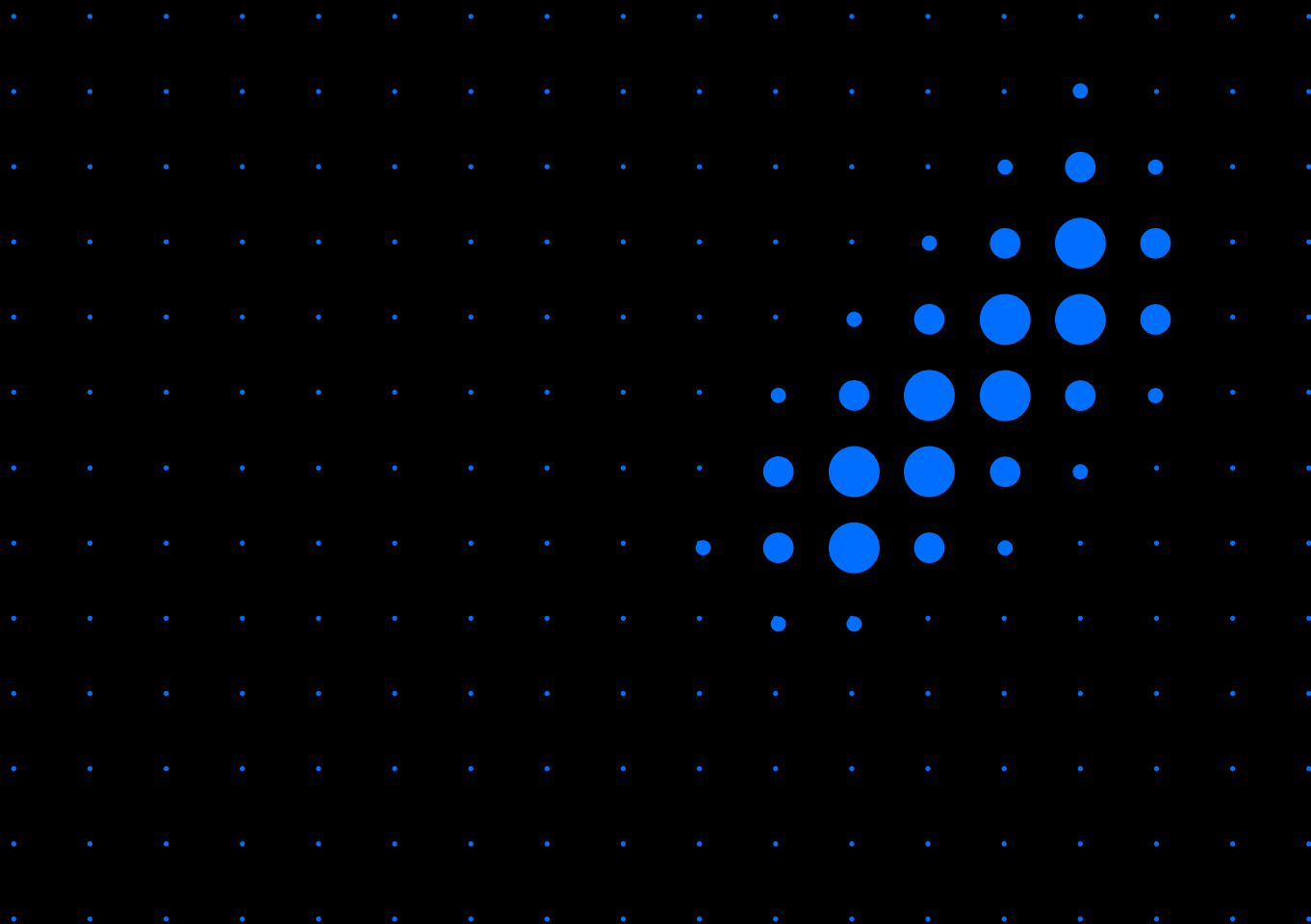


Corporate Governance Declaration

in accordance with section 289f HGB
and section 315d HGB



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Note:

This Corporate Governance Statement forms part of the content of the technotrans Annual Report 2020.

Fundamentals of corporate governance

General disclosures on the company and the governing bodies

technotrans SE is a technology and services group with worldwide operations, with its headquarter in Sassenberg. The company's core skill focuses on application-specific solutions in the area of thermal management. This comprises energy optimisation and management of the temperatures encountered in sophisticated technological applications. With 17 locations, the company has a presence in all major markets worldwide.

The purpose of the company is the development, manufacture, construction, sale, installation, repair and servicing of technical plant, systems and components, the trading in these, and the provision of maintenance and other services, including technical documentation and translations. The group parent is technotrans SE, with registered office in Sassenberg (Westphalia). This latter is entered on the Commercial Register of the Local Court of Münster under HRB 17351.

technotrans operates in such sectors as the printing industry, plastics processing, energy management, the laser and machine tool industry, healthcare & analytics, metal processing and the food industry. The group also offers an extensive portfolio of services including commissioning, installation, maintenance, repair and the 24/7 provision of parts.

Since 2021 the lead group companies technotrans SE, gwk Gesellschaft Wärme Kältetechnik mbH, termotek GmbH, klh Kältetechnik GmbH and Reisner Cooling Solutions GmbH have operated under the joint umbrella brand technotrans. The exception is gds GmbH with registered office in Sassenberg; while part of the group, it continues to operate under its own brand as a full-service provider for all aspects of technical documentation.

technotrans SE consciously espouses a dual management structure comprising Board of Management and Supervisory Board. The Board of Management is responsible for the operational management of the company. The Supervisory Board performs its supervisory role as a clearly separate entity. Both boards work together on a basis of trust in the interests of technotrans SE and the technotrans group.

The Articles of Incorporation can be accessed at the following web address:

www.technotrans.com/company/corporate-governance/articles-of-incorporation

Corporate and group structure

technotrans SE is an operationally active group parent. It directly and indirectly holds interests in 18 subsidiaries that are included in the Consolidated Financial Statements. It is listed on the stock exchange and its reporting reflects the transparency requirements of the Prime Standard.

Declaration on the German Corporate Governance Code

Corporate governance means a responsible form of management and control of companies in a manner that strives for long-term value creation. This includes purposeful, effective collaboration between the Board of Management and Supervisory Board, regard for the interests of shareholders and employees, openness and transparency in corporate communications, and the suitable handling of risks.

The Board of Management and Supervisory Board consider themselves obliged to preserve the company as a going concern and create value sustainably. Our corporate bodies believe sound corporate governance is an essential component of sustained corporate success. Responsible, value-led corporate management and transparent corporate information are important elements in every area of the company. Corporate governance at technotrans SE takes the German Corporate Governance Code (DCGK) as its benchmark, in each case as amended.

