welcome, Ladies and Gentlemen.  
Welcome to the Annual General Meeting of technotrans SE.

We are delighted to see you.  
After three virtual Annual General Meetings we are back in the Münsterland Hall.  
And we are truly happy we no longer need to rely on a camera to communicate.  
We are looking forward to talking to you today.

You, Dear Shareholders, are the co-owners of a company that lives up to its  
promises.

Not only have we achieved our targets, for the most part we have exceeded them!  
We had a fantastic 2022 financial year. The best for many years.

2022 saw us increase our revenue and profitability, but also make decisive progress in our core areas of sustainability, focusing more sharply on our target markets and technotrans' transformation.

We can categorically say: We have the right strategy, we have the right technology with thermal management and, we have the right team!

First of all let me talk about our team. Huge praise and a heartfelt thank you to all 1,500 colleagues worldwide. Thanks to the resilience and boundless commitment of our employees we pulled off some remarkable achievements in the face of the challenges I have already mentioned.

Achievements such as:

- bringing the first phase of our strategy to a successful conclusion
- reaching all economic and strategic goals
- significantly increasing revenue and earnings
- and we even took revenue and the order backlog to new all-time highs.

Dear Shareholders,

The slogan for our Annual Report remains valid, it continues to motivate us and sets our course: Transforming strategy into results! Transformation means change. Change that we actively need to shape. And that's precisely what we are doing. Successfully so. That success rests on three factors:

First: on the progress of the past year

Second: on our strategy and the focus on our target markets

And third: on the transformation in volume production.

I will report to you on all three factors today.

Let's start with the progress of the past year and the status quo:

We again succeeded in achieving all the strategic and operational goals of our strategy in 2022.

We had started the transformation process in 2020.

And the turnaround already came in the first year of Phase I.

Throughout the process of change, all our actions revolved around our core skill of thermal management.

Global megatrends such as digitalisation, decarbonisation and electrification have showcased technotrans' expertise more clearly than ever.

Because as you will already be aware, those megatrends can only be handled with the help of more technology – which generates heat – creating the need for a thermal management system – from technotrans.

Our results for 2022 also confirm this. The main performance indicators at a glance:

Consolidated revenue reached a new all-time high:

Up 13 % to € 238.2 million! This revenue figure actually exceeded our forecast for 2022. We had expected revenue in the range of € 220 to 230 million.

We also achieved a healthy increase in profitability.

The operating result (EBIT) rose by 30 % to € 14.3 million.

This figure, too, came in above our forecast:

We had envisaged a range of € 11 to € 13.8 million.

The EBIT margin rose correspondingly from 5.2 to 6 %.

At 6 % it came in at the top of our target range.

This is all the more remarkable because we had to absorb huge cost increases at our suppliers and inefficiencies in procurement, logistics and therefore also our production operations.

We managed to increase the return on capital employed from 12.5 % to 13.3 %!

That represents an improvement of 0.8 percentage points. All this despite massively increasing our inventories in an effort to maintain supplies to our customers. That means we also achieved this forecast for a range of 12.5 % to 14 %.

Another of our figures that is especially important is the order backlog:

At the end of the year it was above € 100 million! 25 % higher than a year earlier!

A new all-time record!

The book-to-bill ratio moreover reached a very high level of 1.2.

Both figures are important growth indicators for the coming months and years!

So to summarise:

Revenue, earnings, return on capital employed and order backlog are at their highest-ever levels in the company's recent history. We achieved or even exceeded all our forecasts. We now come to a summary of the remaining earnings figures for the past financial year.

Gross profit rose from € 60.5 to € 67.0 million. That is an increase of around 11 %.

EBITDA grew even more strongly by around 17 % to € 21.1 million.

Consolidated net profit increased by around 27 % to € 8.9 million.

Earnings per share correspondingly rose to € 1.29.

And remember, we achieved these targets, too, in a difficult environment!

Together. With 1,500 employees at 17 locations worldwide.

With huge drive. With energy and imagination. And through hard work.

Our team deserves recognition for all this. Thanks. And respect.

All this goes to show that a clear strategy and focus on our target markets Plastics, Energy Management, Healthcare & Analytics and Print are and remain the second key factor in our success.

We deliberately split our strategy into two stages.

In the first phase of the strategy, we concentrated on stability and profitability.

We focused on our core skill of thermal management and defined four growth markets.

We are targeting a leading market position in these four focus markets. And we aim to expand and reinforce those positions as we continue with our strategy.

