

Annual Report 2022



va-Q-tec

WE SOLVE THERMAL CHALLENGES

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1 TO OUR SHAREHOLDERS

1.1 LETTER FROM THE MANAGEMENT BOARD



Dr. Joachim Kuhn (CEO), Stefan Döhmen (CFO)

Ladies and gentlemen, dear shareholders, employees, partners, friends and customers,

The 2022 financial year was particularly challenging for va-Q-tec AG for the same reason as 2021 – Covid-19 vaccine shipments – only this time rather with the opposite, negative effects. Rapidly diminishing demand for vaccines worldwide, changes at short notice as well as inaccurate or inapplicable demand forecasts from our customers, particularly in the Covid-19 business, led to high fluctuations in capacity utilization and inadequate coverage of the fixed costs that we had accumulated in 2021 in light of vaccine shipments.

Given massive rises in energy prices and increasingly difficult energy supplies, the question of how we can both save energy and harness the available energy even more efficiently became the focus of public discussion. As experts in high-performance insulation materials, for over twenty years we have been providing our customers with effective solutions that make their applications more energy-efficient and that improve them on a sustainable basis. The potential for industry to save valuable energy is far from exhausted, and we identify numerous further

potential application areas in the long term, including in the private sector. After all, in addition to expanding renewable energies, one of the most promising solutions in the fight against climate change is to avoid the loss of energy in thermal processes as best as possible. After all, industrialized countries, in particular, consume the most energy in the thermal area for space heating, process heating and cooling. These insights are also increasingly gaining acceptance among the general public. For example, towards the end of the financial year under review we saw signs of an actual trend towards thermally efficient household appliances for the first time.

Furthermore, with our sustainable thermal packaging solutions, we aim to enable secure, temperature-stable supply chains and minimize the loss of vital, temperature-sensitive goods. The special focus here is on products from the pharmaceutical industry, such as biotechnology products and clinical samples. The boom that we had experienced in the course of the delivery of Covid-19 vaccines subsided very sharply in 2022, and in the fourth quarter, in particular, the

expected increase in vaccine deliveries failed to materialize almost entirely. These high fluctuations and inaccurate or inappropriate forecasts by customers presented va-Q-tec AG with particular challenges in the past financial year. However, the trend towards more and more temperature-sensitive drugs – not least due to the establishment of mRNA technology – continued last year and contributed significantly to the company's growth. Revenue growth of 7% to EUR 111.8 million, of which EUR 86.9 million alone is attributable to the temperature-controlled logistics business for pharmaceutical products, illustrates this impressively. In this context, the non-Covid portion grew by more than 20%, while Covid vaccine shipments, in which va-Q-tec continued to play an internationally significant role, fell short of our customers' original announcements by almost EUR 10 million. This market outside of vaccine shipments will continue to grow constantly oversteadily in the coming years. However, ensuring temperature-stable supply chains is also highly relevant for other sectors, such as in the semiconductor and food industries.

At the same time, the effects of the war in Ukraine, high inflation and rising energy and commodity prices have not left us unscathed. As a consequence, we still achieved EBITDA of kEUR 15,692 after adjusting for non-recurring costs of kEUR 6,657 in connection with the public takeover offer by EQT Private Equity (see also "Adjusted earnings" below), as well as for payments of tax arrears of kEUR 1,299, but ultimately fell significantly short of our original target.

In order to realize the long-term potential for our vacuum insulation technology as optimally as possible, we, together with the founding families, decided at the end of the 2022 financial year to continue our success story to date as a privately managed company together with a partner in the future. With EQT and its partners Cinven and Mubadala ("EQT"), we and the founding families, who continue to hold significant interests in the company, have gained entrepreneurial and financially strong partners that support va-Q-tec's sustainable and long-term development and growth and which share our values in relation to innovation and team spirit. Nevertheless, this strategically important and positive event has caused significant challenges and consequences for va-Q-tec in the preparation of these financial statements, which we explain in detail in section 2.1.1.2 ("Strategic orientation") of the

management report. With the high acceptance rate of almost 86% for EQT's offer in February 2023, we have received broad support from shareholders for these future plans. At the time of preparing this report in April 2023, all relevant contracts had been signed for the transaction, with only the antitrust regulatory approval pending. This is very good news for va-Q-tec as a company, for our workforce, for the regions of Würzburg and of Kölleda in Thuringia, as well as for our subsidiaries all over the world.

The Management Board, the Supervisory Board and the founding families would like to express their sincere thanks to you, our shareholders, for this encouragement, as well as for the confidence and trust you have placed in us since our IPO in 2016. We would also like to thank you, our valued customers and business partners, the Supervisory Board and all our employees for our constructive collaboration over the past financial year.

With best regards



Dr. Joachim Kuhn
CEO



Stefan Döhmen
CFO

1.2 SUPERVISORY BOARD REPORT



Dr. Gerald Hommel, Chairman of the supervisory board

Dear shareholders,

The Supervisory Board held eight meetings in the 2022 financial year. The Supervisory Board's main task is to consult with and supervise the Management Board. The subject of our regular consultations in the plenary sessions was, among other matters, the financial position and performance as well as the organizational structure of va-Q-tec AG. In addition, the Supervisory Board played an intensive role in driving forward va-Q-tec's strategic and structural development, which formed a strong foundation for the outstanding performance achieved by the company's employees in the past financial year. The Russia-Ukraine war is leading to considerable macroeconomic distortions. Further topics of our activities in the reporting period included, in particular, a critical evaluation of the strategy and of business area development, the international orientation of va-Q-tec AG, overseeing the continued growth during the reporting period as well as corporate finance and liquidity. One focus of the consultations was also on supporting the structured process that the Management Board had launched with regard to the potential involvement of a private equity investor. In general, an important focus here was on opportunities and risks.

The Annual General Meeting was held on 2 June 2022. After two virtual formats due to the pandemic, the event was again held in the physical presence of the shareholders and their representatives. At over 60% of the share capital, attendance was again high. All agenda items were approved by large majorities in excess of 85%. From the Vogel Convention Center in Würzburg, the Management Board reported in detail on the performance of va-Q-tec AG in the 2021 financial year, for which the actions of the Management and Supervisory boards were approved by a clear majority. In a lively discussion, the Management and Supervisory boards responded to the questions and comments of the shareholders and their representatives. We would like to thank all shareholders for their active participation.

In the year under review, the Supervisory Board of va-Q-tec AG performed all of the duties incumbent upon it under the law, the bylaws and the rules of procedure with the requisite care and diligence, and in doing so was guided by the German Corporate Governance Code ("DCGK"). We advised and supervised the Management Board in its management of the company. The Management Board involved us

directly, at an early stage and comprehensively, in all fundamental decisions. It provided us with regular, timely and comprehensive information through written and oral reports both within and outside the context of meetings. In this connection, we were informed about all relevant aspects of business planning, including financial, investment and personnel planning, as well as the company's financial position and profitability. We – or the relevant Supervisory Board committees – thoroughly examined and discussed the Management Board's proposed resolutions. In addition, the Supervisory Board was in regular contact with the Management Board and was kept directly informed about the current business trends, especially with regard to the challenges relating to the potential investment by a private equity investor, as well as major business transactions. In particular, due to the current performance of va-Q-tec AG during the pandemic, in addition to the regular meetings a total of three telephone conferences were held with the participation of the Management Board and the entire Supervisory Board; furthermore, regular internal consultations took place within the Supervisory Board.

va-Q-tec AG has created a strong basis for the further development of the company, as presented in this annual report. The Supervisory Board conducted a critical evaluation of business transactions central to the company's development, and contributed corresponding suggestions and ideas for discussion with the Management Board. Measures and transactions requiring approval were consulted about and suitably decided upon between the Management and Supervisory boards.

Personnel changes in the Supervisory and Management boards

No personnel changes occurred in the composition of the Supervisory Board during the reporting period.

Similarly, no personnel changes occurred on the Management Board in the reporting period. Dr. Joachim Kuhn is Chair of the Management Board (CEO). Mr. Stefan Döhmen continues to serve as the company's Chief Financial Officer (CFO).

The Supervisory Board extended the contract with CFO Stefan Döhmen, which expired at the end of 2022, by a further three years in the summer of 2022. The extension is in recognition of the Chief Financial Officer's performance. It is a sign that va-Q-tec AG

relies on continuity for the implementation of its planned future projects.

Training and development of the Supervisory Board

In the 2022 financial year, the Supervisory Board fulfilled its training and development obligations responsibly, appropriately and in a variety of ways. The members of the Supervisory Board are responsible for the training and development measures required for their tasks, such as relating to corporate governance issues and changes to the legislative framework (e.g. due to the German Act Implementing the Second Shareholders' Rights Directive [ARUG II], the German Corporate Governance Code [DCGK], and the German Financial Market Integrity Strengthening Act [FISG]), and are supported in this by the company.

In addition, the Supervisory Board was informed at an early stage about new products developed inhouse by the managers concerned, so that all members of the Supervisory Board were always well informed about current issues affecting the company. In addition, the individual members of the Supervisory Board continued the further training for which they themselves are responsible by way of studying relevant professional journals and literature as well as by participation in training measures offered outside the company.

Meetings of the Supervisory Board and its committees

As part of its regular consultations, the Supervisory Board concerned itself with the operative and strategic position of va-Q-tec AG, with written and verbal reports by the Management Board providing it with extensive information about business and financial developments. The Supervisory Board held a total of eight plenary meetings. In accordance with the suggestions of the DCGK, telephone and video conferences should not be the rule. At va-Q-tec AG, personal attendance at meetings is the general case. All meetings of the full Supervisory Board and of the committees were held in person, with the possibility of participation in virtual form. The possibility of participation in virtual form was only used in a few individual cases.

The central part of the **first meeting on 25 March 2022** was the presentation, discussion and approval of the separate annual financial statements, the management report and the notes to both the

separate and consolidated financial statements of va-Q-tec AG for the 2021 financial year. At the meeting, the auditors reported on the results of the audit in summarized form. After extensive discussion, the Supervisory Board passed a unanimous resolution, on the recommendation of its Audit Committee, to approve and adopt the 2021 separate annual financial statements of va-Q-tec AG and to approve the 2021 consolidated financial statements, including the management reports. Further topics included the statement of conformity with the German Corporate Governance Code, preparations for the Annual General Meeting, and the company's current business performance and financing. In addition, the Supervisory Board was informed about plans to establish two subsidiaries, in Austria and France. Potential adjustments to the corporate structures of va-Q-tec AG as well as risk management and the Power20+ program were also topics of the meeting.

The **second meeting on 26 April 2022** focused on a discussion of current business trends and the Group's liquidity on the basis of the figures for the first quarter of 2022. In this context, the Group's financing position was also discussed, particularly with regard to the planned investments. As planned, the investment budget was down significantly from the previous year's very high level. Nevertheless, a growth company such as va-Q-tec has a regular need for substantial investment financing to support or enable growth. In this context, various strategic financing options within the Group were also outlined and the Management Board was mandated to consider and examine such options.

Further topics of the meeting related to important business transactions and personnel changes in the management of the two subsidiaries in Uruguay, the USA and Singapore. The Supervisory Board also discussed risk management. The Management and Supervisory boards discussed the consequences and implications of the war in Ukraine for the Group. It was noted that the continued sharp increases in freight, logistics and energy prices were negatively affecting profitability. In this context, the Management Board also noted the potential consequences for the company of a further gas supply freeze and presented risk minimization measures. Finally, the Supervisory Board discussed the preparations of the Management Board for the Annual General Meeting of va-Q-tec AG. After two virtual formats due to the pandemic, this is to take place a physically attended meeting again.

The **third meeting on 2 June 2022, following the Annual General Meeting**, concentrated on a detailed discussion of revenue and earnings trends. The focus was particularly on cost management and the clear division between fixed and variable costs. It was noted that due to the sharp rise in energy, freight and logistics costs and the expected intensive wage negotiations, tight cost management remained essential for a competitive product offering and adequate financing options. The financing situation and possible options for strategic further development as well as a public to private concept were further topics at this meeting.

At the **fourth meeting on 28 June 2022**, the focus was again on current business trends and cost management. While it was noted that the Group's revenues were clearly up on the previous year, costs were also rising considerably. In addition, Covid-led demand was weakening markedly. Furthermore, the new subsidiaries in Brazil, India and China were incurring start-up losses, while the planned revenues could not yet be realized to the extent planned. Across the Group, the Management Board identified potential optimizations in the areas of production, supply chain, sales, recruitment and financing (not least working capital) on the basis of a breakdown of total costs into fixed and variable components. It was noted that the management is endeavoring to continuously leverage this potential according to urgency and importance.