On September 30, 2020, on the basis of the DCGK version effective on that date as amended on December 16, 2019 (announced in the Federal Gazette on March 20, 2020) the Board of Management and Supervisory Board submitted the following Declaration of Compliance according to Section 161 of the German Stock Corporation Act:

“Since the Declaration of Compliance last submitted in September 2019 and up until March 20, 2020 (date of announcement of the new version of the German Corporate Governance Code (DCGK)) technotrans SE complied with the recommendations of DCGK as amended on February 7, 2017 (announced in the Federal Gazette on April 24, 2017) with the exception of the following departures:

Article 4.2.5 (Disclosure of Board of Management remuneration)

The DCGK previously recommended that the benefits granted plus fringe benefits, the maximum and minimum attainable remuneration for variable remuneration components as well as the fixed remuneration, short-term and long-term variable remuneration received, together with the benefit expenses for occupational pensions and other maintenance benefits, be presented in the Remuneration Report for every Board of Management member, and that template specimen tables be used for this information.

technotrans SE previously disclosed the remuneration of each individual Board of Management member in agreement with the applicable statutory requirements, broken down into non-performance-related and performance-related pay. The Board of Management and Supervisory Board previously did not believe that changing the form of presentation for Board of Management remuneration would improve quality and ease of understanding. For that reason, no further sub-classification was practised, nor were the DCGK specimen tables used.

Article 5.1.2 (Composition of the Board of Management)

The DCGK previously recommended that the Supervisory Board also heed diversity in the composition of the Board of Management, with the company taking the recommendation to mean that women are to be adequately represented.

The Supervisory Board considers that belonging to a particular gender is not an attribute that would particularly qualify a female or male candidate for a particular position, and therefore disregarded this criterion when selecting the most suitable candidate for a position. When deciding on the appointment of new members of the Board of Management, the emphasis should be on the qualifications of the candidates and not on their gender. The Supervisory Board also takes this as its basis in specifying the targets for the proportion of women on the Board of Management in accordance with Section 111 (5) of the German Stock Corporation Act in conjunction with Article 9 (1) letter c) (ii) of the SE Regulation.

Article 5.4.1 (Objective for the composition of the Supervisory Board)

The DCGK contained the recommendation that the Supervisory Board should state specific objectives for its composition and draw up a skills profile for the overall board. With regard to its composition, within the context of the specific situation of the company it was to take suitable account of the international operations of the company, potential conflicts of interest, the number of independent Supervisory Board members, a possible age limit for Supervisory Board members, and diversity. The Code also contained the recommendation, within the context of its objective, to specify a cap on how long a person may serve on the Supervisory Board alongside the above criteria. In addition, proposals by the Supervisory Board to the Annual General Meeting are to take account of these goals while also seeking to reflect the skills profile. The implementation status was to be published in the Corporate Governance Report. This report was also to provide details of what the Supervisory Board believed to be an appropriate number

of independent members. For its proposals to the Annual General Meeting for the election of new Supervisory Board members, the Supervisory Board was to ensure that the candidate in question could set aside the anticipated time required. The proposal of a candidate was also to be accompanied by a CV providing information on relevant knowledge, skills and experience. This was to be supplemented with an overview of the principal activities alongside the non-executive directorship and an updated version be published for all Supervisory Board members every year on the website of the company. In its election proposals to the Annual General Meeting, the Supervisory Board was to disclose the personal and business relationships of every candidate with the business, with the governing bodies of the company and with a shareholder holding a material stake in the company.

technotrans SE has for many years imposed an age limit of 67 (at the time of election) to membership of its Supervisory Board. The Supervisory Board has in addition drafted an objective and a skills profile, in which it considers both the composition of the overall board and the skills of the individual members. It thus addresses such issues as the desirability of an international composition, diversity and independence, but also how much time each Supervisory Board member has available. Notwithstanding this, the Board of Management and Supervisory Board were and are of the opinion that the intention pursued by the Code can also be achieved without the need to state further specific goals. In that respect the Supervisory Board only met the recommendations of Article 5.4.1 of DCGK with restrictions, despite the skills profile it has approved and the associated objective. The Supervisory Board has, however, largely observed the criteria stated in the recommendation of the Code when proposing persons to the Annual General Meeting for election. Also with regard to time available and the recommendation to publish the CVs of the candidates and Supervisory Board members, technotrans SE has observed the recommendations in Article 5.4.1 of DCGK. Personal and business relationships are equally disclosed.

With regard to the “diversity” criterion, which the company also takes to include the appropriate representation of women, the Supervisory Board has however not primarily considered gender and has focused on the knowledge and professional qualifications of the candidates, regardless of their gender. The Supervisory Board also takes this as its basis in specifying the targets for the proportion of women on the Supervisory Board in accordance with Section 111 (5) of the German Stock Corporation Act in conjunction with Article 9 (1) letter c) (ii) of the SE Regulation. In light of the circumstances presented above, the Supervisory Board also declined to stipulate a limit on how long a person may serve on the Supervisory Board. Here, too, the interests of the company are best served by basing membership of the Supervisory Board solely on the knowledge and professional qualifications of its members.

Article 5.4.6 (Remuneration of the Supervisory Board members)

In the event that performance-related remuneration is promised, the DCGK envisages that this be tied to sustainable corporate performance.

In accordance with the Articles of Incorporation the members of the Supervisory Board previously received a variable remuneration component that did not expressly reflect sustainable corporate performance.

Since March 21, 2020 (when the new version of the DCGK took effect) and going forward, technotrans SE has complied and will comply with the recommendations of the DCGK as amended on December 16, 2019 (announced in the Federal Gazette on March 20, 2020) with the exception of the following departures:

Article A.2 (Whistleblower system)

The DCGK recommends in Article A.2 for example the institution of a whistleblower system for employees.

Compliance is of crucial importance for technotrans SE. In light of that, the company operates a compliance management system that reflects its risk exposure, and has a code of conduct that is also published on the website. Further information is available in the Annual Report, for example. A whistleblower system is intended to form part of the compliance management system but at

technotrans SE it is currently still under development. A departure from this recommendation therefore needs to be declared for the time being.

Article B.1 (Composition of the Board of Management)

In accordance with the previous Article 5.1.2 that is now Article B.1, the DCGK recommends that the Supervisory Board also heed diversity in the composition of the Board of Management, with the company taking the recommendation to mean that women are to be adequately represented.