In the 2022 financial year technotrans achieved around 73 % of total revenue in the four focus markets. We moreover achieved or exceeded the defined growth targets in all four markets. So our business model's potential is becoming ever more apparent in our results.

As well as concentrating on the focus markets, our lean, market-led organisational structure plays a vital part.

In 2022 we were able to complete the merger of individual group companies as planned.

This paved the way for realising synergy benefits worldwide.

Based on these effective structures, we have also expanded our shared services.

Another important milestone was our one-brand strategy. Remember, we started out with six brands!

We have increasingly established "technotrans" as a strong umbrella brand and thus managed to raise our appeal on all relevant target markets.

The way technotrans is perceived externally has allowed it to demonstrate its appeal especially clearly in the current difficult times. The technotrans brand with the "power to transform" claim is seen by the market as a strong and stable partner.

So, Ladies and Gentlemen, what do these measures show?

That technotrans is now even more resilient!

Thanks to successful price adjustments and agreements! Thanks to increased cost discipline and to optimised supply chains.

All this shows we can do transformation. We can do crisis management and we have improved our resilience.

With the implementation of our strategy, these effects have also been beneficial for our revenue and earnings position.

That is something we are also seeing in our Technology and Services segments.

In the Technology segment we generated revenue of € 180 million in the 2022 financial year.

That is 15 % up on the previous year. Despite the difficult economic environment as previously outlined.

The segment's profitability also increased significantly. That was thanks to the transformation in volume production, our third success factor.

We are steadily increasing our volume production share. Modular products provide a basis for economies of scale. EBIT in the Technology segment has more than doubled: from € 3.1 million to € 7.3 million.

The EBIT margin for the segment also doubled from 2.0 % to 4.1 %.

That represents significant progress and a huge step towards our margin targets for 2025.

It's worth remembering: in 2020 EBIT for the segment was barely zero!

In the second segment Services, the development was more mixed.

Here too, we saw a very positive development in revenue.

This went up 7.0 % to € 58.0 million.

Alongside the established service markets Print and Plastics, we saw growth for the first time in Healthcare & Analytics and Energy Management, where we were able to reap the rewards of our installed base for the first time.

However operating EBIT for the segment declined from € 7.9 to € 7.0 million. The EBIT margin retreated from 14.7 % to 12.0 %.

What was going on here?

This segment faced a whole host of challenges in the fourth quarter:

- Being tied into long-term price agreements with customers at a time of rising material prices
- Higher fuel costs
- Exceptionally high sickness rates in Q4 2022 due to COVID-19 and flu, and
- The increased use of external contractors due to the pandemic and sickness, which again impacted the result.

We regard this as a temporary effect.

We took direct measures to address the issue!

These included gradually passing on price increases.

But we also started to scale back the use of contractors by increasing our own personnel capacities.

We expect to see clear positive effects in the coming months and the margin should have made a healthy recovery by the end of the year.

As well as the two segments, we have established our four focus markets.

This diversified but focused market orientation is an important success factor for us. The 2022 financial year again demonstrated that.

Let's start with our Plastics focus market.

This is where we supply custom, energy-efficient cooling and temperature control solutions to machinery manufacturers, mould makers and plastics processors.

We registered strong demand for temperature control systems and large-scale refrigeration systems.

The rising costs were the main driver for our systems. All our products exhibit high energy efficiency. We are at least 30 % more efficient than comparable standard systems. Revenue in the Plastics market came to € 55 million, meaning that we fully met our target.

In the second focus market Energy Management, we recorded growth of more than 60 %. We had expected revenue to reach around € 10 million.

We actually finished 2022 with much higher revenue of € 16 million.

That makes this market our most dynamic one.

The Energy Management focus market is driven principally by the game-changing trends of electrification and decarbonisation.

We have the right products here with our battery thermal management systems, cooling systems for rapid-charging stations for electric mobility and water cooling all the way to CPU level in high-performance data centres.

Let's now look at Healthcare & Analytics. Another market in which we exceeded our growth expectations. Once again, our role is that of a development partner for innovative thermal management systems.

Our customers include manufacturers of medical appliances, diagnostic systems, pharmaceutical products as well as biological and chemical process systems.

A precise, constant ambient temperature is a basic prerequisite for reproducible results. Our revenue forecast was € 18 million. Again, we easily exceeded it in bringing in € 20 million.

We also enjoyed a strong year in the Print focus market in 2022!

Here too, we easily exceeded our revenue forecast. We expected € 66 million.

Revenue actually came in at € 82 million. The print market is among the big winners from the pandemic.

Just remember how much of your own consumer behaviour shifted online.