Further topics discussed at the meeting included financing and personnel strategy. The new head of personnel reported on his many measures and new initiatives in the personnel management area. In particular, the personnel department is to operate on the basis of international standards to an even greater extent in the future. From the management's perspective, the recruitment of, in particular, skilled workers as well as industrial workers for standard activities in production represents an ever greater challenge. It was noted that, to this extent, it is imperative that va-Q-tec be perceived as an attractive competitor in the "war for talents".

The **main topic of the fifth meeting on 30 August 2022** was the Management Board's deliberations regarding a "public-to-private" process ("p2p"), bearing in mind the need to resolve financing issues and the interest shown by private equity investors. The Management Board explained that it had

appointed an advisor due to growing interest from private equity investors and in the context of the search for strategic options for the long-term financing of va-Q-tec's growth ambitions. This advisor is to direct and oversee the further related process. The p2p process appeared attractive to all stakeholders in the case of private equity offers that are credible in terms of valuation and strategy, and should be further examined or pursued. The opinion was voiced that va-Q-tec should be an active and equal partner in such a process. Further topics related to risk management and compliance as well as specific, important current business transactions.

The **focus of the sixth meeting on 22 September 2022** was again on deliberations regarding a "public-to-private" ("p2p") process. To this end, the Management Board had now initiated a structured process and had engaged an investment bank as advisor. Also at this meeting, Group business trends up until the end of August were analyzed and discussed in-depth. Overall, the Group was above the previous year's level as of the end of August, although also below the original budget. The main reason for this development is the current lack of revenues from coronavirus vaccine shipments, although a significant recovery is expected in the fourth quarter. In addition to financing issues, further topics discussed at this meeting included plans to establish a subsidiary in France, the equity capitalization of the subsidiary in China, and the status of various patent disputes where va-Q-tec is a party.

At the seventh meeting on 15 November 2022, the Management and Supervisory boards discussed current progress in relation to the possibility of a private equity investor investing in the company, in particular with regard to the due diligence process that was underway. The legal and project consultants who had been engaged then presented the state of affairs to date. Further topics discussed at this meeting included current business trends. From the perspective of the Management Board and the sales and marketing function, the revenue target for the year that had been announced was still achievable at the lower end of the range. As far as EBITDA was concerned, the lower end of the range appeared achievable provided that November and December were to prove as dynamic as expected. The statements about the annual targets were also communicated to the capital market as part of the nine-month release. The topic of the meeting was also the current planning

status for 2023. To this end, the sales managers of the two areas Thermal Energy Efficiency and TempChain reported on current targets and gave an outlook for the following financial year. Financing was a topic at the meeting, with a particular focus on the situation in relation to the equity ratio.

The **last meeting** of the plenary Supervisory Board in the 2022 financial year was held **on 16 December 2022**. The main topic was the conclusion of a merger agreement – which had been announced shortly before this meeting – with Fahrenheit AcquiCo GmbH ("Bidder") and its sole shareholder, each controlled by the EQT X Fund, to support long-term growth by way of a strategic partnership. The final Business Combination Agreement was signed on 13 December. In addition, on 13 December, EQT Private Equity and va-Q-tec announced the voluntary public takeover offer, which the Management and Supervisory boards also welcomed as stated in the press release. va-Q-tec employees were informed about the project during staff meetings at the locations in Würzburg and Kolleda as well as a virtual "town hall meeting" for international colleagues. The meeting also dealt with the company's planning for 2023. Further topics included current business trends and financing. Furthermore, the preliminary budget planning for 2023 was addressed, as well as the medium-term planning, which was approved in January 2023 after further detailing.

Work in the Supervisory Board committees

At present, the Supervisory Board has set up three committees in order to perform its duties efficiently. Specifically, these are the General, Audit and Nomination committees. These prepare resolutions and issues to be dealt with by the full Supervisory Board. To the extent permitted by law, the Supervisory Board's decision-making powers have been devolved to committees. The committees' chairs report to the Supervisory Board on the work of the committees at the following full Supervisory Board meeting.

In addition to three meetings of the plenary General Committee and four meetings of the Audit Committee, various other votes were held in the General and Audit Committees concerning the company's further development. One meeting of the General Committee and all meetings of the Audit Committee were held in person, while the other votes in the committees were held virtually. The Nomination Committee did not meet in 2022.

The following table shows the individual attendance of the individual members of the Supervisory Board

at the meetings of both the full Supervisory Board and its Audit Committee:

Individualized disclosure of Supervisory Board members' attendance at meetings

(Number of meetings/ participation in %)	Supervisory Board plenum		Audit Committee		General Committee		Nomination Committee	
	Number	in %	Number	in %	Number	in %	Number	in %
Dr. Gerald Hommel Chair	8/8	100 %	4/4	100 %	3/3	100 %	–	–
Dr. Barbara Ooms–Gnauck Deputy Chair	8/8	100 %	–	–	3/3	100 %	–	–
Uwe Andreas Krämer	7/8	87,5 %	–	–	–	–	–	–
Winfried Klar	8/8	100 %	4/4	100 %	–	–	–	–
Dr. Eberhard Kroth	8/8	100 %	–	–	3/3	100 %	–	–
Dr. Burkhard Wichert	8/8	100 %	4/4	100 %	–	–	–	–

No conflicts of interest arose within the Supervisory Board during the reporting period.

Audit of the separate and consolidated financial statements

The consolidated financial statements of va-Q-tec AG were prepared on the basis of the International Financial Reporting Standards (IFRS), as applicable in the European Union, and the requirements of Section 315e (1) of the German Commercial Code (HGB). The auditors elected by the AGM, Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, NL Berlin, audited the separate financial statements of va-Q-tec AG as well as the consolidated financial statements, both for the financial year ending 31 December 2022, together with the respective management reports for va-Q-tec AG and the va-Q-tec Group, including the financial accounts, and in each case awarded them unqualified audit certificates on 21 April 2023. The auditors also assured themselves that the Management Board has established an internal control and risk early identification system appropriate in its implementation and design to provide early warning of developments jeopardizing the company as a going concern.

At the Audit Committee meeting on 21 April 2023 and at the Supervisory Board meeting on 21 April 2023, the Supervisory Board discussed with the auditors and examined in depth the financial statements for va-Q-tec AG and for the va-Q-tec Group, the

Management Board's proposal for the application of the unappropriated net result, as well as the reports prepared by the auditor. The auditor participated in the consultations on the financial statements at this Supervisory Board meeting and informed the Supervisory Board of its audit findings and its findings concerning the internal control and risk early identification system.

The Supervisory Board follows the recommendation of the Audit Committee and approves the separate annual financial statements and the consolidated financial statements together with the combined management report of va-Q-tec AG for the 2022 financial year. The separate financial statements of va-Q-tec AG have been adopted as a consequence. The Supervisory Board also concurs with the Management Board's proposal concerning the application of the unappropriated net result.

Thanks and outlook

The Supervisory Board remains convinced of the potential for success of va-Q-tec AG, and appreciates the trusting and open cooperation it enjoys with the Management Board. On behalf of the Supervisory Board, I would like to thank all employees of va-Q-tec AG for their exceptionally committed efforts in a particularly significant year for va-Q-tec, which was characterized by the preparation of

important strategic issues. We would like to thank you, our shareholders, for your confidence and trust in the company, the management and our work.



Dr. Gerald Hommel
Chairman of the Supervisory Board of va-Q-tec AG

1.3 CORPORATE GOVERNANCE / STATEMENT IN ACCORDANCE WITH SECTIONS 289F AND 315D HGB

1.3.1 Statement of conformity with the German Corporate Governance Code

The Management and Supervisory boards of va-Q-tec AG have approved the following statement pursuant to Section 161 of the German Stock Corporation Act (AktG) as of 29 March 2023:

Statement by the Management and Supervisory boards of va-Q-tec AG on the recommendations of the "Government Commission German Corporate Governance Code" pursuant to Section 161 AktG

1. Since issuing the last declaration of compliance on 23 March 2022, va-Q-tec AG complied without exception with the recommendations of the "Government Commission on the German Corporate Governance Code" published by the German Federal Ministry of Justice and Consumer Protection (BMJZ) in the official section of the Federal Gazette in the version of 16 December 2019 ("DCGK 2020") until 27 June 2022 inclusive.
2. The new version of the German Corporate Governance Code dated 28 April 2022 came into force upon its publication in the official section of the Federal Gazette (Bundesanzeiger) by the Federal Ministry of Justice and Consumer Protection on 27 June 2022 ("DCKG 2022"). Since 27 June 2022, va-Q-tec AG has complied with the recommendations of the DCKG 2022 with the deviations listed below and will continue to comply with the recommendations in the future, unless otherwise stated below.
 1. The DCKG 2022 contains new recommendations to improve the publicity of corporate governance. This recommends that certain information should now be included in the accounting documents or corporate governance statement. The DCKG 2022 came into effect on 27 June 2022, after the publication of the accounting documents on 29 March 2022 or the corporate governance statement on 23 March 2022, which consequently do not contain this information. For this reason, it is only declared as a precautionary measure that the following recommendations of the DCKG 2022 have not been complied with to date, but will be complied with in the future from the

publication of the updated corporate governance statement in 2023:

- Recommendation C.1, insofar as it recommends that the status of implementation of the expertise profile of the Supervisory Board as a whole be disclosed in the form of a qualification matrix in the corporate governance statement.
 - Recommendation D.3 insofar as it recommends that the corporate governance statement should identify the relevant members of the Audit Committee and that the corporate governance statement should include details of their expertise in the accounting and auditing areas.
2. Due to the entry into force of the DCKG 2022 after publication of the accounting documents for the 2021 financial year as described under 2.1, the following recommendation has not been complied with in the management report for the 2021 financial year, and a statement as to when this will be complied with cannot be made at present, so that as a precautionary measure it is stated that this recommendation has not been complied with and will not be complied with in the future:
 - Recommendation A.5, according to which the key features of the overall internal control system and the risk management system should be described in the management report and a statement made on the appropriateness and effectiveness of these systems. By way of divergence from Recommendation A.5 of the DCKG 2022, the reporting in the separate management report and the Group management report of va-Q-tec AG is based on the legal requirements of Sections 289 (4) and 315 (4) of the German Commercial Code (HGB) and contains detailed information about the internal control system and the risk management system with regard to the (Group) accounting process. However, recommendation A.5 goes well beyond the legal requirements. In particular, at the current time it has not yet been conclusively clarified what disclosures beyond those required by law will be required by the DCGK 2022 in relation to the appropriateness and effectiveness of such systems. va-Q-tec AG will continue to focus its presentation on the legal requirements until a certain market standard regarding recommendation A.5 of the DCGK 2022 has been sufficiently anchored and developed.
 3. Recommendation F.2, insofar as it requires the consolidated financial statements and the group

management report to be publicly accessible within 90 days of the end of the financial year. As announced in the press release dated 27 March 2023, va-Q-tec AG cannot comply with this recommendation regarding the publication of the annual and consolidated financial statements as of 31 December 2022, due to significant additional organizational and time-related expenses in the context of the ongoing takeover offer. However, the intention exists to comply with this recommendation again in the future.

1.3.2 Disclosures relevant to corporate governance practices

As a German stock corporation under German law, va-Q-tec AG has three executive bodies – the Annual General Meeting, the Supervisory Board and the Management Board. Duties and powers arise, in particular, from the statutory regulations and the company's bylaws. A Shareholders' General Meeting is held at least once a year. At the Annual General Meeting, the shareholders regularly pass resolutions on the appropriation of the unappropriated net result, the discharge of the Management and Supervisory boards, and the election of the auditor.

All shareholders who register in good time are entitled to attend the Annual General Meeting. Shareholders who are unable to attend in person have the option of having their voting rights be exercised by a bank, a shareholders' association, the proxies appointed by va-Q-tec AG who are bound by instructions, or another authorized person of their choice.

The Management and Supervisory boards set great store by an open corporate and management culture. Positive interaction within the company – a "good working climate" – is very important for the company's business and financial performance, and for satisfied customers, employees, partners and shareholders. This type of climate of interaction and open internal communication fosters awareness of, and compliance with, statutory regulations, ethical standards, as well as economic and social principles.

In order to ensure ethical behavior, va-Q-tec AG has established corresponding standards in a Groupwide corporate compliance policy. Core elements include, firstly, the basic values it codifies such as personal integrity, respect for diversity, and compliance in the context of business life. The Corporate Compliance

Policy also sets out – in Group guidelines – instructions for business behavior in any ethically dubious situations. The compliance program is translated into practice and further developed in collaboration between the Management and Supervisory boards.

Apart from any exceptions specified and explained in the conformity statement, va-Q-tec AG complies with all statutory requirements in terms of good corporate governance as well as the recommendations of the German Corporate Governance Code. In the context of the capital market listing, the Management and Supervisory boards inform the employees on the relevant issues of capital market law, including with related documents.