The Supervisory Board still considers that having a particular gender is not an attribute that would particularly qualify a female or male candidate for a particular position, and will therefore continue to disregard this criterion when selecting the most suitable candidate for a position. When deciding on the appointment of new members of the Board of Management, the emphasis is therefore on the qualifications of the candidates and not on their gender. The Supervisory Board also takes this as its basis in specifying the targets for the proportion of women on the Board of Management in accordance with Section 111 (5) of the German Stock Corporation Act in conjunction with Article 9 (1) letter c) (ii) of the SE Regulation.

Article B.2 (Succession planning)

In Article B.2 the DCGK recommends long-term succession planning for the Board of Management and its description in the Corporate Governance Declaration.

The Supervisory Board continuously addresses Board of Management affairs and adopts a long-term view to succession planning. However the corresponding approach was not previously described in detail in the Corporate Governance Declaration. In future, in other words from the next Corporate Governance Declaration, this DCGK recommendation will now be met.

Article B.5 (Age limit)

Article B.5 recommends specifying an age limit for Board of Management members and its disclosure in the Corporate Governance Declaration.

The Supervisory Board has already previously specified an age limit for Board of Management members and incorporated this into the contracts of employment for Board of Management members. However this age limit was not previously stated in the Corporate Governance Declaration, in the absence of pertinent recommendations in the DCGK. This is to be amended in the next Corporate Governance Declaration.

Article C.1 (Objective for the composition of the Supervisory Board)

The DCGK now contains the recommendation that the Supervisory Board should state specific objectives for its composition and draw up a skills profile for the overall board. As part of this, the Supervisory Board should heed diversity. Proposals by the Supervisory Board to the Annual General Meeting should take account of these goals while also seeking to reflect the skills profile for the overall board. The implementation status is to be published in the Corporate Governance Declaration. This document should also provide details of what the shareholder representatives on the Supervisory Board believe to be an appropriate number of independent members, as well as the names of those members.

The Supervisory Board has drafted an objective and a skills profile, in which it states both the composition of the overall board and the skills of the individual members. It thus addresses such issues as the desirability of an international composition, diversity and independence, but also how much time each Supervisory Board member has available. Notwithstanding this, the Board of Management and Supervisory Board were and are of the opinion that the intention pursued by the Code can also be achieved without the need to state specific goals, and that defining further goals would actually hinder the Supervisory Board in selecting suitable members. The Supervisory Board will report in future in the Corporate Governance Declaration on the implementation status of its general objective. In that respect the Supervisory Board only meets the recommendations of Article C.1 of DCGK with restrictions, despite the skills profile it has approved and the associated objective. The Supervisory Board has, however, largely observed the criteria stated in the recommendation of the Code when proposing persons to the Annual General Meeting for election.

With regard to the “diversity” criterion, which the company also takes to include the appropriate representation of women, the Supervisory Board nevertheless continues not to look primarily at gender and instead focuses on the knowledge and professional qualifications of the candidates, regardless of their gender. The Supervisory Board also takes this as its basis in specifying the targets for the proportion of women on the Supervisory Board in accordance with Section 111 (5) of the German Stock Corporation Act in conjunction with Article 9 (1) letter c) (ii) of the SE Regulation. This year’s election proposal of Ms Bauer demonstrates that this strategy can and should promote diversity while still taking account of knowledge and professional qualifications. In light of the circumstances presented above, the Supervisory Board also declined to stipulate a limit on how long a person may serve on the Supervisory Board. Here, too, the interests of the company are best served by basing membership of the Supervisory Board solely on the knowledge and professional qualifications of its members (see also below, “Independence of Supervisory Board members”).

With regard to the assessments of independence, one departure is declared because this year a reassessment was carried out by the Supervisory Board on the basis of the new DCGK independence indicators (see also below). There have not previously been any comments in the Corporate Governance Declaration on this reassessment. In future, these disclosures on the current assessment of the Supervisory Board will also be included in the Corporate Governance Declaration.

Article C.7, C.10 (Independence of Supervisory Board members)

Articles C.6 et seq. of the DCGK contain several recommendations on the independence of the company’s Supervisory Board members. Article C.7 of the DCGK provides new, separate indicators of when a Supervisory Board member cannot be considered independent within the meaning of the Code.

In satisfying the recommendations on the independence of Supervisory Board members, the extent to which the members of the Supervisory Board are regarded as independent based on the indicators in Article C.7 is now materially relevant. In future, the reasons for alternative or deviating categorisations must be given in the Corporate Governance Declaration. Going forward, the indicators now inserted in the DCGK focus on a period of office of Supervisory Board members of more than twelve years and prior membership of the Board of Management. From the perspective of the Supervisory Board this renders a reassessment of independence necessary, particularly because Mr Harling served on the Board of Management over ten years ago and also reached, and now exceeds, the twelve-year period of office in 2020. According to the new recommendations of the DCGK, in future Mr Harling and Dr Bröcker are to be considered non-independent within the meaning of the Code, bearing in mind that in the case of Dr Bröcker the business relationship and the resulting categorisation has already previously been disclosed and stated. The Supervisory Board considers that the categorisation made by the DCGK serves its interests and is easy to understand and transparent for shareholders. The Supervisory Board has therefore resolved to adopt the indicators stated by the DCGK as authoritative from now on and not to make any deviating categorisation such as would be permitted under Article C.8. The recommendation of Article C.7 to have more than half of the shareholder representatives on the Supervisory Board independent from the company is therefore not complied with. Because categorisation is based on the new indicators, there has previously been no disclosure pursuant to Article C.1 in the Corporate Governance Declaration (see also under Article C.1). As explained above, this will be changed with the next Corporate Governance Declaration. Finally, a departure from Article C.10 must also be declared because the Supervisory Board Chair is not to be regarded as independent within the meaning of DCGK, on the basis of the new indicators drawn up by the DCGK and the way the company is therefore categorised.

However the Supervisory Board takes the view that in its current composition, the Supervisory Board nevertheless exhibits constructive and appropriate independence of its members with regard to both the shareholder structure and the company itself (along with its development). It is assumed in this that half the shareholder representatives can be considered independent within the meaning of the Code. The Supervisory Board believes this is demonstrated by the exercising of control and supervisory functions as well as the filling of Board of Management positions with external managers, along with the developments in progress to fill new Supervisory Board positions.

Article D.1 (Rules of Procedure for the Supervisory Board)

Pursuant to Article D.1 the DCGK recommends Rules of Procedure for the Supervisory Board and their publication on the website.

The Supervisory Board of technotrans SE has already had Rules of Procedure for many years. In the absence of pertinent recommendations these were not previously published on the website. The newly composed Supervisory Board is currently examining and updating its Rules of Procedure. Once they are updated, the intention is to publish them on the website pursuant to Article D.1 so that this recommendation is met in full in the future.