Online business developed significantly during the pandemic and will not return to its previous level.

It has brought with it sustained high demand for packaging solutions in offset and flexo printing. For general packaging and for food. As the world market leader, we naturally participated in this positive development.

Beyond our four focus markets, we also provide highly specialised laser applications.

In 2022 we again made methodical progress with developing our portfolio of high-tech applications for the laser market.

Demand for EUV applications and CO2 lasers was correspondingly high, so this area too developed positively.

By way of a summary, we can therefore declare that focusing on target markets has already been a success at the end of Phase I.

All focus markets achieved or exceeded the defined growth targets.

Ladies and Gentlemen,

We act for the long term, we act with integrity and we act responsibly. In other words, sustainably! We made huge progress in the field of sustainability.

We are steadily expanding our own energy infrastructure with renewables and we supply the right technologies.

We continue to use our innovations to shrink our own environmental footprint and that of our customers.

And we deliver improved benefits and quality in the process.

One example is the “digital only concept”. Our subsidiary gds devised this concept.

By migrating technical documentation to a cloud-based digital format, we save around 1.3 million sheets of paper printed double-sided every year.

And that figures is just for the Sassenberg location.

The second highlight came in April with “energy-efficient cooling technology for the circular economy”.



We developed a central cooling and heating circuit for the first European production location of UBQ Materials, which has its headquarters in the Netherlands. It is a recycler of domestic waste.

In June we then unveiled the first refrigerant-free cooling system. This solution finds use in labs, for example, where high control accuracy is required.

We developed systems that incorporate Peltier elements that do not require a refrigerant.

This is a perfect alternative to systems with miniature compression refrigeration plants. Because our systems do not contain any moving parts, they are extremely quiet-running and vibration-free.

There then followed the PV system in Baden Baden.

We followed on from installing a first PV system in Holzwickede by commissioning a second system at Baden-Baden. It has an output of 0.5 megawatt peak.

These two systems already generated more than 200 MWh of renewable power in 2022.

There was another remarkable achievement in the field of climate-friendly e-mobility!

We unveiled redesigned battery thermal management systems for rail transport.

First, we reduced their weight. And second, we used the environmentally and climate friendly natural refrigerant propane.

And finally... an absolute highlight: Heating with "green hydrogen".

In partnership with Westnetz we took part in the "H2HoWi" project.

By making use of the existing natural gas mains, we use green hydrogen to heat our plant in Holzwickede.

This project was sponsored by our regional minister Mona Neubaur, who visited in person to open this innovative project in October.

But that is not all!

To underscore the strategic importance of sustainability, we have set ourselves the goal of making all technotrans locations climate-neutral by 2030.

Key milestones along the road to achieving that goal are:

Increasing energy efficiency at all locations, Generating renewable energy ourselves, Buying in green power, and Fundamentally offsetting carbon emissions.

Ladies and Gentlemen,

All these positive developments have of course filtered through into our share price.

The first quarter of 2022 brought significant changes to the geopolitical landscape. Among them Russia's invasion of Ukraine.

technotrans shares likewise came under pressure as a result.

On March 7 the trading price of technotrans shares closed at a year-low of € 21.55.

But as the year progressed, our shares broke away from the general direction on stock markets.

Relevant benchmark indices such as the S-DAX were easily exceeded.

This outperformance continued until the end of 2022.

The talks we have held with existing and potential investors give us cause to be very optimistic about the future price performance.

As do the analysts' forecasts, whose ratings are positive.

On the one hand about our strategic direction.

And on the other hand based on our successful corporate development in the first two years of the strategy.

Dear Shareholders,

It is our ambition to let you share appropriately in this success!

The Board of Management and Supervisory Board propose to today's Annual General Meeting that a dividend of 64 eurocents per share be distributed for the past financial year of 2022.

The dividend yield – based on the XETRA closing price of € 25.45 on December 30, 2022 – is therefore 2.5 %.

That is up 0.9 percentage points on the previous year!

The dividend level represents a distribution rate of 50 % of our net profit and is in line with our established dividend policy.

And things will continue in that vein in 2023!

The figures for the first quarter, which we presented on May 9, 2023, demonstrate that technotrans has made a good start to Phase II of the Future Ready 2025 strategy even though the environment remains difficult.

The technotrans Group achieved consolidated revenue of € 68.3 million in the first three months of the 2023 financial year. That is an impressive year-on-year rise of 21 %!

There was also a double-digit percentage rise in the consolidated operating result: EBIT reached € 3.5 million and the growth rate of around 14 % was also well up on the previous year!

