

To whom it may concern

Ahrensburg, May 22, 2024

Reference letter for Mr. Matthias Gundermann

To whom it my concern

Basler AG is listed in German CDAX (revenue 203m EUR, 2023), with the founder Norbert Basler being the main shareholder. Basler is an internationally leading manufacturer of high-quality cameras and accessories for applications in factory automation, medicine, traffic and a variety of other markets, employing 1,000 people with subsidiaries in USA, Italy, Poland, Singapore, Korea, Japan and China.

Mr. Gundermann has been working in Basler Vision Technology (Beijing) Co. Ltd. as general manager. Basler China is a pure sales company with its head office in Beijing, branches in Shenzhen and Shanghai and rep offices in Suzhou, Chengdu and Xi'an. It's revenue was 42m EUR (2023) with actual 104 employees.

Following the effects of the supply chain crisis Basler China had a significant decrease of revenue and margin erosion, combined with stocks exceeding plans by far. After a lay-off of 30% headcount in 2023 and disagreements with the previous management Mr. Gundermann stepped in and started 21. July 2023.

Within six weeks Mr. Gundermann regained the trust of the employees into the Basler company, created clear priorities of measures to be taken and proposed a roadmap for changes of the local business model in context of the role of the Chinese organization within the Basler group.

Deteriorating revenue, decreasing margins and fluctuation made it necessary to take action with no delay. The following changes have been implemented:

Human Recourse

- Regained trust of colleagues in China, stopped loss of valuable staff.
- Established consistent functional organization with cleared responsibilities.
- Replaced finance and sales director, reduced staff by 10 and hired 5 experts.
- Renewed KPI structure, introduced margin targets, aligned bonus rules, increased working time to contract level, professionalized recruiting process.
- Implemented efficient internal communication.

Finance / Controlling

- Increased gross margin from 15.3% to 22.2%.
- Increased EBT from -60% to 0%.
- Reduced inventories from 42m to 26m CNY.
- Reduced rental cost of offices by 500T EUR/a and numerous other cost cuts.

Business Processes / Operations

- Re-aligned business processes in sales, improved order to sales workflow and optimized control of special prices.
- Implemented 5 level product range from high runner to dead stocks, defined stock management rules, order processes and planning parameters.
- Proposed strategic project to relocate warehouse from Beijing to Suzhou, closer to suppliers and customers. After board approval planned and executed the relocation and put into operation with no interruption of shipments. Cost below budget.
- Planned relocation of head office to new location, reduced area by 50% cost by 70%. Searched location, negotiations, layout planning, construction and completion within 3 months.
- Analyzed the option to continue with the existing CRM Salesforce compared to local CRM systems and created a solid basis for strategic board decision.

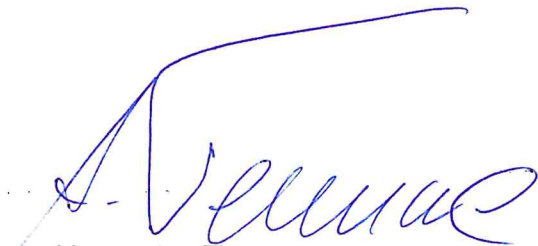
After his start Mr. Gundermann took necessary action immediately and elaborated a roadmap for the Chinese company. It described the long term development of the business model and necessary steps. The input he gave to the board in Germany has been very valuable as Mr. Gundermann has wide experience of economic development of China, proof of concept of sales and production companies as well as a differentiated view on global politics and risks and chance of a company set-up in China. He proved that his approach works and was executing the proposed measures successfully within short time.

The communication of Mr. Gundermann to the board has been clear, systematic and always aiming for the better solution. Like this he challenged the actual situation with new ideas and approaches, triggered creative discussions and gave guidance to the organization to take decision for Basler China.

His convincing leadership in China made it possible to regain a company culture of high motivation after turbulent times, and at the same time to implement substantial efficiency improvements with high pace. The colleagues in China highly appreciated his clear path of development combined with convincing experience in sales, finance, operations and HR.

After nine months Mr. Gundermann is leaving a well organized company behind, found his successor who has a perfect fit for the position regarding experience and leadership. We highly appreciate his broad approach considering customers interest, strategic development, financial effects and operational excellence. It has been a pleasure to work together with Mr. Gundermann and recognize the value of the achieved results, which exceed our preliminary expectations by far.

I wish Mr. Gundermann all the best for his professional and personal future and will be available for a personal reference.

A handwritten signature in blue ink, appearing to read "A. Temme". The signature is fluid and cursive, with a long horizontal stroke at the top that loops back down into the first letter.

Alexander Temme

Chief Commercial Officer – Board of Directors