Article D.12 (Training and professional development)

Pursuant to Article D.12 members of the Supervisory Board are to be supported upon their appointment and through training and professional development measures, which are to be reported on to the Supervisory Board.

Support for Supervisory Board members in the form recommended is already customary at technotrans SE. In the absence of recommendations on this matter, it was not expressly covered in the Report of the Supervisory Board. This is to change in the next Report of the Supervisory Board, so that the recommendation in Article D.12 will be comprehensively met in the future.

Article G.1 – G.15 (Board of Management remuneration)

Articles G.1 – G.15 contain a large number of new recommendations on the features of the remuneration system and of the individual remuneration of the members of the Board of Management, including for determining variable remuneration components and to assess remuneration levels compared with other enterprises.

To that extent, it is clear that with regard to the past, some of the current recommendations were not met. This concerns especially the recommendations on determining variable remuneration components, the content of the remuneration system, the share-based approach and the predominantly long-term character. With regard to the pertinent statutory regulations in the past and the recommendations of the DCGK, the Supervisory Board considered the nature and scope of how remuneration was assessed, as well as the definition of the pertinent criteria and remuneration system applied, to be appropriate and in the interests of the company.

In light of the new recommendations of the DCGK and the ARUG II rules, the Supervisory Board is currently conducting an in-depth, thorough examination of Board of Management remuneration. After this process it plans to negotiate with the Board of Management members. The details of Board of Management remuneration – i.e. both the fundamental remuneration system and the individual remuneration of the individual Board of Management members – cannot yet currently be foreseen.

A departure from the recommendations of Articles G.1 – G.15 is therefore declared for the past and present as a precaution, because there was a departure from Articles G.1, G.6, G.7 and G.10 in the past and it is currently not possible to state with certainty how far the company will meet the recommendations of Articles G.1 – G.15 in the future. The company will report on both the remuneration system and the remuneration of the Board of Management members in the statutorily required manner, and therefore elaborate on the declared departures also going forward.

Article G.18 (Supervisory Board remuneration)

Pursuant to Article G.18 any performance-related remuneration of the Supervisory Board shall be geared to the long-term development of the company.

In accordance with the Articles of Incorporation the members of the Supervisory Board previously received a variable remuneration component that did not expressly reflect sustainable corporate performance. An amendment to the Supervisory Board remuneration was resolved at the 2020 Annual General Meeting. According to this amendment, the Supervisory Board members now receive exclusively fixed remuneration and there is therefore no longer any departure from the recommendation in Article G.18.

Previous Declarations of Compliance of technotrans SE that are no longer current can be found on the internet at the following address:

www.technotrans.com/company/corporate-governance/declaration-of-compliance/archive

Board of Management

Composition of the Board of Management and diversity

The Board of Management of technotrans SE currently comprises the three active members Michael Finger (CEO), Dirk Engel (CFO) and Peter Hirsch (CTO/COO). Further information on the members of the Board of Management is available on the technotrans website at www.technotrans.com/company/board-of-management.

Michael Finger is appointed to the Board of Management of technotrans SE until December 31, 2023, Dirk Engel until July 31, 2021 and Peter Hirsch until December 31, 2022.

Mr Engel declared in December 2020 that he will not extend his contract beyond the above date.

The Board of Management is professionally qualified for its tasks. Mr Finger and Mr Hirsch are Mechanical Engineering graduates and Mr Engel is a Business Administration graduate.

The proportion of women on the Board of Management is currently zero. However it is possible that this will change along with future changes within the Board of Management.

When filling management functions in the company, the Board of Management takes expressly also looks at the criterion of diversity and in particular seeks to give appropriate consideration to women. The Board of Management is therefore receptive to involving and promoting women in senior positions. In light of the comparatively small number of senior positions at technotrans SE, it does not treat belonging to a particular gender in itself to be an appropriate criterion for the selection of management employees. Rather, it looks at overall picture of all candidates' professional and personal qualifications when recruiting for senior positions.

On June 30, 2017 the Board of Management specified targets of 11 percent (first management tier) and 9 percent (second tier) as the proportion of women in the two management tiers below the Board of Management for the five-year period ending on June 30, 2022. The threshold figures reflect the actual proportions of women in the above management tiers as of June 30, 2017. The approach is justified by the fact that, in light of the comparatively small circle of first and second-tier managers at technotrans SE, the existence of even a single vacancy at the cutoff date can in each case mean the targets are significantly undershot. Conversely, the appointment of a suitable female candidate to a senior position may directly lead to the target levels being overfulfilled. To that extent these targets are not especially suitable for bringing about the desired increase in the proportion of women in the first and second management tiers. Notwithstanding this, the Board of Management sets itself the fundamental target of increasing the proportion of women in the first and second management tier. technotrans SE will report on the implementation of the targets in accordance with the statutory provisions. In the 2020 financial year the proportion of women in the first and second management tiers was around 6 and 17 percent respectively.

As part of its long-term succession planning, based on the recommendations of the DCGK and in keeping with the statutory regulations the Supervisory Board has adopted job profiles for members of the Board of Management that are designed to provide appropriate diversity within this management body. When appointing to Board of Management positions, the Supervisory Board takes account of the following aspects in particular:

- Knowledge in need of supplementing: when a new appointment needs to be made, it is necessary first to check what desirable professional knowledge is missing from the Board of Management or needs to be improved. Candidates who possess this professional knowledge are to be identified.
- Diversity: for diversity in the composition of the Board of Management, the Supervisory Board seeks a variety of professional and international experience as well as a suitable gender balance. However the diversity concept is not the overriding criterion applied in the selection of Board of Management members; rather, the personal and professional qualifications of the individual candidates are the primary considerations. To that extent the diversity concept serves as a supplementary guideline in the selection of suitable Board of Management candidates.
- International character: at least one member of the Board of Management should have particular international experience.
- Balanced age structure: breadth of life experience in line with age should be considered when selecting candidates.
- Professional experience and expertise: the members of the Board of Management are to contribute a variety of professional experience and expertise. This should comprise both professional training and specialist experience at various companies and in various positions over their career.
- Age limit: when addressing succession planning the specified age limit for members of the Board of Management needs to be considered. A candidate may be appointed up until to their 65th birthday.

The Supervisory Board examines at regular intervals to what extent the Board of Management members meet the above criteria, whether the composition of the Board of Management as a whole is suitable and whether the targets in the job profile are still appropriate.