The EBIT margin declined slightly from 5.5 % to 5.2 %.

As expected, this development reflected such factors as temporary effects from the development of the Steinhagen location.

We recruited and inducted personnel there in the first three months, before starting production in the second quarter.

There will also be some time lag in compensating for the increased payroll, material and energy costs mentioned earlier.

The return on capital employed likewise developed as expected, reaching 13.0 %.

Earnings per share were increased from 29 eurocents to 31 eurocents!

Both the Technology and Services reporting segments contributed to the Group's positive development.

The Technology segment achieved the more remarkable revenue growth with an increase of around 25 %.

Revenue for the Services segment also rose significantly by about 9 percent.

The good performance in Q1 2023 was based on sustained high demand across all markets and the high level of deliveries realised.

Ladies and Gentlemen,

We continue to secure new business. In all markets.

The order backlog of almost € 102 million remains at a very high level.

Incoming orders are as high as ever. The electric mobility area is again proving especially dynamic.

The last two major contracts we secured demonstrate how we at technotrans are participating in the electrification of vehicles:

We have secured a major contract from a leading German technology group for cooling for rapid-charging cables.

With a volume running into the single-digit millions, we will supply more than 1,000 type e.cool charging-cable coolers within a period of one year.

These will be used in rapid-charging parks in the United States and Europe.

The advantage of our concept is that the efficient cooling system permits high-power charging over lengthy periods with no loss of efficiency.

The second major contract is a real highlight:

We have developed a custom cooling solution for the "ChargePost" ultra-fast charging station by ADS-TEC.

Last October, this system was nominated for the German Future Prize by German President Frank-Walter Steinmeier.

Bringing in revenue in the high single-digit millions, it is technotrans' largest ever contract for a product with volume production character in the field of electric mobility.

The cooling solution will be manufactured within a year at the new location in Steinhagen.

As well as the power electronics and battery storage, our technology cools the two large advertising displays that are up to 75 inches high on the outside of the charging station.

As a storage-based solution, ChargePost permits high-power charging at up to 300 kW wherever no high-voltage network is available – for instance at filling stations and shopping malls or in company car parks.

A milestone in the creation of the charging infrastructure for electric vehicles!

Projects such as this one will also permanently change how technotrans is perceived.

These two major contracts impressively underline our expertise as a supplier of electric mobility.

Not only do we have the necessary expertise for such sophisticated applications; we can also handle volume production on that scale.

Meanwhile we are steadily building on our leading technological position in the field of rapid charging technology for electric vehicles. In doing so we are making a key contribution to expanding the global charging infrastructure.

In parallel with our business operations, we are pressing ahead determinedly with Phase II of our Future Ready 2025 strategy, for which we have adopted the umbrella motto “accelerated growth here to stay”.

One priority in the first quarter was to set up and commission the Steinhagen location.

It ideally complements the Group's operations by providing extra production and logistics capacity and is absolutely essential if we are to process the high order backlog.

My colleague Peter Hirsch will now give you further details of our new location in Steinhagen and tell you about business operations and our development projects over the past year. Peter, over to you!

## Part II

Ladies and Gentlemen,  
Dear Shareholders,

I too would like to welcome you most cordially to this year's Annual General Meeting here in the Münsterland Hall.

As you can see, we have kept our promise.

Even though many companies have stuck with the format of the virtual AGM, after a three-year break we decided it was once again time to hold an in-person Annual General Meeting. At last...And why have we made that decision?

Because direct contact with our shareholders is important to us, and because personal contact with you, Dear Shareholders, is part and parcel of our corporate culture.

So we're really pleased to see you all!

The 2022 financial year was a very successful one for technotrans. In a volatile economic context shaped by uncertainty, the company made very positive progress in terms of both revenue and earnings. As Michael Finger has already set out, we exceeded all the growth targets for Phase I of our Future Ready 2025 strategy.

So I should like to proceed by giving you an overview of our business progress from an operational perspective. I propose to focus on three questions:

- What were the key issues?
- What did we achieve?  
and...
- What are our expectations going forward?

But let's start by taking another look at the economic environment in the past year, which was undoubtedly challenging.

There were two decisively important factors:

The limited availability of raw materials, primary products and components, and the increased costs especially of materials and energy.

At the start of the year we were still optimistic that the availability of materials would improve steadily. But those expectations were dashed by the outbreak of war in Ukraine.

