

PRESS INFORMATION

Wider range of ODM and OEM products

Prepared for the future with joint forces: ELECTROSTAR/starmix and Producteers conclude strategic partnership

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ELECTROSTAR/starmix and Producteers have agreed on a strategic partnership to ensure profitable growth in a highly contested market and competitive environment. The partnership will launch jointly developed innovative products for the professional cleaning market. The focus is on quality and short time-to-market. The combined expertise of both companies offers existing and new customers a broader portfolio of products and development services. In addition, research and development (R&D) will be expanded and further synergies and economies of scale will be exploited based on the many years of experience of both partners.

In order to better meet customer requirements, ELECTROSTAR/starmix and the Producteers Group have decided to enter into a strategic partnership in combination with an exchange of minority shares. The cooperation combines the strengths of both companies to create a new impulse for the entire market. ELECTROSTAR/starmix, for its part, brings financial resources, a broad distribution network and a wide range of high-quality Made in Germany products, together with strong local logistics and the high level of awareness of the starmix brand. The Producteers Group's

distinctive expertise in the R&D area and its competence in OEM- and ODM production at its location in China perfectly complements the partnership to become an innovative and capable driving force on the market.

The aim of the partnership is to offer new and existing customers a broader range of ODM and OEM products from the two companies' factories and product development offices in Shanghai, China, and Ebersbach, Germany, to gain speed in development and innovation and to serve lower price segments. Thanks to the partnership, the starmix brand will also increase its number of competitive products for the cleaning market in order to sustainably continue the strong growth of the last decade.

For ELECTROSTAR/starmix, the partnership is a further step within the framework of the 2021 corporate strategy defined in 2018, which includes profitable growth, best-in-class products, optimization of value creation and internal processes (operational excellence), and a healthy corporate culture with a focus on customers. ELECTROSTAR plans to achieve sales of 50 million euros with concrete measures for its 100-year anniversary in 2021.

High-volume product series and high-end products

The new strategic partnership can better meet the demand for high-volume product series from Shanghai as well as high-end products or smaller quantities from Ebersbach, to name just a few advantages of the cooperation. There will be no changes to the existing customer contracts and contacts.

With the exchange of minority shares in this phase, the control and management of both companies will remain unchanged. Within the framework of the partnership, the owners of Producteers, Anne Mette Solvang and Holger Krogsgaard, will in the future also partly work at the new, state-of-the-art ELECTROSTAR facility in Ebersbach.

ELECTROSTAR/starmix - a part of German industrial history that is being continued with great success in the 21st century. Since 1921 the industrious Swabians have been manufacturing vacuum cleaners and four years later they invented the warm air hand dryer. During the years of the economic miracle starmix achieved international recognition: the universal starmix kitchen machine became a bestseller that belonged in any good household. Today ELECTROSTAR GmbH, which has been part of the Algo Group since 2007, stands for innovative technologies, outstanding quality and an uncompromising customer orientation. Under the starmix brand, the company develops, produces and sells a wide range of powerful vacuum cleaners for trade, commerce and industry worldwide. From the business field starmix sanitary, modern warm air and high-speed hand and hair dryers as well as an extensive hospitality product range complete the portfolio. Since the takeover of Haaga Kehrsysteme GmbH in 2012, innovative sweepers have also been part of the product range. The company employs around 150 people at its locations in Ebersbach. With the two brands starmix and Haaga achieving a turnover of about 45 million Euro in 2018.

Producteers International GmbH

Producteers was established in 2009 by the current owners Holger Krogsgaard and Anne Mette Solvang, who have over 30 years of experience from the cleaning industry. Producteers has factory and development facilities in Shanghai and office in Germany. Producteers develops and manufactures innovative products for the world-wide cleaning industry to be distributed to selected customers and partners primarily in their own brands. The business field covers products related to air and water. The company employs around 70 people and expects turnover about 10 million Euro in 2020 and an almost double-up by 2022.

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