Ultimately the Supervisory Board decides which candidate to choose for the Board of Management position based on the interests of the company and after due consideration of the particular case.

Modus operandi of the Board of Management

The Rules of Procedure for the Board of Management lay down the specific tasks of the Board Spokesman, which matters are for the Board of Management as a whole to address, what decision-making process is followed and what majority is required for individual decisions. The portfolios of the individual Board of Management members are specified in the schedule of responsibilities. The Board of Management normally holds an in-person meeting each week. The Board of Management may also vote on matters away from in-person meetings or by circulation procedure.

The Board of Management and Supervisory Board of technotrans SE work together to the benefit of the company. The Board of Management gives regular, comprehensive reports to the Supervisory Board on the current business performance, the corporate strategy as well as possible risks. Furthermore, the Board of Management regularly informs the Supervisory Board Chair of current developments.

The principles that apply within the company are also implemented on the basis of existing programmes and management systems. The most senior management body of the technotrans group is the Executive Board. On behalf of the whole group and across all locations, it drafts proposals on the ongoing development of the strategy, structure and culture of the technotrans group.

It comprises the managing directors of all German locations as well as the group officers for Sales, Service, Finance and HR, and meets at least six times a year. Other management bodies are the Global Management Board, which meets once or twice per year, as well as other specialist management bodies which each conduct specialist dialogues on an ad hoc basis.

Corporate governance tools

Information about the activities and decisions of the Board of Management appears regularly in the form of annual reports, interim reports and quarterly communications. The publication dates of this information can be found in the Financial Calendar on the technotrans website, at the following address:

www.technotrans.com/investor-relations/financial-calendar

technotrans also reports ad hoc on events within the group that are relevant for the capital market, for example in the form of press releases or ad hoc information. In addition, employees receive information in employee meetings and through the intranet.

Sustainably economic, ecological and social activity in keeping with applicable law is an indispensable element of entrepreneurial culture for technotrans. The company regularly updates stakeholders on the current status and relevance of sustainability. A report is published each year in the form of a Combined Non-Financial Statement (CSR report) in accordance with the regulations of Sections 289b–e HGB on the Non-Financial Statement, and of Sections 315b–c HGB on the Non-Financial group Statement and Non-Financial group Report. Pursuant to Section 315b (1) sentence 2 HGB this report applies both to technotrans SE and to the technotrans group, and is published annually as part of the Combined Management Report.

Employees are also actively encouraged to embrace sustainability in their day-to-day actions. technotrans has incorporated the principles of the UN Global Compact into the technotrans Code of Conduct, which is binding for all employees worldwide. This document constitutes the corporate compliance guideline at group level. It defines standards on how all employees should deal with each other and on how to behave towards stakeholders such as customers, suppliers, government agencies and business partners. It also contains important regulations on compliance with employment standards, data protection, IT security, anti-corruption, competition law, money laundering legislation and environmental protection. As such, it constitutes an important tool for governance and for implementing the sustainability strategy. The current version of the technotrans Code of Conduct can in each case be accessed on the technotrans website at the following address:

www.technotrans.com/company/corporate-governance/compliance

To ensure compliance with statutory requirements and voluntarily adopted principles, the technotrans group uses an effective compliance management system to DIN ISO 19600. The Board of Management bears overall responsibility for it. The managing directors/general managers of the national and international group companies have likewise committed to uphold it. They are supported in their efforts by local compliance officers. This permanently guarantees uniform management and control of group regulations, compliance with statutory requirements and voluntary commitments at all locations.

A further major component of the sustainability strategy is the group-wide risk management system based on DIN ISO 31000. This helps employees and managers to identify and respond to potential opportunities and risks early on. It involves regular, prompt reporting to the Board of Management, among other things.

Board of Management remuneration and securities transactions

The provisions of the DCGK serve as the benchmark when assessing Board of Management remuneration. It is clear that with regard to the past, some of the recommendations of DCGK as amended on December 16, 2019 have not yet been met. This concerns particularly the recommendations on the features of variable remuneration components, such as a long-term character or remuneration in the form of shares. With regard to the pertinent statutory regulations in the past and the recommendations of the DCGK, the Supervisory Board considered the nature and scope of how remuneration was assessed as well as the definition of the pertinent

criteria and the features of the remuneration system applied to be appropriate and in the interests of the company. With the goal of bringing Board of Management remuneration even more closely in line with the requirements of the DCGK and the ARUG II rules, the Supervisory Board is currently working tirelessly with an independent specialist on a complete overhaul of the Board of Management remuneration system which will comprise a fixed basic salary as well as variable remuneration components, or STI (short term incentives) and LTI (long term incentives), the latter linked directly to the share price. However, it is currently not yet possible to state the precise details of the fundamental and individual components of the remuneration system for the Board of Management.

For further details, please refer to the above Declaration of Compliance with the DCGK. Details of the existing features of the remuneration system and the actual level of total remuneration are provided in the Remuneration Report, in the latest Annual Report.

According to Article 19 of the EU Market Abuse Regulation, the members of the Board of Management must make a public declaration if they buy or sell technotrans shares exceeding the threshold value of € 20,000. There were no such transactions in the 2020 financial year.

The securities portfolios of the Board of Management members are stated in the Annual Report.

There were no advance payments and/or loans to members of governing bodies in the 2020 financial year. Nor did the company enter into any contingent liabilities on their behalf.

Supervisory Board

Composition and diversity of the Supervisory Board

The Supervisory Board of technotrans SE comprises six members. In accordance with the Articles of Incorporation and the agreement between the company and the shareholders following the completion of the modifying conversion in 2018, there are four representatives of the shareholders and two employee representatives.

The current members of the Supervisory Board and their CVs can be accessed on the technotrans website at the following address: www.technotrans.com/company/supervisory-board

The disclosures also include the year of appointment, the end of the appointment period, other non-executive and executive directorships, as well as professional knowledge.

Please refer to the Declaration of Compliance with the DCGK with regard to the “diversity” criterion, which the company also takes to include the appropriate representation of women. In this regard the Supervisory Board continues to prioritise the knowledge and professional qualifications of a candidate independently of gender.

The DCGK contains several recommendations on the independence of the company’s Supervisory Board members. These recommendations include indicators for when a Supervisory Board member cannot be considered independent within the meaning of the Code. The version of the Code that is currently in effect includes an assessment of the independence of Supervisory Board members based on whether a member has served on the Supervisory Board for more than twelve years. Dr Bröcker and Mr Harling have been members of the Supervisory Board since 2007 and 2008 respectively. According to the DCGK, they are therefore not formally considered independent based on this indicator alone. The recommendation of the DCGK that more than half of the shareholder representatives should be independent members is consequently not complied with. The shareholder representatives Ms Bauer and Dr Höper can be classified as independent within the meaning of the DCGK. For further details, please refer to the above Declaration of Compliance. The Supervisory Board has moreover declared there that it regards the current composition as constructive and the independence of its members as appropriate.