1.3.3 Composition and working methodology of the Management Board

The Management Board of va-Q-tec AG manages the company's business at its own responsibility. It is bound by the company's interest in this context, and is obligated to enhance the company's sustainable value. It develops the company's strategic orientation, coordinates it with the company's Supervisory Board, and ensures that it is implemented. The Management Board discusses the current status of strategy implementation at regular intervals with the Management Board. It also caters for appropriate risk management and risk controlling within the company. The Management Board members perform their tasks according to statutory provisions, the company's bylaws, AGM and Supervisory Board resolutions, their respective employment contracts as well as the rules of business procedure for the Management Board, and work to ensure that the company and its subsidiaries also comply with them.

The Management Board works together closely and on a basis of trust with the Management Board for the company's benefit. The Management and Supervisory boards' joint objective is to implement the growth strategy and exploit the various application possibilities on offer for the Group's technologies. The Supervisory Board appoints the Management Board members, removes them from office and determines the allocation of their responsibilities. It can also appoint a Management Board Chair (CEO).

The Supervisory Board has set an age limit for the Management Board members in accordance with the recommendation of the DCGK. Management Board

members should not be older than 65 at the time of their appointment.

The Management Board of va-Q-tec AG comprises two members as of 31 December 2022:

Name	Function	Management Board member since	Contract end
Dr. Joachim Kuhn	Management Board Chairman, Chief Executive Officer	1.4.2001	31/12/2023
Stefan Döhmen	Chief Financial Officer	1.7.2017	31/12/2025

The Management Board is jointly responsible for managing the company's business for the Group's benefit. The Management Board members are individually responsible for the areas allocated to them. The business allocation plan allocates the tasks to the individual Management Board members as follows as of 31 December 2022:

Dr. Joachim Kuhn: Chief Executive Officer – CEO:

- Production
- Sales and marketing
- Technology
- Personnel

Stefan Döhmen: Chief Financial Officer – CFO:

- Finance
- Financial communications (IR)
- Purchasing
- IT
- Legal

Besides his activity on the Management Board of va-Q-tec AG, Dr. Kuhn is a member of the Advisory Board of SUMTEQ GmbH, a company in which va-Q-tec AG holds a minority interest. Dr. Kuhn is also Chairman of the Board of Trustees of ZAE Bayern, the research institute from which va-Q-tec AG originated. The Management Board members do not engage in other secondary activities.

The Supervisory Board last updated and approved the rules of business procedure for the Management Board on 30 April 2019. These include, in particular, the regulations for the working methodology for the Management Board and the distribution of responsibilities between the Management Board members, as well as their collaboration with the Supervisory Board. They define a set of transactions requiring mandatory approval by the Supervisory Board. All Management Board resolutions are passed

with a simple majority of the votes unless the law requires another majority. Management Board meetings are held regularly several times per month. The Management Board also remains in close contact between its regular meetings, both with each other and with the Supervisory Board.

Further information on the website concerning the Management Board can be found here:

- Compensation scheme for the Management Board pursuant to Section 87a AktG – see the Corporate Governance section of the Investor Relations website
- Compensation Report 2022 including the auditor's report pursuant to Section 162 AktG: on the Investor Relations website in the Corporate Governance section
- Rules of procedure for the Management Board – see the Corporate Governance section of the Investor Relations website

1.3.4 Composition and working methodology of the Supervisory Board and its committees

Supervisory Board

The Supervisory Board of va-Q-tec AG regularly consults with and supervises the Management Board in its management of the company. The Supervisory Board performs its activities according to statutory provisions, the company's bylaws, and its rules of business procedure. The recommendations of the German Corporate Governance Code (DCGK) concerning the Supervisory Board are complied with, unless stated otherwise in the statement by the Management and Supervisory boards pursuant to Section 161 of the German Stock Corporation Act (AktG) as published on the company's website. In performing its tasks, it works together closely and on a trusting basis with the Management Board for the

company's benefit, and appoints and recalls from office the Management Board members. Moreover, it also pays attention to diversity in the Management Board's composition, especially striving for an appropriate inclusion of women in this context. The members of the Management Board should complement each other in terms of their background, professional experience and expertise, so that the board can draw on the widest possible range of experience and specialist knowledge. Together with the Management Board, it caters for long-term corporate planning.

Supervisory Board resolutions are generally passed at its meetings. They can also be passed without convening a meeting, and voting can also occur verbally, in writing, by telephone, fax or email, if so ordered by the Supervisory Board Chair and to the extent that no Supervisory Board member immediately objects to such a procedure. Supervisory Board resolutions are passed with simple majorities, unless prescribed otherwise by law or the company's bylaws.

All Supervisory Board members are obligated to pursue the company's interests. In their decisions, the Supervisory Board members are not permitted to pursue their personal interests, or to exploit the company's business opportunities for themselves, for related natural or legal persons, or for another

institution or association in which, or for which, they act. All Supervisory Board members must immediately disclose to the Supervisory Board conflicts of interest, especially those arising on the basis of a consultancy or board function at customers, suppliers, lenders or other third parties.

Pursuant to Section 2 (1) of the rules of business procedure for the Supervisory Board, the members in their entirety should possess the knowledge, capabilities and specialist experience to perform their tasks properly. Pursuant to Section 100 (5) AktG and Section 324 (2) of the German Commercial Code (HGB), at least one member of the Supervisory Board must also possess expertise in the accounting or auditing areas. The Supervisory Board sets specific targets for its composition, taking into consideration the recommendations of the German Corporate Governance Code.

The report of the Supervisory Board provides details of the work of this body. The curricula vitae of the members of the Supervisory Board are available on the company's website at <https://va-Q-tec.com/en/company/management/>. Information on the compensation of the members of the Supervisory Board can be found in the compensation report.

In the 2022 financial year, the Supervisory Board comprised the following members:

Name	Profession	Year of birth	Member since	Member of statutory supervisory boards of comparable domestic or foreign companies/ Further mandates
Dr. Gerald Hommel Chair (appointed until 2023)		1959	2014	None
Dr. Barbara Ooms-Gnauck Deputy Chair (appointed until 2023)	Lawyer and specialist in administrative law at Gnauck Rechtsanwälte GbR Co-shareholder of Gnauck Rechtsanwälte GbR	1957	2014	None
Uwe Andreas Kraemer (appointed until 2023)	Group CFO of enterprise software company Scandit AG, Zürich	1978	2015	None
Winfried Klar (appointed until 2023)	Management consultant, former auditor, tax advisor and CFO	1954	2013	None
Dr. Eberhard Kroth (appointed until 2023)	Managing Shareholder of RoPro4.0 GmbH	1956	2013	None
Dr. Burkhard Wichert (appointed until 2023)	Managing Director of pos pharma GmbH	1961	2021	None

In the interests of complementary collaboration, the Supervisory Board strives for sufficient diversity with regard to gender, internationality and different professional backgrounds, expertise and experience. Taking into account the recommendations of the German Corporate Governance Code, the Supervisory Board has objectives for its composition, including a competency profile for the entire body, which are presented in the section “Objectives for composition, competency profile and diversity concept for the Supervisory Board”.

Composition and working methodology of the Supervisory Board committees

The Supervisory Board of va-Q-tec AG currently has three committees: an Audit Committee, a Nomination Committee and a General Committee.

The **Audit Committee** consisted of the following members in the 2022 financial year:

- Winfried Klar: Chair
- Dr. Gerald Hommel: Deputy Chair
- Dr. Burkhard Wichert: Member

The Audit Committee concerns itself especially with questions relating to financial accounting and supervising the financial accounting process, the efficacy of the internal control system, the risk management system, compliance and the internal audit system, as well as the audit of the financial statements. The latter relates especially to the auditor’s independence, the services additionally rendered by the auditor, the awarding of the audit mandate to the auditor, determining the audit focus areas and agreeing the audit fee.

The members of the Audit Committee as a whole are familiar with the sector in which the company operates. According to the German Stock Corporation Act, at least one member of the supervisory board must possess expertise in the accounting area and at least one other member of the supervisory board must have expertise in the auditing area. According to the German Corporate Governance Code, expertise in the accounting area should consist of special knowledge and experience in the application of accounting principles as well as internal control and risk management systems, and expertise in the auditing area should consist of special knowledge and experience in auditing financial statements, whereby accounting and auditing also include

sustainability reporting and its audit. The Supervisory Board and its Audit Committee each include Dr. Gerald Hommel, at least one member with expertise in accounting, and with the Chair of the Audit Committee, Winfried Klar, at least one further member with expertise in auditing. According to the German Corporate Governance Code, the chairman of the audit committee should be suitably expert and independent in at least one of these two areas. The Chair of the Audit Committee, Winfried Klar, meets these requirements.

In the course of his professional and entrepreneurial career, Dr. Gerald Hommel served for many years as a management board member or managing partner of various companies and consequently brings with him special knowledge and experience in the application of accounting principles and internal control and risk management systems, including sustainability reporting. His activity as a management board member or managing partner includes dealing with and reporting on non-financial aspects. Following examinations by Deutsche Börse AG, Dr. Hommel is a “Qualified Supervisory Board Member” and a “Supervisory Board Financial Expert”.

Winfried Klar has special knowledge and experience in the auditing area due to his more than ten years of experience as an auditor and tax consultant for a large auditing company – today’s PriceWaterhouseCoopers GmbH – as well as due to his many years of experience as CFO of internationally active listed companies. At the same time, due to the aforementioned activities and due to his many years of experience, he also has special knowledge and experience in the application of accounting principles and internal control and risk management systems, and thereby also additional expertise in the accounting area. Winfried Klar is also independent. As a former CFO of various companies and as Chair of the Audit Committee of va-Q-tec AG, Winfried Klar also has in-depth knowledge of sustainability reporting. Mr. Klar follows current developments in the area of sustainability reporting and its auditing; he actively contributes this expertise to the Supervisory Board and the Audit Committee of va-Q-tec AG. Mr. Klar has been a member of the Institute of Public Auditors in Germany (IDW) since 1980 until today.

The **Nomination Committee** consists of the following members until the end of the respective period:

- Dr. Gerald Hommel: Chair
- Uwe Andreas Kraemer: Deputy Chair
- Dr. Barbara Ooms-Gnauck: Member

The Nomination Committee proposes suitable candidates to the Supervisory Board for its election proposals to the AGM.

The **General Committee** consists of the following members until the end of their respective period of office:

- Dr. Gerald Hommel: Chair
- Dr. Barbara Ooms-Gnauck: Deputy Chair
- Dr. Eberhard Kroth: Member

The Supervisory Board Chair chairs the General Committee. The General Committee consults on key corporate governance topics and prepares Supervisory Board resolutions. Along with long-term successor planning for the Management Board, the General Committee prepares Supervisory Board resolutions especially concerning the following matters:

- Appointment and removal from office of Management Board members as well as appointment of a Management Board Chair (CEO)
- Concluding, amending and terminating appointment contracts with Management Board members
- Structure of the Management Board compensation scheme including key contractual elements and total compensation of the individual Management Board members.

Self-assessment of the work of the Supervisory Board and its committees

The Supervisory Board and its committees regularly review, either internally or with the assistance of external advisors, how effectively the Supervisory Board as a whole, and its committees, perform their duties.

Immediately following the 2022 financial year, the Supervisory Board of va-Q-tec AG carried out an internal self-audit for the 2022 financial year. To this end, each member of the Supervisory Board answered a comprehensive catalog of questions and critically assessed his or her own activities. As a consequence of the evaluation of the self-assessment, it should

be noted that the Supervisory Board is characterized not only by harmonious cooperation among the individual members and with the Management Board, but also by a high and qualified level of commitment and specific expertise on the part of each individual member. No fundamental need for change has emerged.

Overall, following in-depth discussion of the result of the internal self-audit, the Supervisory Board is convinced that it performed its duties responsibly and efficiently in the 2022 financial year.

1.3.5 Targets for the proportion of women on the Management Board and at the management level below the Management Board; target for the proportion of women on the Supervisory Board

Due to the small number of Management Board members, the Supervisory Board has set the ratio of proportion of women on the Management Board at 0%.

For the first level below the Management Board, the ratio of proportion of women was set at 10.0%. As of 31 December 2022, the proportion of women at the first management level below the Management Board stands at 10.5%.

For itself, the Supervisory Board set a proportion of women at 16.7%, corresponding to one in six members. This quota is met with the current composition of the Supervisory Board.