Alongside the existing bottleneck for semiconductors and electronic components, important raw materials such as copper and aluminium that are used in many primary products were suddenly in short supply. Sustained high demand and the collapse of entire supply chains led to massive increases in lead times. The ifo index for bottlenecks in primary products in manufacturing industry confirms the dramatic situation, which was already looming in 2021.

An initial, long-awaited recovery started in January 2022. But the bottlenecks already reached a new high in March following the outbreak of war. About 82 % of all industrial enterprises in Germany were affected by production bottlenecks due to shortages of raw and primary materials and were therefore severely restricted in clearing their order backlogs.

For technotrans, that first and foremost meant massively longer lead times for important main components. Replenishment times for fans, pumps, heat exchangers and control systems very quickly soared from a few weeks to as much as 12 months.

As a result, we found ourselves confronted with a fundamental question:

How can we maintain our own delivery capability amid such conditions?

We adapted to this difficult situation. We built up strategic stocks and switched to alternative components and suppliers wherever possible. Meanwhile we stepped up the dialogue with our customers and suppliers and worked collaboratively to find individual solutions. All market participants noticeably pulled together. We all wanted to tackle these challenging times together.

And we achieved that. technotrans kept its production operations going at all locations. What is more, we even accomplished that in the midst of a growth phase.

This supplies yet further evidence of the strong sense of togetherness within the technotrans Group, our organisation's high degree of flexibility and adaptability, and the huge personal commitment of all employees.

On top of the limited availability of materials, the development in costs presented us with huge challenges. Last year technotrans faced unprecedented rises in the cost of materials. On average, cost increases for all purchased parts were in the lower double-digit percentage range.

Thanks to close coordination with Sales, we were able to pass on the bulk of this increased cost of materials to our customers. It meant that when measured against the 2021 financial year, we managed to keep rises in the cost of materials relative to total revenue to an absolute minimum.

But the technotrans Group was also affected by the explosion in energy costs for electricity, gas and fuel. Electricity prices per kW/h very rapidly increased eight-fold. The price of gas doubled within a few months and at their peak fuel costs were up 40 %.

However we were able to keep the direct additional cost to the technotrans Group to the comparatively low figure of around € 450,000. It was also to our advantage that the Baden-Baden and Holzwickede locations are not dependent on fossil fuels or bound into long-term contracts with energy utilities.

But the indirect cost effects were even more marked. That's because the dramatic rises in raw material and energy costs drove up purchase prices especially for primary materials that involve energy-intensive manufacturing methods.

We can safely say this much:

technotrans succeeded in handling the challenges involving materials availability and costs and asserted itself in a challenging market environment. The associated rise in working capital was needed to safeguard the Group's revenue and earning potential.

For 2023, we expect the situation to remain tight especially in the first half of the year. However we anticipate that the situation in the supply chain and prices will ease in the second half. Hand in hand with this, working capital will come down. Our goal is to steadily eliminate the order backlog, subject to the necessary materials being available. technotrans will therefore continue its growth trajectory in the second half of the year.

If we are to achieve further growth, as well as having attractive customer-specific projects we will need to address three areas in particular:

- Qualified personnel
- Scope for expansion and...
- Innovative products

Let's take a closer look at these three issues:

Qualified personnel are the key to the future success of technotrans. But the labour market is going through major changes. Amid a growing shortage of skilled labour, what used to be an employer's market is increasingly becoming an employee's market. The "battle for talent" has long been raging. So what does that mean for personnel recruitment at our company? How can we meet our future HR needs? And how should we be preparing ourselves right now?

To that end, last year technotrans launched a large-scale strategic HR planning project. Across all locations and functional areas we will spend the next five years drawing up a qualitative and quantitative vision to establish what personnel and qualifications we will need in the future. Strategic HR planning is our basis for closing the gap, over the medium to long term, between demographic decline and the need to develop a workforce. True to the principle of "one step ahead of the others", this project will help us adjust to the challenges of a transforming labour market and get ourselves ahead of the market.

We were able to expand our human resources capacity again in the past financial year. The Operations area accounted for most of the 55 full-time equivalent positions newly created worldwide. These were needed to safeguard technotrans' further growth. Meanwhile the continuing high sickness rate due to COVID-19 and the unreliability of delivery dates quoted by our suppliers caused disruptions to our production processes. This created an additional, temporary need for capacity in production-related areas.

Although we were able to cover this extra need by recruiting more personnel, the personnel costs ratio for the 2022 financial year fell by 1.8 % to 35.5 %. In parallel, revenue per full-time equivalent in the Operations area climbed from € 353,000 to € 366,000. This clearly demonstrates the increased efficiency of our production

plants and how well our employees are performing. Once the supply chain is working smoothly again, we are confident we can achieve further productivity gains in the operational areas.