The Supervisory Board has adopted its own skills and job profile to ensure that the process for selecting new board members follows objective suitability criteria. The line-up of the board should always be such that it can perform its supervisory and advisory functions in the competent and due manner intended under the German Stock Corporation Act (AktG) and the DCGK. For each aspect of the Supervisory Board’s activities there should be at least one competent person on the board, so that the necessary range of skills and experience is fully covered by the Supervisory Board members as a whole. That aside, certain indispensable general skills and experience are expected of each Supervisory Board member.

The Supervisory Board updated the skills and job profile for its members at its meeting on February 2, 2021. It covers the following criteria:

- Supervisory Board members should meet the following standards over and above general requirements regarding education, reliability, professional experience and specialist suitability, or acquire these skills where they go beyond the minimum standard required under the German Stock Corporation Act:
 - An understanding of the business activities of the technotrans group, including its market and competitive environment, the key markets, the customer structure and the strategic direction
 - The ability to make a qualified assessment of reports to the Supervisory Board and draw their own conclusions
 - The ability to evaluate the correctness, cost effectiveness, appropriateness and legality of the decision documents to be examined

- With regard to special skills of individual Supervisory Board members that need to be exhibited by the board as a whole, the following subject areas in particular are highly relevant:
 - Appropriate expertise and personal experience in the energy sector, knowledge of its political importance and of how the various stakeholder interests in the sector interact
 - Leadership experience
 - International experience
 - Appropriate expertise in matters of capital market law
 - Expertise in the fields of accounting or auditing held by at least one independent member of the Supervisory Board
 - Particular knowledge of and experience in the application of accounting standards and internal control procedures held by the Chair of the Audit Committee. They must equally be independent and should not be a former Board of Management member of the company whose term of office ended less than two years ago.

In addition to the skills and job profile, the Rules of Procedure of the Supervisory Board, which can be accessed at www.technotrans.com/company/corporate-governance/procedure-rules-of-supervisory-board, contain provisions on the composition of the board. These state that only persons who are not above the age of 67 at the time of the election shall be proposed for election or re-election as a member of the Supervisory Board.

In its current composition the Supervisory Board of technotrans SE meets all of the above requirements.

Its members as a whole possess all the key skills, abilities and experience that are required for them to perform their duties properly.

New Supervisory Board members receive a comprehensive information package comprising the Articles of Incorporation, the Rules of Procedure for the Supervisory Board, Audit Committee and Board of Management, as well as information on capital market regulations for Supervisory Board members and information on liability insurance (D&O policy).

Modus operandi of the Supervisory Board

The Supervisory Board appoints the Board of Management, approves the Board of Management's schedule of responsibilities, advises it on the running of the company and oversees its activities. The board also holds responsibility for dismissing Board of Management members. It in addition determines the structure and amount of Board of Management remuneration. The Supervisory Board is involved in all key entrepreneurial decisions.

The Articles of Incorporation of technotrans SE as well as the Rules of Procedure of the Board of Management define the range of measures and transactions that the Board of Management may only conduct with the consent of the Supervisory Board. The Articles of Incorporation can be accessed on the technotrans website.

The principles of cooperation for the Supervisory Board of technotrans SE are set forth in the Rules of Procedure of the Supervisory Board. These can be accessed at the following web address: www.technotrans.com/company/corporate-governance/procedure-rules-of-supervisory-board.

The members of the Supervisory Board are requested to take responsibility individually for the training and professional development they require to perform their duties. technotrans supports the Supervisory Board members through this process in the recommended form. Board of Management members moreover provide extensive assistance throughout the induction phase of new Supervisory Board members by providing detailed information about the company in personal discussions and being available to answer any questions.

Regularly once a year, the Supervisory Board examines the effectiveness of its activities in the form of a structured questionnaire. The topics of the self-evaluation include in particular whether the

Board of Management has supplied the Supervisory Board with prompt, substantively adequate information, the processes within the Supervisory Board and the flow of information between the committees and the Supervisory Board. The self-evaluation was carried out in December 2020.

For detailed information on the work of the Supervisory Board and its committees, please refer in each case to the Report of the Supervisory Board published in the respective Annual Report. This report can be found at www.technotrans.com/investor-relations/financial-reports.

Activities of the Supervisory Board in the year under review

The Supervisory Board of technotrans SE performed the duties incumbent upon it under the law and in accordance with the Articles of Incorporation and the Rules of Procedure in full and with great care in the 2020 financial year. It regularly advised the Board of Management on the running of the company and continuously oversaw its activities. It was involved directly and at an early stage in all decisions of fundamental significance.

The Board of Management at all times fulfilled its duties to report and inform under the statutory requirements and the Articles of Incorporation and informed the Supervisory Board regularly, promptly and comprehensively of the current status of transactions, the business performance and the economic position, the prevailing risks, risk management as well as relevant questions of compliance, strategy and planning. Significant business transactions were discussed in the committees and the plenary meetings on the basis of reports. Deviations in the business performance from the plans and targets were explained individually and discussed at length by the Supervisory Board. The Supervisory Board Chair moreover maintained regular contact with the Board of Management.

For further information on the meetings, please refer in each case to the Report of the Supervisory Board published in the respective Annual Report. As previously indicated, this report can be found at www.technotrans.com/investor-relations/financial-reports.

There was no evidence of conflicts of interest among Supervisory Board and Board of Management members which must be disclosed without delay to the Supervisory Board and of which the Annual General Meeting is to be notified.

Committees and their modus operandi

To enable it to fulfil its duties more efficiently, the Supervisory Board has formed three committees: the Audit Committee, the Committee for Board of Management Affairs and the Nominating Committee. For detailed disclosures on the tasks of the committees, please refer to Sections 7 et seq. of the Rules of Procedure of the Supervisory Board.

Disclosures on the members and chairs of the committees can be accessed at the following address: www.technotrans.com/company/supervisory-board

The committee chairs regularly brief the full Supervisory Board on their work. For further details, in each case please refer to the current Report of the Supervisory Board. That report also includes a summary of members' attendance at the board's meetings and committees.

The Chair of the Supervisory Board and the Chair of the Audit Committee also maintained an intensive dialogue with the Board of Management outside the regular board meetings.