1.3.6 Diversity concept for the Management Board and long-term succession planning

In making proposals for the appointment of members of the Management Board, the Supervisory Board is guided by the objective of ensuring that the composition of the Management Board is as diverse and complementary as possible. The aim is to ensure that the Management Board as a whole has all the knowledge and experience that is considered essential in light of va-Q-tec's activities. When selecting members of the Management Board, the Supervisory Board considers their personal suitability, integrity, convincing leadership qualities, international experience, professional qualifications for the position to be assumed, past performance, knowledge of the company, and ability to adapt business models and processes in a changing world. The aspect of diversity is an important selection criterion when filling

Management Board positions, including with regard to aspects such as age, gender, and educational and professional background. When selecting members of the Management Board, the Supervisory Board consequently also takes the following aspects into account, in particular:

- In addition to the specific technical knowledge as well as management and leadership experience required for the respective task, the Management Board members should cover as broad a spectrum of knowledge and experience as possible.
- With a view to the company's international orientation, the Management Board's composition should take into account internationality in the sense of different cultural backgrounds or international experience (for example, extended professional experience abroad relevant to va-Q-tec, or supervision of foreign business activities).
- The Management Board as a whole should have experience from the business areas that are important for va-Q-tec.

The Management Board as a whole should have many years of experience in the areas of technology (including information technology and digitalization), transformation processes, entrepreneurship, research and development, purchasing, production and sales, finance, as well as law (including compliance) and human resources. It is considered helpful to have a variety of age groups represented on the Management Board.

The crucial factor in deciding whether to fill a specific position on the Management Board is always the interests of the company, taking into account all the circumstances of the individual case.

Implementation of the diversity concept for the Management Board

The diversity concept is implemented by the Supervisory Board as part of the procedure for appointing Management Board members. When selecting candidates, the Supervisory Board takes into account the requirements defined in the diversity concept for the Management Board.

In the period under review, no decisions were made regarding the appointment of members of the Management Board. In future, the diversity concept

will be given due consideration by the Supervisory Board as part of the structured appointment process. In the case of reappointments, previous performance in office stands at the forefront of the decision-making process.

Long-term succession planning for the Management Board

Personnel issues such as long-term succession planning are prepared by the General Committee, and discussed by the Supervisory Board, including together with the Management Board. Succession planning takes into account the term of current Management Board contracts. The Supervisory Board draws up a candidate profile for open positions on the Management Board. The Supervisory Board ensures that the knowledge, skills and experience of all members of the Management Board differ and are balanced. Suitable candidates are invited for interviews on the basis of the specific requirements and stated criteria of the diversity concept. The recommendation for the resolution is prepared by the General Committee and submitted to the full Supervisory Board. In addition, the Supervisory Board has itself be regularly informed about succession planning for the level below the Management Board, and advises the Management Board in this regard. The appointment of the holders of certain management functions at the first level below the Management Board requires the approval of the Supervisory Board.

1.3.7 Targets for composition, competency profile and diversity concept for the Supervisory Board

Competency profile

The candidates proposed for election to the Supervisory Board should, on the basis of their knowledge, skills and experience, be able to perform the duties of a Supervisory Board member at an internationally active company. Particular attention is to be paid to the personality, integrity, willingness to perform, and professionalism of the persons proposed for election. The aim is to ensure that the Supervisory Board as a whole has all the knowledge and experience that is considered essential in light of va-Q-tec's activities. This includes, but is not limited to, skills and experience in the areas of healthcare, purchasing, manufacturing, finance, and legal (including compliance). In addition, the Supervisory Board should have knowledge and experience from the business areas important to

va-Q-tec. In particular, the Supervisory Board should also include persons with management experience at a major international company as a consequence of holding an executive position, or as a member of a supervisory board or comparable body.

At least one member of the supervisory board must possess expertise in the accounting area and at least one other member of the supervisory board must have expertise in the auditing area. According to the German Corporate Governance Code, expertise in the accounting area should consist of special knowledge and experience in the application of accounting principles as well as internal control and risk management systems, and expertise in the auditing area should consist of special knowledge and experience in auditing financial statements, whereby accounting and auditing also include sustainability reporting and its audit. The chair of the Audit Committee should have special knowledge and experience in the application of financial accounting principles and internal control procedures, and be familiar with the auditing of financial statements.

Internationality

In light of the company's international orientation, care should be taken to ensure that the Supervisory Board includes a sufficient number of members with many years of international experience.

Diversity

Sufficient diversity should be ensured in the Supervisory Board's composition. In addition to appropriate consideration of women, this also includes diversity in terms of cultural origin, religion and ethnic background, as well as differences in professional backgrounds, experience and ways of thinking. When considering potential candidates for Supervisory Board positions, the aspect of diversity should be given appropriate consideration at an early stage in the selection process.

Independence

According to the German Corporate Governance Code (DCGK), more than half of the shareholder representatives should be independent of the company and the Management Board. A Supervisory Board member is independent of the company and its Management Board if he or she has no personal or business relationship with the company or its Management Board that could constitute a material and not merely temporary conflict of interest. When

assessing the independence of its members from the company and from the Management Board, the shareholder side must, in particular, take into account whether the Supervisory Board member himself or herself, or a close family member of the Supervisory Board member:

- was a member of the company's Management Board in the two years preceding the appointment,
- currently or in the year up to his or her appointment, directly or as a shareholder or in a responsible function of a company outside the Group, maintains or has maintained a material business relationship with the company or a company dependent upon it (e.g. as a customer, supplier, lender or consultant),
- is a close family member of a member of the Management Board or,
- has been a member of the Supervisory Board for more than 12 years.

In the Supervisory Board's opinion, all members of the Supervisory Board are currently independent of the company and its Management Board. Two members of the Supervisory Board act in an advisory capacity for the company. The Supervisory Board is of the opinion that none of these relationships is to be classified as material.

Time availability

Each member of the Supervisory Board must ensure that he or she has sufficient time to perform his or her duties. The statutory restrictions on mandates and the upper limits recommended by the DCGK are taken into account. According to the DCGK, a Supervisory Board member who is not a member of the management board of a listed company should not hold more than a total of five supervisory board mandates at listed companies outside the group, or comparable functions, whereby a supervisory board chair position counts twice. Any person who is a member of the management board of such a company should not hold more than two supervisory board mandates in listed companies outside the group, or comparable functions, and should not chair the supervisory board of a listed company outside the Group. With regard to the exercise of the mandate at va-Q-tec, it must be taken into account that

- at least four, albeit as a rule six, ordinary meetings of the Supervisory Board are held each year, each of which requires appropriate preparation,

- sufficient time must be allowed for the audit of the annual and consolidated financial statement documents,
- depending on membership of one or more of the three Supervisory Board committees currently in existence, additional time is required to attend and adequately prepare for committee meetings; this applies in particular to the Audit Committee,
- additional extraordinary meetings of the Supervisory Board or of a committee may be necessary in order to deal with special issues.

Age limit and length of membership

In compliance with the age limit set by the Supervisory Board in its rules of procedure, the term of office of a Supervisory Board member should generally end at the close of the Annual General Meeting following the Supervisory Board member's 75th birthday.

Implementation of objectives for composition including competency profile and diversity concept; independent members on the Supervisory Board

The Supervisory Board takes into account the objectives for the composition and the requirements set out in the diversity concept as part of the selection process and the nomination of candidates for the Supervisory Board. In its current composition, the Supervisory Board meets the composition targets and fulfils the competency profile and diversity concept. The members of the Supervisory Board have the professional and personal qualifications deemed necessary. In their entirety, they are familiar with the sector in which the company operates and have the knowledge, skills and experience essential to va-Q-tec. A considerable number of Supervisory Board members are internationally active or have many years of international experience. In the 2022 financial year, the Supervisory Board included one female member. The Supervisory Board also includes an appropriate number of independent members. In the Supervisory Board's opinion, all members of the Supervisory Board are currently independent of the company and its Management Board. Due to the fact that the acquisition has not been completed as of today's date, no controlling shareholder exists at present.

Interests held by the Management and Supervisory boards

As of the end of the 2022 financial year, the members of the Management Board, founders and members of the Supervisory Board held the following direct interests in the share capital of va-Q-tec AG:

Shareholder	Number of shares
CEO and founding families	3,464,635
CFO and Supervisory Board	62,960



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2 COMBINED MANAGEMENT REPORT

Combined management report on the position of the company and the Group for the 2022 financial year

As a listed company, va-Q-tec Aktiengesellschaft (va-Q-tec AG) has prepared its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB). The management report of va-Q-tec AG and the Group management report have been combined in accordance with Sections 315 (5) and 298 (2) HGB. Unless otherwise stated, the following information relates equally to va-Q-tec AG and the va-Q-tec Group. The special features of va-Q-tec AG are contained in the section “Notes to the (HGB) financial statements of va-Q-tec Aktiengesellschaft”.

2.1 BASIS OF THE VA-Q-TEC GROUP

2.1.1 Business model, market and strategic orientation

2.1.1.1 Business model and market

va-Q-tec (va-Q-tec AG together with its consolidated subsidiaries referred to as “va-Q-tec” or “the Group”) is a leading global technology provider of highly efficient products and total solutions in the area of vacuum insulation and TempChain logistics. va-Q-tec offers customers from a wide range of industries insulation solutions that enable them to significantly increase their energy efficiency. With the TempChain portfolio, va-Q-tec, through high-performance thermal transport solutions, helps customers achieve temperature stability in the transport, production and storage of temperature-sensitive life science products such as biopharmaceutically produced virus medications in what is currently the largest application area in terms of sales. The Group’s offerings in its Products, Systems, and Services divisions are also deployed in thermal logistics for food, the refrigerator and food industries, technical applications such as boilers and piping, the construction industry, and the mobility sector.

In the **“Products” division**, va-Q-tec develops, produces and sells energy-efficient, thin vacuum insulation panels (“VIPs”) for insulation as well as thermal energy storage components (Phase Change Materials – “PCMs”) for the reliable and energy-efficient storage of thermal energy. VIPs are high-performance insulation panels suitable for space-saving and energy-efficient thermal insulation. These operate on the principle of vacuum as a thermal insulator. PCMs are cold and heat storage materials that absorb and store thermal energy. By using different storage materials such as kerosenes or salt solutions and gels made from them, a wide variety of temperature ranges between -70°C and $+70^{\circ}\text{C}$ can be achieved.

The Group’s **“Systems” division** develops, produces and sells passive thermal packaging, containers and boxes by combining VIPs and PCMs, which can constantly maintain a defined temperature range for up to 200 hours without the supply of external energy.

In order to realize temperature-sensitive logistics chains, the Group operates a fleet of rental containers and boxes in its **“Services” division (Serviced Rental)**, which maintain TempChains securely worldwide. Since 2011 the subsidiary in the UK has been operating a fleet of rental containers produced inhouse, with which temperature-sensitive shipments can be carried out more cost-efficiently and securely compared to actively refrigerated containers. For this purpose va-Q-tec has built up a comprehensive global partner network consisting of airlines, forwarders and service partners, such as Lufthansa, Turkish Cargo and SWISS. Since 2015, va-Q-tec has also been operating a business for thermal shipment boxes the company produces itself. Furthermore, va-Q-tec provides accompanying services in the area of preconditioning, preparation and shipment preparation of thermal packaging systems for well-known customers such as Kühne & Nagel and Swiss Post. Such integrated and rental-based shipment solutions (“TempChain as a service”) from a single source are increasingly in demand from the healthcare industry.

In 2022, the **“Healthcare and Logistics”** target market again accounted for the largest share of revenue by far, at 78 %. Revenues in this target market are generated in the two business units “Systems” and

“Services” “together referred to as” Temperature Controlled Supply. va-Q-tec’s TempChain transport solutions are primarily used as high-performance solutions for secure, reliable and uninterrupted temperature chains for the global healthcare industry. TempChain solutions from va-Q-tec allow the transport and storage of medicines, vaccines, investigational drugs and clinical samples and other pharmaceutical and biotechnological products of all kinds. Food as well as electronic and optical devices can also be transported. For example, TempChain solutions from va-Q-tec are used to transport hepatitis drugs as well as urine and blood samples for doping tests at major international sporting events. Since the beginning of the coronavirus pandemic, transport solutions have been used extensively in the national and international distribution of coronavirus vaccines. Examples for the use of va-Q-tec systems outside the healthcare sector include the transport of sensitive optoelectronic devices, sensitive art objects and archaeological finds. For example, ASML, the world’s largest supplier of lithography systems for the semiconductor industry, is one of va-Q-tec’s largest customers using thermal containers and boxes for international shipments. The most important components of these systems are manufactured with extreme precision and are consequently particularly temperature-sensitive. ASML’s exceedingly complex machines play an important role in the production of modern, high-performance chips.