Another important aspect of our strategy is efficiency gains in individual areas of the Group. We made further progress with this in the past year. The merger of Reisner with technotrans solutions and of KLH with technotrans SE were important steps. They enabled us to unlock further synergy effects. The number of legal entities was reduced and the organisational structure streamlined by the creation of shared service functions. We also made progress with standardising technical processes and procedures at affiliated companies.

In addition, the Bad Doberan location introduced SAP as the Group's leading ERP system. Another milestone on the path to central material data management and the more rigorous reduction of product variants at component level. In the future it will give us scope to capitalise on additional strategic purchasing potential. technotrans systems at Baden-Baden will be the last production company in our Group to introduce SAP at the end of 2023.

We have also made progress with lean activities and digitalisation. A central element of this drive is the newly launched Smart Production Portal at the Sassenberg and Bad Doberan locations. This is a purpose-developed user interface for production personnel that brings together all key information. That includes work lists, drawings, supporting documents and status reports for the worker. The Smart Production Portal boosts efficiency and is a key component of focused paperless production operations. We plan to roll out the system at all locations in the future.

As we enter Phase II of our Future Ready 2025 strategy, our goal is to accelerate growth. To achieve that we will need space, especially at our headquarters in Sassenberg.

At the start of the year we therefore rented a suitable additional industrial property in Steinhagen. We were persuaded to make this move by the continuing high order backlog and growing demand for our thermal management systems for applications in electric mobility. The building with 3,000 m<sup>2</sup> of space is just 30 km from Sassenberg.

With modern manufacturing conditions and an optimised flow of materials, an initial workforce of 25 operating according to lean principles will build such products as the ChargePost battery storage quick-charging station for ADS-TEC. By the final expansion stage the location will be able to accommodate a workforce of up to 60. Creating this location will ultimately boost our production and lend further momentum to technotrans' growth.



The decisive factors for technotrans' growth are innovations and pioneering products. The team has given itself some ambitious targets in that respect. To attract new customers in the Healthcare & Analytics, Lasers and Semiconductors areas, technotrans has installed an ISO-certified clean-room facility at Baden-Baden. In expanding our manufacturing expertise we have created a compelling USP in the thermal management market. An initial project for a high-tech application for optical measuring technology has already been realised successfully – and further projects are being planned. There is considerable demand!

We were also able to realise many other exciting projects at our other locations in the past financial year and bring pioneering technologies to market. Let me briefly outline three of them by way of examples.

The collaboration between the technotrans Meinerzhagen location and metal processor Otto Fuchs stretches back more than 30 years. Over that period, about 50 joint projects have been completed. The biggest project to date was completed last year: the construction of a large-scale cooling plant for the new foundry, with a seven-digit contract volume.

Our customer-specific cooling system is a container concept. It measures 22 x 6 x 7 metres and has a cooling performance of two megawatts. By way of comparison, a single-family dwelling requires 8 to 9 kilowatts of heating power. So our plant has a cooling performance of about 235 times that. Despite its scale the system runs very energy-efficiently. Compared to standard concepts on the market, the energy saving for our customer is up to 80 % depending on the operating load.

For the Energy Management focus market we developed two innovative products for electric mobility at the Sassenberg location in the past financial year.

At the Battery Show in Stuttgart we presented the world's first battery cooling system for high-voltage applications. For this solution we increased the voltage range of our zeta.road to 850 volts DC. The system is now compatible with even higher-performance batteries such as those used in e-buses and in self-driving special purpose vehicles at airports, docks or mines. The special feature of this battery cooling – and apologies for getting a bit technical here – is it can be connected directly to the battery's high-voltage system. So our customers do not need an additional voltage transformer. That reduces costs, installation space, weight and the risk of an additional component failing.

We were also able to unveil a crucial product evolution for charging cable cooling at the end of the financial year:

technotrans is now able to supply customers with cooling modules for megawatt charging systems. Compared to the high-power charging systems you are probably familiar with, a megawatt charging system has a charging capacity many times higher. So keeping it cool is very challenging. But cooling is essential if the diameter of the cables is to be kept as small as possible even with high charging power. It also protects the charging station's internal components against the heat that is given off. Our solution cools both the charging cable and the plug.

We regard megawatt charging as the essential future standard for applications that involve high charging power. They include especially HGVs, buses and off-road

vehicles that need to be charged quickly. In that respect technotrans is already well positioned for the future.