Supervisory Board remuneration and securities transactions

The remuneration of the Supervisory Board is based on the relevant resolutions passed by the Annual General Meeting and is laid down in Article 17 of the Articles of Incorporation of technotrans SE. These can be accessed at the following web address: www.technotrans.com/company/corporate-governance/articles-of-incorporation.

In addition to reimbursement of their expenses, the members of the Supervisory Board accordingly receive fixed remuneration in the amount of € 30,000.00 for each full financial year for which they have served on the Supervisory Board, payable at the close of the Annual General Meeting

that gives discharge for the preceding financial year. The Chair receives twice the fixed amount of remuneration, and the Deputy Chair one and a half times the fixed amount. The members of a committee formed by the Supervisory Board – with the exception of the Audit Committee – moreover each receive an additional remuneration of € 5,000.00. The members of the Audit Committee each receive an additional fixed remuneration of € 7,500.00. The Chair of a committee in each case receives double the amount. In addition, the members of the Supervisory Board receive an attendance fee of € 1,500.00 for each Supervisory Board meeting (in-person meeting, telephone or video conference lasting at least two hours) in which they take part. Members of a committee receive an attendance fee of € 500.00 for each committee meeting (in-person meeting, telephone or video conference lasting at least two hours) in which they take part. The Chair of a Supervisory Board committee in each case receives double the attendance fee for participation in meetings chaired by them. If a Supervisory Board member takes part in multiple meetings on one day, they are only entitled to one attendance fee.

The Annual General Meeting may resolve one or multiple long-term variable remuneration components for the Supervisory Board, on top of the remuneration according to the Articles of Incorporation. If the Annual General Meeting resolves to grant such a remuneration component, it shall simultaneously specify a cap (maximum remuneration) for the total remuneration of each Supervisory Board member.

Supervisory Board members who have not held office for a full financial year receive pro rata temporis remuneration pursuant to the above paragraphs, in line with their period of office; this applies correspondingly for the separate remuneration of membership of a Supervisory Board committee.

The company shall reimburse every Supervisory Board member for the value-added tax incurred on their remuneration.

Another component of the remuneration of Supervisory Board members is the calculated pro rata share of an insurance premium for third party financial loss insurance (D&O policy) paid by the company in an arm's length transaction and taken out in its own name in favour of the Supervisory Board members.

In accordance with Article 19 of the EU Market Abuse Regulation the members of the Supervisory Board are obliged to make a public declaration if they acquire or dispose of shares in technotrans exceeding the threshold value of € 20,000. No transactions were reported by Supervisory Board members in 2020. All reportable share trading by Supervisory Board members that are reported to the company are published in accordance with Article 19 of the EU Market Abuse Regulation.

Detailed disclosures on the remuneration of the Supervisory Board and the amounts paid to its individual members are in each case contained in the current Remuneration Report, which is published in the Annual Report. It can be accessed at the following web address:

www.technotrans.com/investor-relations/financial-reports.

Corporate reporting and auditing

Reference to other elements of corporate reporting

In addition to the annual financial statements, technotrans SE prepares interim financial statements within the meaning of Section 115 of the German Securities Trading Act (WpHG) as well as quarterly communications pursuant to Section 53 of the Rules and Regulations of the Frankfurt Stock Exchange. The separate financial statements of technotrans SE on which the dividend payment is based are prepared according to the provisions of the German Commercial Code (HGB). The Consolidated Financial Statements are prepared in accordance with the International Financial Reporting Standards (IFRS). As well as the annual and interim financial statements, technotrans publishes a Combined Management Report pursuant to Section 289 HGB, in which the business performance and situation of the company are presented.

technotrans provides information on relevant aspects of sustainability in the Combined Non-Financial Statement, which forms part of the Combined Management Report. This statement satisfies the statutory requirements on sustainability reporting under the CSR Directive Implementation Act.

The publication dates of the regular publications listed above can be found in the Financial Calendar on the technotrans website, at the following address:

www.technotrans.com/investor-relations/financial-calendar

All material information about the situation of the company is published on the technotrans website at www.technotrans.com. It includes annual financial statements, interim reports and quarterly communications of the technotrans group as well as press releases, ad hoc information and voting rights notifications.

The company holds telephone conferences with financial analysts and investors when trading figures are published. Recordings are subsequently made freely available on the technotrans website. Above and beyond these publication dates, information is shared with financial analysts, investors and other capital market operators.

Talks at roadshows, conferences and plant tours are moreover a key instrument of investor relations work. In line with the recommendations of the DCGK, the Chair of the Supervisory Board is involved in these activities. There were several opportunities for contact in the 2020 financial year where Mr Harling discussed matters relating to the Supervisory Board with institutional investors.

Inside information pursuant to Art. 17 (1) of the EU Market Abuse Regulation is disclosed directly in the form of ad hoc announcements. This is also available on the technotrans website at the following address:

www.technotrans.com/investor-relations/investor-news/ad-hoc-announcements.

Auditing of the financial statements

The Audit Committee of the Supervisory Board oversees auditing of the financial statements from a professional and quality perspective. It examines the independence of the auditors and appraises the supplementary services provided by the auditors. It also prepares the proposal to the Annual General Meeting on the election of the auditors and makes a recommendation on the matter. It is moreover responsible for awarding the audit mandate, specifying supplementary audit priorities and agreeing a fee with the auditors. During the audit the Chair of the Audit Committee maintains constant contact with the auditors and discusses the content of the financial statements audit with them. In accordance with legal requirements the auditors are in each case elected by the Annual General Meeting for one financial year. Most recently the Annual General Meeting appointed PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), Osnabrück, as auditors for

the 2020 financial year at the proposal of the Supervisory Board. Under the statutory requirements to rotate auditors, PwC may be commissioned with the audit for a final time for the 2028 financial year.

By means of internal rotation PwC furthermore ensures that the audit procedures are always conducted with the requisite independence from the company. Before the Audit Committee makes a recommendation to the Supervisory Board on the appointment of the auditors, it obtains a statement from the firm of auditors on whether and to what extent there exist any commercial, financial, personal or other relationships between it, its governing bodies and its audit managers on the one hand, and the audited technotrans companies and their governing bodies on the other hand, that could raise doubts about the independence of the auditors. If, during the audit, matters should arise that undermine the auditor's impartiality or are grounds for its exclusion and cannot be immediately remedied, the auditor shall notify the Chair of the Audit Committee immediately. They must equally notify the Supervisory Board of all material matters relating to their tasks which come to their attention during the audit. Also, they must inform the Supervisory Board or note in the audit report if they establish facts that are at odds with the company's Declaration of Compliance.