In the **“Products” division**, customers from the following target markets are addressed with a view to achieving the best possible thermal energy efficiency:

- Appliances and Food, e.g. insulation of refrigeration/freezing equipment and ultra-low freezers
- Technics and Industry, e.g. insulating water boilers, pipelines and laboratory equipment
- Building, e.g. building insulation (façades, roofs, floors)
- Mobility, e.g. insulation in refrigeration trucks, electric cars, trains and aircraft

The largest shares of revenue within the Products division is generated by the Appliances and Food as well as the Technics and Industry markets.

All va-Q-tec products are subject in their application areas to high demands on the performance and

service life of the thermal insulation, usually with very limited installation space. Moreover, va-Q-tec offers consulting services in the thermal insulation area, such as to assign technical devices to higher energy efficiency classes by means of more efficient insulation.

Overall, va-Q-tec believes it is represented in structurally growing markets whose growth will be driven by thermal energy efficiency in the long term.

The Management Board also expects the European “Green Deal” or the pricing of carbon emissions agreed as part of the climate protection programs to lead to an increase in demand for good thermal insulation in various areas.

This opens up further application possibilities for va-Q-tec, especially in the high temperature range. Further recent examples include laboratory equipment, piping systems and boilers.

2.1.1.2 Strategic orientation

Strategic measures to secure and exploit the growth opportunities of va-Q-tec AG in the long term

Following a selection process in the spring of 2022, in the middle of the year va-Q-tec AG engaged financial advisors with the task of identifying the best alternatives to successfully finance and implement va-Q-tec’s growth strategy in the long term. As a consequence, the Management Board came to the conclusion that va-Q-tec’s stock market listing in its current overall constellation fails to provide an effective financing channel. Furthermore, the stock market’s short-term orientation on quarterly results makes certain investments that pay off in the medium to long term, particularly in the area of energy efficiency, difficult to realize. Instead, the financial advisors’ analyses showed that the option of a strategic investment by a major investor with a long-term focus and a subsequent “going private” best met the essential criteria of financial stability while at the same time making the best possible use of the growth potential. As a consequence, in a second step, the financial advisors were commissioned to search for and select a suitable investor. Following the completion of the careful selection process and after weighing all the related advantages and disadvantages, this led in December 2022 to a Business Combination Agreement concerning a voluntary public takeover offer by EQT Private Equity and the terms and conditions of a

strategic partnership with Fahrenheit AcquiCo GmbH (“Bidder”) and its sole shareholder, each controlled by EQT X Fund (hereafter together with the Bidder “EQT Private Equity”).

EQT Private Equity has subsequently announced that it intends, with the support of co-investors Mubadala Investment Company (“Mubadala”) and the Sixth Cinven Fund (“Cinven”), to launch a voluntary public tender offer to the shareholders of va-Q-tec to acquire all of the no-par-value registered shares of va-Q-tec AG against payment of a cash consideration of EUR 26.00 per va-Q-tec share. Under the terms of the merger agreement, va-Q-tec and EQT Private Equity also agreed on the key elements of the transaction and their common understanding regarding the future development of va-Q-tec in the event of a successful completion of the takeover offer.

One of the cornerstones from the perspective of va-Q-tec AG, particularly from the perspective of financial security, is EQT Private Equity’s commitment to subscribe to a cash capital increase from approved share capital equivalent to 10 % of the share capital, without subscription rights and at an offer price of EUR 26.00, immediately after the successful completion of the takeover offer, which would provide va-Q-tec with almost EUR 35 million of additional equity.

In addition, the Combination Agreement provides, among other things, for the combination of parts of va-Q-tec’s service and systems business focused on the pharmaceutical industry with Envirotainer AB (“Envirotainer”), in which EQT Private Equity already holds an indirect majority interest, if the takeover offer is successful. Envirotainer is a provider of active temperature control containers and a global leader in air transport solutions for temperature-sensitive pharmaceuticals, while va-Q-tec is a pioneer and leader in the complementary market segment for passive temperature chains. The merger is intended to combine the two companies’ strengths and create a more diverse and balanced portfolio. At the same time, with strategic and financial support from EQT Private Equity, va-Q-tec’s business in the area of thermal energy efficiency and thermal boxes is to be further developed in the long term within an independent, new company (“va-Q-tec 2.0”) and is to be expanded to include new applications for vacuum insulation technology. The investment by EQT Private

Equity and the planned merger between va-Q-tec and Envirotainer are in accordance with the vision of creating two independent groups of companies, each of which will play a leading international role in its business area.

EQT Private Equity has also entered into a job security commitment to va-Q-tec in relation to the Würzburg headquarters and the Kölleda site as well as a bar on redundancies for a period up until the end of 2024. The Management Board of va-Q-tec will continue the business unchanged and the founding families will continue to hold substantial interests in both companies in order to ensure, together with the Bidder, operational and strategic further development in the spirit of the va-Q-tec founders.

However, as all the intentions described here and below depend on the successful outcome of the takeover offer, which is currently still subject to the antitrust and regulatory reservations described in the offer document, these have not yet been discussed and planned in detail. Accordingly, the financial information in this annual report on the 2022 financial year is reported for the full year in line with our existing corporate structure.

Key points of the takeover offer

In accordance with its announcement on 16 January 2023, the Bidder has made an offer to all shareholders of va-Q-tec to acquire their va-Q-tec shares at a price of EUR 26.00 per share. This represents a premium of 97.9 % in relation to the volume-weighted average price of the va-Q-tec share over the three months up until 9 December 2022, the date on which the ad hoc announcement about the expected near-term completion of the merger agreement was published. A fairness opinion prepared by investment bank ParkView Partners concluded that the offer price is fair from a financial perspective. The founding families of va-Q-tec AG have committed to contribute the majority of the va-Q-tec shares they hold (in total 3,464,635, representing 25.8 % of all va-Q-tec shares) to the Bidder and thereby remain invested in va-Q-tec together with EQT Private Equity. The takeover offer provides for standard market conditions for completion and, in particular, a minimum acceptance rate of 62.5 % of all va-Q-tec shares currently in issue, which also includes the shares held by the founding families, and is subject to the necessary regulatory clearances.

After careful review, the Managing and Supervisory boards of va-Q-tec AG in their reasoned opinion dated 25 January 2023 recommended the acceptance of the voluntary public takeover offer by EQT Private Equity. By the end of the extended acceptance period on 7 March 2023, the shareholders (including the shares of the founding families) have paved the way for the strategic partnership with EQT Private Equity with an acceptance rate of 85.75 % and supported the takeover offer. After completion of the takeover offer, which at present is still subject to antitrust and regulatory conditions described in the offer document, the Bidder intends, among other measures, to seek a delisting of va-Q-tec. On 13 March 2023, va-Q-tec received notification from the German Federal Cartel Office that the Decision-Making Department had initiated the main examination procedure in connection with the public takeover offer of Fahrenheit AcquiCo GmbH published on 16 January 2023.

Short-term effects of the strategic measures on the consolidated and separate financial statements of va-Q-tec AG

For a better understanding of the information in the following sections of the combined management report as well as in the consolidated financial statements and the notes to the consolidated financial statements, reference is made here to the following short-term effects of the strategic measures:

- Although the takeover offer was not published until January 2023 and all the conditions specified in the offer could only be fulfilled in the course of the 2023 financial year, or are still subject to the antitrust and regulatory reservations described in the offer document, in addition to the performance-related costs incurred up to the end of 2022, costs that are dependent on certain events in 2023 and the successful conclusion of the transaction (which have therefore predominantly not yet been incurred in legal terms) must already be recognized in other operating expenses in the 2022 financial year in accordance with IFRS, as a consequence of which the reported earnings for the 2022 financial year and the reported equity as of 31 December 2022 are reduced significantly by kEUR 6,657.
- Furthermore, for the most part, these costs cannot be deferred as equity procurement costs and be offset against the capital increase approved as part of the takeover, although this is a cornerstone of the entire transaction for va-Q-tec and would increase the equity ratio of va-Q-tec AG to well

over 40 % if the takeover is successfully completed.

- If the takeover offer and the capital increase ultimately fail due to conditions for which the Bidder is responsible, the earnings of va-Q-tec AG in 2023 would be approximately kEUR 7,600 better due to the reversal of the performance-related provisions and claims from the merger agreement that are not yet due, which would also restore the equity ratio to over 30 % in accordance with the company's expectations.
- In particular, due to the aforementioned, non-recurring and extraordinary costs (which, from the company's perspective, were mainly incurred in connection with the improvement of financial security and the improvement of the equity ratio), an accounting and formal shortfall arises in relation to the equity ratio of 30 % as of the 31 December 2022 reporting date, which va-Q-tec AG has undertaken to comply with as part of the bond issued in Switzerland and some loan agreements with banks. This gave lead manager of the bond and the other banks the right, but not the obligation, to call the bond or the loans early. As a consequence, va-Q-tec AG asked all affected financial partners to confirm that they waive this right. In response, both lead manager of the bond confirmed that it waives the right to call the bond and convene a creditors' meeting on condition that the capital increase takes place immediately after the closing of the acquisition transaction (which is contractually secured by the merger agreement) and that no new circumstances require a reassessment of the facts, and the other banks declared their waiver of the accounting and formal compliance with the equity ratio as of 31 December 2022.
- Due to the confirmations received from the banks regarding the waiver of calling the bond and the short-term loans, va-Q-tec AG has bank balances plus open credit lines of approximately EUR 28 million as of 31 December 2022 and thereby a comfortable financial position. Taking the current takeover offer into consideration, the alternative scenario and an overall moderate level of debt, the Management and Supervisory boards do not identify any specific reasons that undermine the going concern assumption.

Irrespective of the strategic measures outlined above, the Management Board is of the opinion that the Group is operating in a dynamic, innovation-driven and global market environment. Given the

aforementioned trends in the target markets, va-Q-tec has defined three strategic focus topics in order to exploit potential in the short term and to continue on its growth path in the medium and long term. The aim is to consolidate and expand the company's position as one of the world's leading suppliers of highly efficient products and solutions in the area of thermal insulation and TempChain logistics and to help shape temperature-controlled logistics in the long term. These three strategic focus topics are: **technology leadership, growth and profitability.**

I. Technology leadership

va-Q-tec is focusing on consolidating and further expanding a leading position in the area of thermal insulation and TempChain logistics. va-Q-tec is continuously working on innovative technologies, process innovations and new business models that can change or improve not only temperature chain logistics but also thermal insulation in many industries, such as mobility and technology. va-Q-tec aims to continuously enhance its own innovative capabilities. Advanced VIP grades suitable for higher temperatures above 400 °C, for example, as well as new thermal packaging and novel materials lie at the heart of this approach. In accordance with this objective, the Group invests in personnel, product development and basic research. The strategy also includes selected investments, such as the investment in the materials start-up SUMTEQ GmbH and in ING3D GmbH, which is developing a novel technology for the production of pure mineral lightweight materials, including 3D-printed insulation materials. In addition, va-Q-tec also pursues cooperation with technology partners in externally funded research and development projects, and particularly with the University of Würzburg. The medium-term goal remains to further expand the company's position as a leading technology provider.

II. Revenue growth

va-Q-tec's end markets offer sales opportunities thanks to the wide range of applications for va-Q-tec thermal insulation technology. Accordingly, va-Q-tec's processes, organizational structure and business model are designed for scalability and the consistent leveraging of growth opportunities. The Group is on a clearly defined expansion path with its international presence, maintaining its solid financing base and focus on business relationships with major customers.

va-Q-tec serves high-growth markets that not only offer the company attractive target margins, but also require growth investments. Pharmaceutical and biotech customers are of great significance for va-Q-tec. In the temperature-managed logistics area, the global healthcare industry relies increasingly on va-Q-tec's high-quality passive solutions.

At present, potential healthcare customers still frequently use packaging solutions based on conventional insulation materials, and basic water and ice combinations, for temperature retention. With increasing quality requirements made of the temperature chain (summarized in the pharmaceutical industry by regulatory authorities under the key concept of "Good Distribution Practices"), customers are replacing these simple solutions with high-performance thermal transport solutions. At the same time, va-Q-tec's rental models ("Serviced Rental") are aimed at customers for whom purchasing such packaging solutions is not economically viable. Also for such customers, va-Q-tec offers products with custom-fit rental solutions for high-performance thermal packaging, which is reusable and thereby helps to conserve resources.

In the other target markets of Appliances & Food, Technics & Industry, and Building, the company is also aiming to benefit from the growth opportunities arising from the trend towards energy efficiency, for example. The technology platform, which has evolved over the past years, is to be established in defined target markets.

- In the Appliances (refrigerators) area, va-Q-tec expects further growth in the medium term, as higher regulatory requirements for the energy efficiency classes of refrigerators mean that VIPs will increasingly have to be utilized. VIPs from va-Q-tec, with their insulating performance that can be verified in the manufacturing process of the original equipment manufacturer (OEM), will particularly benefit from this trend, in the Management Board's assessment.
- In addition, growth in VIP product sales is anticipated in the target market of Technics and Industry, such as through having introduced energy efficiency classes for water boilers and piping insulation.

va-Q-tec expects revenues in this focus area to grow to approximately EUR 200 million per year in the medium term by 2026.