Last but not least, I should mention the expansion of our eco.line range of temperature control systems last year. We took the wraps off the new range at the “K” show in Düsseldorf. technotrans strives for the highest standards of energy efficiency – something that our eco.line has again demonstrated. Compared with conventional technology our solution unlocks an annual energy saving of up to 92 %. That breaks new ground for efficiency. But it also cements our leading technological position for compact temperature control systems.

Ladies and Gentlemen, Dear Shareholders,

As you can see, a dynamic and eventful financial year lies behind us. It was a challenging time, yet we asserted ourselves in this difficult environment. Let me use the following metaphor:

We are moving out of a phase of heat. Last year, we encountered a fair amount of friction. But as a specialist for thermal management we are good at handling heat, and we kept a cool head throughout. The results tell their own story!

But they can't be taken for granted. They are the result of intensive work by all employees right along the process chain. On behalf of my colleagues Michael Finger and Robin Schaede, and I am sure on your behalf too, I would therefore like to thank all technotrans employees for their personal commitment and unstinting efforts on behalf of our company. They were the ones who made this success possible, so they deserve our recognition.

From where we are now in Phase II of our Future Ready 2025 strategy, we can look ahead with optimism and intend to shape the future successfully. Even if the world has kept changing over the past three years, we have adapted to the new circumstances as part of our transformation and can handle them.

We have a clear vision for the direction we want to take.

How does it look? My colleague Michael Finger will now give you an insight into our plans for the future.

Thank you all for the confidence you have shown in us, and I look forward to an exciting future with opportunities to share insights at and with technotrans!

Thank you very much!

### Part III

Thank you very much, Peter, for so many exciting insights into technotrans' technology and business operations.

Ladies and Gentlemen,

Before we turn to the future, let us first review the past briefly.

Past & future.

Where have we come from and where are we heading?

This diagram is very revealing:

Until 2009 technotrans was one company with one brand, in one market: the printing industry! Then the economic crisis hit in 2009. Our high dependence on that market was laid bare! Back then, technotrans stood on the brink of collapse.

We had to break free from that dependence. With our buy-and-build strategy we then gradually carved out access to new markets.

In 2011 we entered the Healthcare & Analytics market with the takeover of termotek.

The acquisition of klh in 2013 gave us access to the laser market.

And we ventured into the Plastics market with gwk and Reisner in 2016 and 2018 respectively.

We celebrated our 50th anniversary in 2020 and the time was ripe to position the company for the next 50 years.

That prompted us to draw up our “Future Ready 2025” strategy.

Our new strategy systematically pursues a growth trajectory to a level of € 265 to € 285 million.

That is just organic growth. Acquisitions will be on top of that. The target EBIT margin is in the range of 9 % to 12 %,

Since 2009 we have now had two further crises with global repercussions:  
The pandemic and the war in Ukraine.

Neither was foreseeable when we drew up our strategy in 2020.

That makes it all the more impressive that we already started to turn matters round in 2021.

It also shows how we have become more stable and resilient. We now grow even in a crisis. In terms of revenue. And earnings! Phase I has now been completed.

We have now entered Phase II. This phase is all about accelerated growth.

This phase starts now and runs until 2025. What this means is we will first take stock of Phase I. The world and the markets, too, have evolved very rapidly and dynamically over the past two years.

Take for instance the phase-out of combustion-engine cars and the huge opportunities this creates for electric mobility.

Or the shift towards online consumer behaviour and the impact on the printing industry. We will evaluate these and many other factors and apply the findings to technotrans.

We will continue to sharpen our profile and then continue methodically along our path:

In other words,

- We will step up our activities in our focus markets with a view to capturing a leading position in each market.
- We will expand our international business activities, focusing on the US market.
- We will energise our innovations and develop further modular systems for scalable volume production.
- That includes developing and implementing new technologies and methods.
- And we will define a clear vision for the next five years for each of our focus markets, taking account of all relevant trends in the markets, regions and technologies.

Wherever we find gaps, we will consciously start the M&A process.

We paved the way for future acquisitions in Phase II!

Ladies and Gentlemen,

With all due respect for the upcoming tasks, we are confident about the future.

That is partly thanks to our core skill of thermal management. We will step up the transformation in volume business. Let's start with the Plastics focus market.

Demand for energy-efficient systems continues to grow. And we are extending our position with environmentally friendly refrigerants, giving us a good starting position for further growth.

In 2023 we expect to see a rise in demand especially for temperature control for technical films and large-area components with high-grade finishes.