The company in each case discloses information on the fees paid to PwC in the current Annual Report. In the 2020 financial year, as well as the fee for the auditing of the financial statements in the amount of € 271 thousand there were fees of € 49 thousand for tax advisory services.

Shareholders/Annual General Meeting

Disclosures on shareholdings and their movements

The issued capital (share capital) at December 31, 2020 comprises 6,907,665 fully paid no par value shares each representing a nominal amount of € 1.00 of the share capital. The shares of technotrans SE are registered shares. Exclusively ordinary shares have been issued. The rights and obligations they carry are in line with the relevant statutory requirements, taking account of the requirements under the Articles of Incorporation of technotrans SE. The Board of Management has not been notified of any voting trust agreements between shareholders.

At December 31, 2020 Gerlin N.V., Midlin N.V. and Luxempart S.A. have shareholdings in the share capital of technotrans SE that exceed 10 percent in total. Pursuant to the voting rights notifications published on December 2, 2020 Gerlin N.V., Midlin N.V. and Luxempart S.A. concluded an “acting in concert agreement” with effect from December 1, 2020. According to the voting rights notification published on December 21, 2020 the shareholding of the above shareholders in the share capital of technotrans SE amounts to 24.57 percent in total. No other direct or indirect interests in the capital amounting to more than ten percent of the voting rights are known.

All shares carry identical rights. No shares are equipped with special rights, in particular none imparting authority to control.

Employees participating in the capital exercise their voting rights directly.

The statutory requirements pursuant to Articles 39, 40 of the SE Regulation on the appointment and dismissal of the members of the Board of Management are applied. Over and above these, the provisions of the Articles of Incorporation are to be observed. Over and above the requirement of Article 46 of the SE Regulation the Supervisory Board appoints the members of the Board of Management, as specified in the Articles of Incorporation and Section 84 AktG, for a maximum of five years. To amend this point in the Articles of Incorporation, pursuant to Section 179 AktG in conjunction with Section 21 (2) of the Articles of Incorporation the Annual General Meeting must pass a resolution by a simple majority.

The Board of Management is, with the consent of the Supervisory Board, authorised to increase the share capital on one or more occasions by up to a total of € 3,450,000 until May 17, 2023, through the issue of new shares against contributions in cash or in kind. No use was made of this authorisation in 2020. The subscription right of the shareholders may be excluded insofar as the requirements of Section 186 (3) fourth sentence AktG are met or insofar as the purpose is the acquisition of companies or participating interests in companies or other assets, if the acquisition or participating interest is in the properly understood interests of the company. Other than that, the subscription right may only be excluded for the purpose of compensating for fractional amounts. In addition the Board of Management of the company is authorised until May 17, 2023 to acquire treasury shares up to 10 percent overall of the share capital existing at the time of the resolution, or at the time of this authorisation being exercised, if the latter figure is lower. If acquired by stock exchange dealings, the purchase price per share shall not exceed or undercut by more than 10 percent the average XETRA closing price (or, insofar as the XETRA closing price serves as the basis for this authorisation, the closing price determined by a successor system taking the place of the XETRA system) on the Frankfurt Stock Exchange on the five trading days preceding the acquisition. If acquired on the basis of a public offer to buy, the acquisition price per share (excluding incidental acquisition costs) shall not exceed or undercut by more than 10 percent the average XETRA closing price on the Frankfurt Stock Exchange on the eighth to fourth trading day (in each case inclusive) before disclosure of the offer to buy.

The Board of Management is authorised to retire all or some of the treasury shares acquired on the basis of the authorisation, without the need for a further resolution of the Annual General Meeting.

The Board of Management is furthermore authorised to dispose of the acquired shares via the stock market or to third parties, by cash sale. In these cases the selling price shall not undercut the average XETRA closing price on the Frankfurt Stock Exchange on the five trading days prior to sale by more than 5 percent.

The Board of Management is, with the consent of the Supervisory Board, moreover authorised to dispose of the acquired treasury shares in a manner other than by sale on the stock market or by offer to all shareholders if they are offered to and transferred to third parties in exchange for contributions in kind, especially for the acquisition of businesses or of participating interests in businesses or of other assets. The price at which the acquired treasury shares are surrendered to a third party shall not significantly undercut the average XETRA closing price on the Frankfurt Stock Exchange on the last five trading days before the concluding of the agreement on the acquisition of the contribution in kind in question. The acquired treasury shares may also be used in fulfilment of obligations in respect of conversion options granted as a result of the issuing of convertible bonds.

The subscription right of the shareholders is excluded for the use of treasury shares in the last three cases.

The Board of Management is in addition authorised, in accordance with the resolution of the Annual General Meeting of May 18, 2018 and with the consent of the Supervisory Board, to issue bonds with a term of a maximum of twenty years and an aggregate nominal amount of up to € 100 million on one or more occasions up until May 17, 2023 and to grant the bearers of bonds conversion options on a total of up to 3,450,000 no par value registered shares of the company.

There are no material agreements of the parent company that are conditional on a change of control following a takeover bid.

No compensation has been agreed with the members of the Board of Management or with employees in the event of a takeover bid.

Rights of shareholders at the Annual General Meeting

The shareholders exercise their rights essentially by passing resolutions and tabling questions at the Annual General Meeting. Each ordinary share carries one vote. The shareholders have the right to table a reasoned counter-motion to proposals of the Board of Management or Supervisory Board on agenda items at the Annual General Meeting. Shareholders whose shares together amount to one-twentieth of the share capital or the proportionate amount of € 500,000 may demand that items be placed on the agenda and announced.

The invitation to the Annual General Meeting including all documents and reports required are made available for downloading on the technotrans website at www.technotrans.com/investor-relations/annual-shareholders-meeting before the statutory deadline.

Shareholders may also exercise their voting right by transferring it to instructions-bound proxies of the company or authorising third parties to exercise the voting right.

At the 2021 Annual General Meeting, the shareholders will be asked to vote for the first time on the remuneration system that meets the Shareholder Rights Directive Implementation Act (ARUG II).

In the event of structural measures technotrans follows the statutory requirements on the convening of an Annual General Meeting. In the event of a takeover of the company, convening is decided upon on a case-by-case basis.

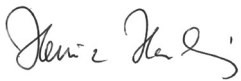
Related parties

No contracts were concluded between members of the Supervisory Board and technotrans SE in the 2020 financial year.

Board of Management and Supervisory Board members' membership of governing bodies of other companies as well as transactions with related parties is disclosed on the technotrans website.

technotrans SE

On behalf of the
Supervisory Board



Heinz Harling

On behalf of the
Board of Management



Michael Finger



Dirk Engel



Peter Hirsch

Sassenberg, February 2, 2021