III. Profitability

Profitability is indispensable in order to secure the company's long-term success and performance, as well as its competitiveness. Operating EBITDA profitability forms the third pillar of the corporate strategy and represents a significant corporate steering metric. In view of very high development, set-up and other start-up costs, this objective is of particular importance.

Various measures in the area of operational excellence and production optimization are being continuously advanced to deliver profitable growth. The Management Board's cost-cutting initiatives primarily concern measures to continuously optimize and harmonize quality, sales processes, organization, resource consumption and purchasing, and IT systems throughout the Group. Economies of scale go hand in hand with the expansion of the Group's business activities and corresponding revenue growth: the purchasing conditions at which the Group can procure input products and services from third parties improve significantly as the volume of business and thereby the purchasing volume increase. The costs of supporting Group functions such as personnel, marketing, accounting and controlling are growing at a much slower rate than the rate of revenue growth. In order to improve its profitability, the company is developing its value chain further – towards downstream stages. These downstream stages include the manufacture and distribution of thermal boxes and containers, and business models such as the rental of thermal boxes and containers (Serviced Rental). Through the operational and strategic measures described above va-Q-tec aims to further expand the EBITDA margin by 2026 and expects an improvement to a range between 20 % and 25 %

Group structure, employees, investments and steering

In the 2022 reporting period, three new subsidiaries were established in China, France and Austria. A total of 13 companies thereby formed the va-Q-tec Group as of the end of the reporting period, comprising the German parent company and twelve foreign subsidiaries. The Group's three reporting segments are derived from these 13 companies – the German reporting segment (va-Q-tec AG), the UK reporting

segment (va-Q-tec Ltd., United Kingdom) and the Other reporting segment, consisting of va-Q-tec Ltd. (South Korea), va-Q-tec Inc. (USA), va-Q-tec Switzerland AG (Switzerland), va-Q-tec Japan G.K. (Japan), va-Q-tec Uruguay S.A. (Uruguay), va-Q-tec SG Pte. Ltd. (Singapore), Va-Q-tec INDIA PRIVATE LIMITED (India), Va-Q-tec DO BRASIL PARTICIPAÇÕES LTDA. (Brazil), va-Q-tec Shanghai Ltd. (China), va-Q-tec Austria GmbH (Austria) and va-Q-tec France S.a.r.l. (France).

The parent company va-Q-tec AG wholly owned all twelve foreign subsidiaries as of 31 December 2022.

In the German reporting segment (va-Q-tec AG), all three divisions (Products, Systems and Services) are covered. The "Services" division has been responsible for the rental box business in the German reporting segment since 2016.

The UK reporting segment with va-Q-tec Ltd. (UK) primarily comprises the "Services" division with its focus on the rental business of (returnable) containers and boxes.

The "Other" reporting segment mainly comprises the business activities of the remaining foreign subsidiaries attributable to the Systems and Services divisions. The South Korean subsidiary is responsible both for the procurement of raw materials and input materials for the Group and for the sale of va-Q-tec products in its domestic market. In addition to sales activities, the subsidiary in the USA is primarily engaged in business development in North America. The company continued to realize significant investments in the hiring of personnel and business development at the US subsidiary. va-Q-tec Switzerland AG renders services (conditioning and cleaning of rental boxes, "fulfillment services") for Swiss Post and other customers in the cold-chain logistics area. Through its fleet of thermal boxes, Swiss Post makes recourse to the technology and process experience of va-Q-tec in Germany. As a sales company, the subsidiary in Japan pursues the objective of enhancing the perception of va-Q-tec as a locally rooted provider in the world's third-largest economy, and of distributing va-Q-tec products and services there. With the subsidiaries in Uruguay, Singapore, Brazil and India, the aim is to further intensify sales presence in Latin America, Singapore and Southeast Asia and on the Indian subcontinent.

The companies in India and Brazil will commence operations in the 2023 financial year.

Group steering

To manage the three reporting segments, the management monitors these areas individually and across the Group based on detailed and regular reports. The management steers the allocation of resources based on this information and institutes countermeasures where performance falls short of target. A streamlined Group structure ensures the Group management can effectively control and coordinate the subsidiaries' important business decisions.

Key performance indicators used by management for the management of the Group are revenues, earnings before interest, tax, depreciation and amortization (EBITDA), as well as the equity ratio. Compared with the previous year, the steering system at va-Q-tec AG has not changed. The Group's specific steering metrics are presented in greater detail below.

Revenue growth represents the basic indicator of business growth and the attractiveness of the Group's products, systems and services. Viewed at the level of the reporting segments and geographic distribution, revenue also serves as an indicator of the success and performance of the Group's business activities.

EBITDA serves as the metric for profitability. To this is then added as a subsidiary measure the EBITDA margin measured in relation to total income as a benchmark for the Group's operative performance and profitability. As a fast-growing technology company, va-Q-tec invests significant proportions of its financial resources in machinery, plant and its fleet of containers and boxes for rental services. A high level of depreciation during the phase of establishing infrastructure and fleet distorts the actual picture of financial performance. For this reason, EBITDA, as an earnings figure before depreciation presents a more meaningful metric of the company's profitability.

The equity ratio provides information about the strength of the va-Q-tec Group's balance sheet, its capacity to withstand crises, its creditworthiness and its credit risk. In the medium term, the Management Board considers a target value for the Group's equity ratio in a range between 35 % and 40 % to represent a balanced relationship between debt and equity, and thereby between the risk of equity providers and creditors.

In the area of non-financial performance indicators, the number of employees serves as an indicator and central steering metric of the growth in the Group's operating activities.

The following overview shows the changes in the relevant performance indicators.

kEUR unless stated otherwise	2022	2021 adjusted*	22/21
Revenues	111,833	104,06	+7 %
EBITDA (IFRS)	7,736	17,794	-57 %
EBITDA margin (IFRS)	6 %	15 %	-9 pp
Equity ratio	27 %	34 %	-7 pp
Year-average number of employees	616	591	+25

* The prior-year figures in the table include adjustments in accordance with IAS 8. With regard to these adjustments, please refer to the detailed explanations in section 6.3 in the notes to the financial statements.

The number of employees, including members of the Management Board, managing directors, trainees and interns, amounts to 649 (previous year: 625).

By contrast, adjusted for the transaction costs of kEUR 6,657 booked in connection with the current takeover offer until 31 December 2022, as well as tax arrears payments of kEUR 1,299 (previous year: customs and tax arrears payments of kEUR 2,395), the relevant performance indicators changed as follows:

kEUR unless stated otherwise	2022	2021 adjusted*	22/21
Revenues	111,833	104,063	+7 %
EBITDA (IFRS)	15,692	20,189	-22 %
EBITDA margin (IFRS)	13 %	15 %	-2 pp
Equity ratio	34 %	36 %	-2 pp
Year-average number of employees	616	591	+25

* The prior-year figures in the table include adjustments in accordance with IAS 8. With regard to these adjustments, please refer to the detailed explanations in section 6.3 in the notes to the financial statements.

A detailed analysis of the key figures can be found in the section “Financial position and performance”.

2.1.2 Research and development

The focus of va-Q-tec’s business model is on developing and marketing a world-leading technology portfolio in energy-efficient and space-saving VIPs, high-performance PCMs, and thermal packaging systems. The research and development area is of strategic importance to secure and further extend the company’s technology leadership in the thermal insulation areas. Group research at va-Q-tec operates across the whole company, developing technologies for future-viable products and solutions for the Group companies.

va-Q-tec conducts internal and external research and development (R&D) projects with partner companies and institutes. Not only do such projects serve basic research on VIPs, but they also address the requirements of the five target sectors defined by va-Q-tec, which require excellent thermal insulation and thermal energy storage.

As a spin-off from a university – the Bavarian Centre for Applied Energy Research (ZAE Bayern) – va-Q-tec maintains alliances with international associations, research institutions, universities and colleges, such as the University of Würzburg. Internally, the company has established its own R&D organization with extensive capacities for basic research and, in particular, application-oriented research.

In 2022, va-Q-tec conducted ongoing application-oriented basic research, for example in the application of VIPs in completely new temperature ranges. While conventional VIPs are typically used in the temperature range from -70 °C to $+70\text{ °C}$, va-Q-tec is working on extending this temperature range by optimally combining different covering materials and core materials, so that, for example, temperature classes from 80 °C to 180 °C or even in excess of 400 °C can be insulated with VIPs.

The partnership with Cologne-based start-up SUMTEQ, in which va-Q-tec holds an interest, is of strategic importance in the area of basic research in relation to VIP core materials. The joint target of va-Q-tec and SUMTEQ is the pilot testing and market launch of SUMTEQ’s submicroporous foams as a further high-performance insulation material. This

strategic partnership offers both companies the opportunity to contribute their respective specialist and technical research and development expertise, and thereby generate added value for customers.

The interest in ING3D GmbH is also of strategic importance for va-Q-tec in the application-oriented research area. With the 3D printing technology developed by ING3D, it is possible to manufacture very light, non-combustible and almost freely shapable lightweight materials. The Mineral Direct Laser Sintering (MDLS) process, for which ING3D has filed a patent application and which is the first purely mineral/ceramic printing process worldwide, opens up completely new possibilities in material production: the ceramic raw material used can be processed into ecologically compatible and at the same time cost-effective molded parts. This is achieved without the previously necessary plastic content in the starting material, and results in pure and ecologically compatible, lightweight objects. The end products can be deployed multifunctionally, thereby offering advantages in terms of acoustic and thermal insulation as well as fire protection, especially in small spaces. These properties and the combination with va-Q-tec’s VIP insulation technology consequently also enable new approaches in the construction and automotive industries.

The past years’ successful R&D activities have created a portfolio of patents which is reflected in our leading technology platform.

The worldwide unique va-Q-check® quality control system enables the insulation of VIPs to be controlled before use, or boxes and containers to be approved for reuse through measuring internal gas pressure. va-Q-tec VIPs are thereby the only heat insulation worldwide whose performance and efficacy can be measured, documented and controlled at the place of use. This creates confidence in VIP technology and enables va-Q-tec to meet the high quality requirements of our demanding clientele. For example, the temperature requirements for TempChain transports can be met securely and demonstrably.

The patented va-Q-pro is a largely freely formable, powder-filled VIP, from which holes and sections can be cut on the production side and which can be manufactured in three-dimensional geometry. Thanks to these properties and flexible design latitudes, va-Q-pro can be used in a wide variety of applications,

for example in the insulation of batteries in electric vehicles or in the insulation of aircraft areas, such as the galley.

In the year under review, va-Q-tec worked mainly on expanding and improving its existing product portfolio:

In 2022, the VIP “va-Q-steel” was awarded the “Product of the Year 2022” prize by industry magazine “Technical Insulation” (“Technische Isolierung”). The award is presented by an independent jury of experts and an online vote, and recognizes particularly innovative products in the insulation industry. va-Q-steel is a highly efficient insulating material that provides up to ten times better insulating performance than conventional materials at extremely high or extremely low temperatures (−196 °C to +400 °C). For example, the energy efficiency of industrial furnaces, energy storage systems, energy-intensive industrial processes, heating burners, laboratory equipment and construction applications can be significantly boosted. With va-Q-steel, va-Q-tec opens up a new application area for the use of VIPs, which previously could not be used for technical reasons.

With the “va-Q-shell pipe” insulation system, which went into series production in 2021 and was continuously developed in 2022, pipelines can be thermally insulated in a cost-efficient, secure and environmentally compatible manner. This enhances energy efficiency, such as in industrial plants, building installations as well as local and district heating networks. va-Q-shell pipe is suitable for insulating pipes that are not insulated in the factory, as well as for retrofitting. Thanks to its material properties, it thereby improves energy efficiency by up to 60 % despite reducing the insulation thickness by up to 50 %. With va-Q-shell pipe, va-Q-tec has successfully expanded its product portfolio for increasing the energy efficiency of industrial plants, building installations as well as local and district heating networks. In addition to the already established VIP half-shell insulation “va-Q-shell”, the boiler insulation system va-Q-patch was further developed during the reporting period. This is a laminated VIP completely encased in a robust polyethylene (PE) foam around 2 mm thick. This serves as a protective layer against mechanical stress as well as unwanted moisture. If required, the PE layers contain self-adhesive films for easy installation. The optional groove embossing of the VIP offers maximum flexibility, so that va-Q-

patch can be easily and quickly installed into the existing insulation of boilers as well as industrial tanks and systems. This greatly improves energy efficiency in a manner that is cost-effective, quick and easy, including in older plants. For new storage tanks, va-Q-patch can achieve the energy efficiency label in the highest class A or A+.

va-Q-tec introduced the newly developed “va-Q-lite” thermal box in 2022, produced from natural and bio-based components. Local sourcing of components is dependent on available natural resources, resulting in a small carbon footprint for the product. The use of gelled phase change material allows specific and consistent temperature ranges and thereby high product security. “va-Q-lite” has qualified performance according to the ISTA 7E summer and winter profile of 48 hours and more.

