

Press Release

trans-o-flex changes completely to active temperature-controlled transportation and starts a digitalisation project

- Full transparency along the entire logistic chain, including temperature documentation
- Additional multi-million euro investment planned to increase the number of temperature-controlled vehicles and transhipment centres
- The company intends to further strengthen its position as the leading provider of pharmaceutical logistic services
- Active temperature control as the new standard service for the transportation of pharmaceutical products

Weinheim, 22nd September 2016. Yesterday, the trans-o-flex Logistics Group presented the basic points of its new strategy for pharmaceutical logistics. "The core elements that we focus on are, on the one hand, the complete active temperature control of all transports and, on the other hand, our GDP+ digitalisation project", said Frank Iden, CEO of trans-o-flex, during an event in Heidelberg, which was attended by more than 120 dispatchers from the pharmaceutical and health industries. This was already the 8th time that trans-o-flex had invited customers of its core segment to its annual Pharma Logistics Day. Experts take this opportunity to exchange views on industry-specific trends and inform themselves about and discuss the most recent plans and developments of Germany's leading provider of logistic services for the pharmaceutical industry. The expansion plans of trans-o-flex are associated with investments of more than EUR 56 million in IT, vehicles, transhipment centres and staff training. Commenting on the general conversion to the fully active temperature control of its transportation network, Frank Iden said: "The trend that ambient is going to be the new pharma standard has become irreversible. This is why we have decided to use exclusively fully temperature-controlled vehicles for our deliveries."



GDP+ digitalisation project already finished in 2017

The GDP+ digitalisation project, the name of which is derived from the Good Distribution Practices for pharmaceutical products (GDP) specified by the EU, will take place in three steps. "First, we will eliminate all remaining manual data entry steps and install a standardised tamper-proof data and shipment flow along all transport systems and product groups, which enables us to provide information within one system, fully transparent and almost in real-time. Finally, we will certify this unique system as a whole, thus making it verifiable at any time and providing the basis for its continuous improvement." As a result of the digitalisation project, trans-o-flex customers will be able to get all relevant information about their shipments in one system, even if the shipments belong to two different temperature ranges and are, for reasons of transport optimisation, forwarded in two separate networks.

All trans-o-flex networks exclusively with active temperature control

The conversion of all of the trans-o-flex network's logistic activities to full active temperature control is expected to be completed by the end of 2017. "Everybody who uses trans-o-flex' services can rely on active temperature control in the future and, upon request, will also get detailed documentation", explains Frank Iden. The reason for this is that the ambient premium service is increasingly becoming the standard solution for the transportation of pharmaceuticals. "During the first six months of this year alone, our ambient volumes have increased by approximately 20 percent. Other customers have already announced their changeover. In all conurbations, the number of ambient shipments has reached an enormous level so that it is reasonable to use special vehicles and set up special delivery routes mainly for pharmaceutical products." Therefore, continuous investments will be made in the delivery of ambient shipments and, thus, in additional fully temperature-controlled vehicles. By the end of this year alone, it is planned to procure another 70 vehicles.

Today, the fleet of special vehicles of the ambient network initiated in October 2014 consists of approximately 190 thermos trailers, 85 fully air-conditioned lorries, 40



fully temperature-controlled transporters as well as 1,550 thermos boxes installed in conventional transporters. With the new vehicles, the capacity for deliveries in the temperature range between 15 and 25 °C, in comparison with the box solution, will rise by a multiple.

At the same time, trans-o-flex also increases its capacities in the temperaturecontrolled transhipment. To this end, the number of ambient hubs will be increased gradually. Already in this month, the transhipment centres in Hamburg, Berlin, Dortmund, Stuttgart and Munich will be put into operation as new ambient hubs. "This step enables us to increase the capacity for ambient goods and makes it possible for us to better allocate the shipment volumes to the different centres of the network."

"This strategy makes it possible for trans-o-flex to optimally adjust its services to the needs of the pharmaceutical industry as its core business and to consistently align its systems to the high requirements of the pharmaceutical companies", explained Iden to the customers in Heidelberg. "And this will enable us to strengthen our position as the leading logistic partner for the pharmaceutical industry."

According to Iden, however, not only customers in the pharmaceutical industry will benefit from the conversion. "Customers that commission us to transport their topquality products, such as for example cosmetics or high-end electronics, will clearly profit from the high standards which we have already introduced and which we will consistently develop from now on." In addition to the transparency, fast availability and density of the shipment information, Iden also referred to the safety and hygiene requirements, which trans-o-flex meets thanks to its GDP-compliance.

About the trans-o-flex Logistics Group:

The success of the Europe-wide operating trans-o-flex Logistic Group is based on three pillars, the one-stop-logistics shopping services of which can be perfectly combined with each other: 1. trans-o-flex has developed tailor-made industry solutions that create value-added for both dispatchers and recipients. The focus is on the Healthcare, Beauty and Consumer Electronics industries. This is made possible by a unique full-coverage network for the combined transportation of parcels and pallets (combi-freight) all over Germany that includes numerous express and additional services, such as the transportation of hazardous goods without being limited to small quantities. At the same time trans-o-flex, in its capacity as shareholder and partner of the EURODIS network, provides full-coverage



combi-freight services in 35 European countries. 2. For the customers in the Healthcare industry, its core customer segment, trans-o-flex has set up two special networks that stand out as very successful USPs. For example, the trans-o-flex ambient network serves to ensure the GDP-compliant delivery of pharmaceuticals with active temperature control in the range of between 15 and 25°C. In addition to this, the trans-o-flex subsidiary ThermoMed takes over the GDP-compliant transportation of temperature-sensitive goods in the range of between 2 and 8°C as well as deliveries to patients at home. International shipments with active temperature control are offered via the EUROTEMP network in six European countries. 3. Comprehensive logistic services from storage and picking/packing to value-added services up to customer-specific transport networks are developed and implemented under the umbrella of trans-o-flex Logistik Service. In 2015, annual sales of the trans-o-flex Group, which has a workforce of approximately 1,900 employees, amounted to ca. € 500 million. For more information, go to <u>www.trans-o-flex.com</u>.

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