In the Energy Management focus market, technotrans has carved out a strong position among manufacturers of rail vehicles as a development partner for battery thermal management systems.

And we are steadily building on our established position as a tier 1 supplier.

For 2023, we will benefit from strong new business and the increasing serialisation of existing prototypes.

There is moreover dynamic growth in individual road passenger transport.

Defining developments last year were a high level of orders and year-on-year growth of 60 %. This trend will continue this year thanks to the major contracts for charging cable cooling and ultra-fast charging stations by ads-tec.

technotrans has been active in the Healthcare & Analytics focus market for many years. We have succeeded in establishing long-standing ties with many international customers. In the 2022 financial year, we expanded our manufacturing expertise with the installation of a clean room for production. This opened the door for us to further high-tech applications.

Bottlenecks for input materials and a reluctance to invest in analytical applications following the special boom triggered by the coronavirus are the reason why revenue is currently at the prior-year level.

As we have just seen, our origins lie in the Print focus market.

That is where we positioned ourselves for decades as the world's market-leading supplier for the printing industry. The reluctance to invest has evaporated in the past year.

Orders from the packaging industry now more than compensate for the decline in newspaper printing business.

We expect a promising business performance for 2023 again at a consistently high level.

In the Laser & Machine Tools market we focus exclusively on selected, sophisticated laser applications such as EUV lasers for chip manufacturing.

A steadily growing market where ultimate temperature precision is crucial to the success of the complete system.

We are talking here about tolerances in the range of 0.1 - 0.01°C. This market, too, therefore offers sustained growth prospects.

Let us now take a brief, summarising look at our two Technology and Services segments. We will maintain growth in both reporting segments.

In the Technology segment our priority will be to increase the EBIT margin further.

Efficiency gains in volume production and thorough cost management will play a fundamental role in that.

The means available to us include further standardisation and the unlocking of synergies at Group level.

We expect the revenue and EBIT margin for this segment to rise further according to plan.

In the Services segment, we will continue to adjust prices in framework agreements to bolster the margin.

We will also expand the range of services with digital services, boosting efficiency. For the Services segment, we expect to see further revenue growth and a marked recovery in the EBIT margin in the 2023 financial year.

Ladies and Gentlemen,

This distribution chart neatly summarises our previous and planned revenue performance.

As you can see, we are at least one year ahead of schedule with our growth plans. All markets have developed better than expected.

And that makes us very confident that we will also achieve our future revenue targets!

In hard and fast terms what does that mean for 2023?

As we have already stressed several times, our record order backlog and the positive book-to-bill ratio make us hugely optimistic that we will be able to keep up our profitable growth in 2023.

For the current financial year, we expect revenue in the range of € 255 to € 265 million and an EBIT margin of between 6.2 % and 7.2 %. That represents an operating result (EBIT) of between € 15.8 and € 19.1 million.

Our expectations regarding return on capital employed (ROCE) are in the range of 13.5 % to 14.5 %.

Of course, the outlook for the 2023 financial year also includes a number of imponderables such as:

- Rising payroll, logistics and energy costs, which to some extent can only be passed on to customers with a time lag
- Knock-on effects on supply chains
- High inflation rates and geopolitical developments.

As previously mentioned, up-front spending on our new location in Steinhagen will moreover be a major feature of the first half of 2023.

If those factors remain stable, we expect to see the underlying economic situation stabilise from the second half of the 2023 financial year.

In light of this, we assume we will be able to realise the expected revenue and EBIT growth particularly in the second half of the year.

As you can see, despite all the challenges we expect our result to improve!

For that reason, too, we stand by our medium-range targets for the end of 2025:

- Revenue of between € 265 and 285 million
- An EBIT margin of between 9 % and 12 %, and
- A return on capital employed of more than 15 %.

Acquisitions will be on top of that. And will be targeted. For accelerated growth.

Dear Shareholders,

In summary, allow me to state very clearly again:

We are very satisfied with the results for the 2022 financial year and with the successful completion of Phase I.

We have achieved record levels of revenue and orders. The difficult conditions in which we achieved those results make us hugely confident about also achieving our medium-range targets. Everything is perfectly in place for us to translate our strategy successfully into results in the second phase, too.

In keeping with our motto “Transforming strategy into results!”

The transformation continues and we are more optimistic than ever. Because we have a clear plan! We propose solutions for the challenges of the future!

A future where ecological responsibility, social balance and economic success go hand in hand.

That is how we create value.

That is how we create stability and profitability.

The foundations of a successful business.

The foundations of a successful investment.

We can do this together.

With our transformation.

For a better future!

Thank you!