With the new “va-Q-one 300P” transport box, va-Q-tec introduced a temperature-controlled transport solution in Euro pallet size in 2022. The solution offers a lot of usable volume combined with low weight and keeps the temperature constant for more than 100 hours. The box is particularly suitable for intercontinental shipments to regions without return transport options. With the va-Q-one 300P, va-Q-tec expands its va-Q-one portfolio of thermal transport solutions. With six size variants now available to choose from, many customer requirements can be met. The high-performance insulation in the va-Q-one 300P allows maximum internal volume on the limited size of the Euro pallet while maintaining optimum temperature retention. In the three temperature ranges offered, 15 to 25 °C, 2 to 8 °C and −15 to −25 °C, the temperature can be kept stable for at least 100 hours, and up to 200 hours in moderate outdoor conditions. Thanks to this stable performance even under extreme conditions, the solution is especially optimized for international shipping. The va-Q-one 300P is also suitable for domestic transport in large countries with less developed infrastructure.

With two product innovations in the low-temperature range, va-Q-tec now offers an even more comprehensive portfolio of temperature-controlled transport solutions for pharmaceutical and biotech companies.

va-Q-tec is expanding its range of low-temperature and cryogenic transport solutions with the new

transport boxes va-Q-proof for -70°C transports and va-Q-genic for -150°C transports. The company is thereby one of the few suppliers on the market to offer transport solutions for a comprehensive temperature portfolio from -196°C to 25°C . In the case of va-Q-proof for -70°C transports, by using vacuum insulation panels the amount of dry ice required has been reduced compared to the solutions currently predominantly used on the market.

With the stackable “va-Q-tray” thermal packaging system, food can be transported in such a way that it remains warm, cold or frozen for several days. The temperature holding time can optionally be extended by PCMs. Thanks to its smooth surface, the va-Q-tray is also easy to clean, which has hygienic advantages. In the bakery industry, the va-Q-tray is primarily used for the efficient delivery of bakery branches and thereby serves as an alternative to energy- and cost-intensive refrigerated vehicles. This enables low-emission and cost-effective store delivery. va-Q-tec won the “Südback Trend Award 2022” in the “Technology” category with the va-Q-tray, beating around 60 other products.

In order to control logistic processes, va-Q-tec is developing state-of-the-art software and simulation solutions under the key concept of “TempChain 4.0”. Resources in the IT area were further strengthened to this end in 2022. va-Q-tec is thereby making the TempChain smart, as it can be optimally controlled in combination with va-Q-tec thermal packaging. For example, the newly developed va-Q-nection service solution supports customers in the secure and regulatory-compliant monitoring of the TempChain during shipment. This innovation enables the temperature inside the thermal boxes to be traced in an uncomplicated and secure manner. The va-Q-nection app and TempChain service software enable the recipient to read the temperature report with a mobile device, regardless of location, without having to access the shipment and interrupt the TempChain by opening the shipment packaging.

The technology platform is secured through more than 200 industrial property rights and filings for industrial property rights. These relate mainly to efficient manufacturing methods for powder-filled VIPs as well as the va-Q-check® quality control system, a sensor technology to measure vacuums in VIPs. A total of 17 industrial property rights were filed, including 14 patents and three utility model designs.

The company made further investments in its research and development area in the year under review. Expenditure for this area amounted to kEUR 4,528, above the previous year's level (kEUR 3,653). Research and development costs of kEUR 398 in total (previous year: kEUR 358) were capitalized in the reporting period.

2.2 BUSINESS REPORT

2.2.1 Macroeconomic environment and Group-specific conditions

As part of the growth forecast revision in January 2023, the International Monetary Fund (IMF) estimates that global GDP expanded by 3.4 % in 2022.¹ Major restraining factors for economic growth in 2022 were the Russia-Ukraine war with the resultant uncertainties and risks relating to energy supplies, especially in Germany and Europe, and recurring disruptions in global supply chains at the beginning of the year due to China's strict zero-Covid policy, which also contributed to significant price increases for raw materials and many products. In turn, these developments led to very suddenly and rapidly rising inflation rates worldwide and, in response, to a more restrictive interest rate policy pursued by many central banks. This contrasted with a general economic recovery following the removal of coronavirus restrictions in most countries worldwide.

For va-Q-tec AG, the effects were felt primarily in the increases in the cost of materials for components of boxes and containers, which suppliers almost universally justified with high energy costs, as well as all the other negative aspects of high inflation, such as higher interest rates on variable-interest loans, personnel costs, etc.

For 2023, the IMF forecasts global economic growth of 2.9 %. The main risks here continue to comprise persistent geopolitical uncertainties and high inflationary pressure.

Key revenue drivers for the va-Q-tec Group include the two target markets of Healthcare and Logistics as well as Appliances and Food, which together account for 88 % of Group revenue.

¹ <https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023>

The market for temperature-controlled packaging systems in the pharmaceutical sector in particular, is characterized by sustainable trends worldwide. Many life sciences products require temperature controlled storage and distribution. Among pharmaceuticals, the largest categories are vaccines, insulin, and biotech drugs made from living organisms, including various cancer drugs. The market for temperature-sensitive drugs has grown steadily in recent years and is estimated to have been worth around USD 416 billion in 2022, according to industry association Pharmaceutical Commerce. Of the 100 top-selling drugs in the world, around 70 are temperature-sensitive. Regulation of transport chains is increasing and drugs are being developed and produced in a relatively decentralized manner globally. Market research agency Market Research Future is confident about the growth of this market in the coming years: in the period from 2020 to 2027, Market Research Future expects an average annual growth rate of 9.5%, with va-Q-tec assuming that the subsegment of the market relevant to va-Q-tec (high-performance packaging systems) will grow at a faster rate. More stringent regulatory requirements made of TempChain logistics (according to “Good Distribution Practice”)

are making ever more efficient packaging systems necessary for pharmaceutical industry customers. At the same time, demands made of pharmaceutical manufacturers with regard to sustainability and waste avoidance are also rising, which puts reusable rental solutions, such as from va-Q-tec, in a particularly favorable position in the area of thermal boxes and containers.

Growth potentials in the target market Healthcare and Logistics derive from the increasing globalization of clinical research and pharmaceutical production. Public perception of this future market has changed at the latest since the outbreak of coronavirus: novel mRNA vaccines offer a way out of the global pandemic and, in the future, promising approaches to cancer immunotherapies or other diseases such as multiple sclerosis. The company expects demand for suitable high-performance transport solutions for both large-volume international shipments and the distribution of smaller volumes over the last mile to continue and grow further. Not least during the vaccination campaign in the course of the coronavirus pandemic, va-Q-tec technology has underlined that it can be of high importance for secure TempChains worldwide. Food



logistics also represents an interesting growth area due to increasing regulatory and quality requirements.

va-Q-tec is convinced that it can outpace the rate of market growth with its offerings in the TempChain area, in other words, system solutions in sales as well as rental solutions (Serviced Rental of thermal packaging systems). Especially with groundbreaking rental solutions, va-Q-tec aims to enter markets that only conventional thermal packaging systems have served to date. At the same time, resources can be saved and packaging waste can be avoided via the reusable solution.

The second most important customers after Healthcare are those in the Technics and Industry sector, accounting for a 9 % share of revenues. According to an estimate by ResearchAndMarkets, the market for vacuum insulation panels will expand by 5.5 % per year on average between 2021 and 2026.

Overall, va-Q-tec addresses structural growth markets with its products business and its VIPs. In Germany, approximately 60 % of primary energy is harnessed for thermal purposes – refrigeration or heating in other words – according to the Working Group on Energy Balances (AGEB). Since the foundation of va-Q-tec over twenty years ago, an important goal has been to deploy the company's products in order to make the worldwide consumption of energy for thermal purposes as efficient as possible, and to reduce greenhouse gas emissions. This is leading to very interesting business opportunities for va-Q-tec products in the thermal energy efficiency area.

2.2.2 Business trends

In order to be able to leverage the potential worldwide, va-Q-tec continued its international expansion in 2022 and launched business operations in China, India and Brazil with three new subsidiaries. The newly founded subsidiary in China in 2022 will offer the rental and sale of thermal boxes and containers as well as services from Shanghai. The expansion of the subsidiary in India, which was already established in 2021, is the logical response to the strong growth of the pharmaceutical industry based there. With the subsidiary at the new location in São Paulo, Brazil, and in Paris, va-Q-tec optimizes the availability of TempChain solutions in Latin America and Europe and now has a network of twelve subsidiaries worldwide.

With a major order from the food industry in the TempChain area va-Q-tec successfully expanded target markets for boxes and containers in 2022: Since January 2022, large-scale bakery "Hofpfisterei München" has been using several thousand units of the va-Q-tray passive thermal boxes. With the va-Q-tray, temperature-sensitive foods can be transported and stored securely and at a constant temperature for several hours without external energy supply. The va-Q-tray also helps to enhance Hofpfisterei's sustainability: by using the passive solution, the company can dispense with the very energy- and maintenance-intensive operation of freezer cabinets in its stores. This saves approximately 320 kWh per day. In addition to these energy savings, the volume of packaging waste generated can also be reduced significantly: according to Hofpfisterei, switching to the va-Q-tray reusable solution will save around 50 tonnes of packaging waste per year, mainly polyethylene film and cardboard packaging.

va-Q-tec vacuum insulation panels offer advantages in particular wherever secure and highly efficient insulation solutions are required in the tightest of spaces. Accordingly, va-Q-tec is not only appreciated as a reliable partner in the healthcare & logistics area but also in numerous other areas such as technology and industry (e.g. insulation of pipelines), in the construction industry (building insulation) as well as in the area of mobility (e.g. high-tech insulation of electric vehicles). In the first quarter of 2022, for example, the innovative VIP va-Q-steel was awarded the "Product of the Year 2022" prize by leading industry magazine "Technische Isolierung" ("Technical Insulation"). The award is presented by an independent jury of experts and an online vote, and recognizes particularly innovative products in the insulation industry. va-Q-steel is a highly efficient insulating material that provides up to ten times better insulating performance than conventional materials at extremely high or extremely low temperatures (-196 °C to 400 °C). For example, the energy efficiency of industrial furnaces, energy storage systems, energy-intensive industrial processes, heating burners, laboratory equipment and construction applications can be significantly boosted. With va-Q-steel, va-Q-tec opens up a completely new area of application for the use of VIPs, which previously could not be used for technical reasons. The award underscores the company's expertise in the high-tech insulation area and highlights the importance of

high-performance insulation, also and especially in industrial applications.

Overall, the revenue trend in the 2022 financial year was mixed, with a challenging macroeconomic environment and a year-on-year comparison very much influenced by vaccine shipments. With an 7% increase in revenues, the company grew in the high single-digit percentage range, but otherwise fell short of expectations. The coronavirus business accounted for 16% of revenues in 2022, up from 23% in 2021.

Products division (sale of vacuum insulation panels and phase change materials)

In the Products division (sales of vacuum insulation panels and phase change materials), revenues increased slightly to kEUR 22,297 compared with the strong prior-year base (previous year: kEUR 22,032). Business was encouraging in the Technics and Industry segment. Business with the innovative insulation solution “va-Q-shell pipe”, which was developed together with Finnish partner Uponor, should be highlighted as an example. va-Q-shell pipe significantly enhances the energy efficiency of pipelines, such as in industrial plants, building installations, and local and district heating. va-Q-shell pipe is suitable for the thermal insulation of factory-uninsulated pipes as well as for retrofitting. Thanks to the material properties, the insulation solution improves energy efficiency by up to 60% while reducing insulation thickness by up to 50%. From va-Q-tec’s point of view, this makes the product a particularly good fit at a time when energy prices are rising sharply and efforts to save energy are becoming increasingly urgent.

Overall, revenues in this area were very slightly above the previous year’s level and in line with the Management Board’s expectations.

Systems division (sale of thermal packaging systems)

In the Systems division (thermal packaging), revenues decreased by 4% to kEUR 35,046 compared to the previous year with its very strong comparative basis of kEUR 36,379. The previous year’s figure in this division was very significantly influenced by the va-Q-pal SI business for coronavirus vaccines. This special economic situation could not be fully offset by regular business.

Services division (Serviced Rental of thermal packaging systems)

va-Q-tec’s Services division, which comprises the container and box rental business for the transport of temperature-sensitive goods, mainly from the pharmaceutical and biotech sectors, recorded a year-on-year increase of 18% in 2022 to kEUR 8,000 (previous year: kEUR 44,090). Overall, va-Q-tec benefited from a broadening of its customer base, particularly in the area of airfreight thermal containers, as well as a strong increase in the number of rentals of small thermal boxes for transports “on the last mile”. These last-mile shipments had experienced significant revenue reductions in previous quarters due to the reduced number of clinical trials in the wake of the coronavirus crisis.

After va-Q-tec had agreed in principle on the large-volume, international distribution of its vaccines with one of the world’s largest vaccine manufacturers in a heads of terms agreement in November 2020, a contract for the multi-year provision of high-tech transport containers for several thousand pallet deliveries per year was signed in January 2021 and completed in 2022. Overall, vaccine distribution accounted for 16% of Group revenues in the 2022 financial year, compared with 23% in the 2021 financial year. va-Q-tec continued to participate in vaccine logistics, although expectations for the full year were originally much higher and were only partially offset by regular business.

2.2.3 Group business results and analysis of the financial position and performance

Results of operation

in kEUR unless stated otherwise	2022	2021 adjusted*	Δ 21/22
Revenues	111,833	104,063	+7%
Total income	122,803	122,531	0%
Cost of materials and services	-46,701	-50,482	-7%
Gross profit	76,102	72,049	+6%
Personnel expenses	-37,587	-33,191	+13%
Other operating expenses**	-30,779	-21,064	+46%
EBITDA	7,736	17,794	-57%
EBITDA margin on total income	6%	15%	-
EBITDA margin on revenues	7%	18%	-
Depreciation, amortization and impairment losses	-15,000	-13,655	+10%
EBIT	-7,264	4,139	-276%
Result from fair value measurement of Qparticipating interests	530	-	-
Net financial result	-2,602	-2,246	-16%
EBT	-9,336	1,893	-593%

* The prior-year figures in the table include adjustments in accordance with IAS 8. With regard to these adjustments, please refer to the detailed explanations in section 6.3 in the notes to the financial statements.

** Certain cost items in other operating expenses in 2022 are not attributable to operating activities. These are non-recurring costs in connection with the public takeover offer by EQT Private Equity in the amount of kEUR 6,657 and tax arrears in various countries in the amount of kEUR 1,299 deferred in 2022 (previous year: kEUR 2,069 of tax arrears included on other operating expenses and kEUR 326 of customs duties arrears included in the cost of materials) (see also "Adjusted earnings" below).

The prior-year figures in the following remarks concerning the results of operations include adjustments in accordance with IAS 8. With regard to these adjustments, please refer to the detailed explanations in section 6.3 in the notes to the financial statements.

Overall new order intake in the 2022 financial year was above the previous year's level. Given this, va-Q-tec grew its revenues by 7% to kEUR 111,833 in the 2022 financial year. Revenue growth was driven mainly by the "Services" division, while the "Systems" division was unable to match the previous year's very high level, which resulted from the boom relating to coronavirus.

In January 2023, the Management Board announced that the revenue and earnings guidance for 2022 financial year would likely not be met. Revenues from transport solutions for coronavirus vaccines were

clearly below the Management Board's expectations, especially in the last quarter of 2022. By contrast, the non-coronavirus business continued to grow dynamically, but was unable to offset the reduction in coronavirus business overall in the short term.

The German reporting segment (va-Q-tec AG) contributed kEUR 74,72,278 of revenues (previous year: kEUR 75,269), the UK reporting segment (va-Q-tec UK) kEUR 45,107 (previous year: kEUR 37,597), and the Other reporting segment kEUR 22,651,493 (previous year: kEUR 20,973).

In the 2022 financial year, revenues generated with Products (sale of vacuum insulation panels) were up by kEUR 22,032, from kEUR 265 to kEUR 22,297 (+1%). In the Systems division (sale of thermal packaging), revenue decreased year-on-year by kEUR 1,333, from

kEUR 36,379 to kEUR 35,046 (-4 %). The Group generated revenues of kEUR 52,090 with Services (Serviced Rental of thermal packaging), compared with kEUR 44,090 in the previous financial year (kEUR +8,000; +18 %).

Total income rate than the rate of revenue growth increased only minimally by kEUR 272 to kEUR 122,803 in the reporting period (previous year: kEUR 122,531). In addition to the negative value from changes in inventories in 2022 due to the reduction in finished goods in contrast to the previous year, this was mainly due to the significant reduction in own work capitalized in the amount of kEUR 5,725 (previous year: kEUR 11,328). In the reporting period, the expansion of the container and box fleets produced inhouse was reduced as planned due to the very dynamic accumulation in the two previous years. Other operating income of kEUR 5,666 (previous year: kEUR 4,294) resulted mainly from currency gains and the reversal of the special item from container sale-and-leaseback transactions. Until the end of 2018, this special item on the liabilities side arose from the sale of self-manufactured containers by the parent company va-Q-tec AG or va-Q-tec Ltd. (UK) to leasing companies and subsequent finance leaseback by the UK subsidiary, and is reversed over a period of five years (for further explanations, please refer to the section "Sale-and-finance-leaseback transactions" in the notes to the consolidated financial statements).

The cost of materials and purchased services decreased by 7% from kEUR 50,482 in the previous year to kEUR 46,701. The decrease is mainly due to lower revenues in the Systems business as well as inventory reductions and a lower level of own work capitalized. By contrast, the cost of purchased services increased due to growth in the "Serviced Rental business. Overall, the ratio of cost of materials and purchased services to total revenues decreased by three percentage points from 41 % in 2021 to 38 % in the reporting period. In parallel, the gross profit ratio improved to 62 % in 2022 (previous year: 59 %).

Personnel expenses in 2022 were up by kEUR 4,396 compared with the prior year, rising from kEUR 33,082,191 to kEUR 37,587 (+13 %). Measured in terms of total income, this corresponds to a ratio of 31 % (previous year: 27 %). In addition to usual wage and salary increases, the rise in absolute terms mainly reflects the year-on-year increase in the average

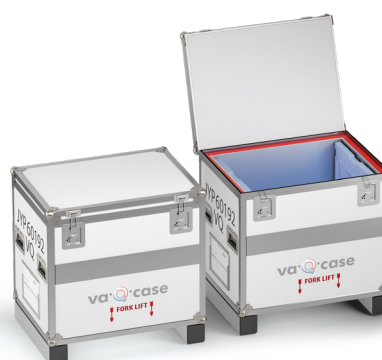
number of employees by 25 individuals, especially due to the international expansion with nine subsidiaries.

Other operating expenses increased by kEUR 9,715, from kEUR 21,064 in the prior-year period to kEUR 30,779 in 2022 (+46 %). In addition to the non-recurring transaction costs, the main factors were the continued increase in freight costs and the renewed increase in marketing and sales activities compared with the previous year, as well as foreign exchange losses in the fourth quarter. Measured against total income, this results in a year-on-year significantly higher other operating expense ratio of 25 % (previous year: 17 %).

Overall, earnings before interest, tax, depreciation and amortization (EBITDA) decreased by kEUR 10,058, from kEUR 17,794 to kEUR 7,736 (-57 %). This corresponds to an EBITDA margin of 6 % in 2022 compared with 15 % in 2021, based on total income. In terms of revenues, it represents a deterioration from 17 % in 2021 to 7 % in 2022. Due to the non-recurring costs of kEUR 6,657 in connection with the public takeover offer by EQT Private Equity (see also "Adjusted earnings" below), as well as extraordinary payments of tax arrears of kEUR 1,299, the EBITDA margin fell significantly short of the guidance.

Depreciation and amortization decreased moderately by 10 % year-on-year from kEUR 13,655 to kEUR 15,000 in line with the significant year-on-year reduction in investing activities.

The operating result (EBIT) in 2022 amounted to kEUR -7,264. Compared with the previous financial year, this represents a significant deterioration in EBIT of kEUR -11,403 (previous year: kEUR 4,139) due to the reasons explained above as well as in the "Adjusted earnings" section below.



The fair value measurement of participating interests led to income of kEUR 530 (previous year: EUR 0).

The net financial result amounted to kEUR –2,602 after kEUR –2,246 in the previous year, reflecting the slight increase in the utilization of borrowings and the higher interest rate level in 2022.

For the 2022 financial year, earnings before tax (EBT) reported a strong decrease to kEUR –9,336 compared with the previous financial year (kEUR 1,893) and turned significantly negative for the aforementioned reasons, as did earnings after tax of kEUR –11,664, compared with kEUR 1,408 in the previous year.

Adjusted earnings Results of operation

kEUR	2022	2021 adjusted*	Δ 21/22
Revenues	111,833	104,063	+7 %
Total income	122,803	122,531	+0 %
Cost of materials and services	–46,701	–50,156	–7%
Gross profit	76,102	72,375	+5 %
Personnel expenses	–37,587	–33,191	+13 %
Other operating expenses	–22,823	–18,995	+20 %
EBITDA	15,692	20,189	–22 %
Equity ratio EBITDA margin on total income	13 %	16 %	–7 pp
EBITDA margin on revenue	14 %	19 %	–
Depreciation, amortisation and impairment losses	–15,000	–13,655	+10 %
EBIT	692	6,534	–89 %
Result from fair value measurement of participating interests	530	–	–
Net financial result	–2,602	–2,246	+16 %
EBT	–1,380	4,288	–132 %

* The prior-year figures in the table include adjustments in accordance with IAS 8. With regard to these adjustments, please refer to the detailed explanations in section 6.3 in the notes to the financial statements.

Significant cost items in other operating expenses are not attributable to operating activities. Firstly, in 2022 these are non-recurring costs of kEUR 6,657 in connection with the public takeover offer by EQT Private Equity, combined with the capital increase of approximately EUR 34.9 million to be realized on a binding basis immediately after the closing of the transaction, which is intended to strengthen the financial strength and capital structure as well as to secure the growth potential of va-Q-tec AG. Secondly, this relates to tax and customs arrears payments of kEUR 1,299 (previous year: kEUR 2,395) accrued in 2022 in various countries. With regard to these adjustments, please refer to the detailed explanations in section 6.3 in the notes to the financial statements. After careful analysis and consideration, we have

decided to adjust the results of operations for these cost items in the above table and the following explanations in order to improve the comparability of operating costs with the previous year.

Adjusted for the above amount, other operating expenses would have grown by kEUR 3,828, from kEUR 18,995 in the previous year to kEUR 22,823 (+20 %). Measured against total income, this results in an other operating expenses ratio of 19 %, up one percentage point on the previous year (previous year: 16 %). The main negative factors were the continued increase in freight costs and the renewed increase in marketing and sales activities compared with the previous year, as well as foreign exchange losses in the fourth quarter.

Adjusted for the non-recurring not attributable to the operating business, EBITDA would have decreased by kEUR 4,497, from kEUR 20,189 in the previous year to kEUR 15,692 (–22 %). This would correspond to an adjusted EBITDA margin of 13 % in 2022 (2021: 16 %), in relation to total income. In terms of revenues, it would represent a ratio of 14 % in 2022 (2021: 19 %).

Adjusted for the non-recurring expenses not attributable to the operating business, EBIT would have changed by kEUR –5,842, from kEUR 6,534 in the previous year to kEUR +692.

Adjusted for the non-recurring expenses not attributable to the operating business, EBT amounted to kEUR –1,380, compared with kEUR 4.288 in the previous financial year.

German reporting segment (va-Q-tec AG)

kEUR unless stated otherwise	2022 (IFRS)	2021 (IFRS)	Δ 22/21
Revenues	72,278	75,269	–4 %
EBITDA	–10,364	6,705	–255 %
Equity ratio	30 %	45 %	–15 pp
Average number of employees	534	528	+6

In the **German reporting segment (va-Q-tec AG)**, revenues decreased from kEUR 75,269 in the previous year to kEUR 72,278 in 2022 (–4 %). EBITDA reduced to kEUR –10,364 in 2022 (previous year: kEUR +6,705). The revenue and earnings trend was mainly attributable to decreasing sales of containers produced inhouse to the subsidiary in the UK, and to reduced business with Systems (sale of thermal packaging) in the wake of coronavirus vaccine logistics, which was only partially offset by regular business. Earnings were also very strongly impacted by the non-recurring transaction costs in the other operating expenses that cannot be allocated to the operating business.

Adjusted for the non-recurring other operating expenses not attributable to the operating business, EBITDA would have decreased from kEUR 6,705 in the previous year to kEUR –3,707, and the equity ratio from 45 % to 35 %.

The average number of employees including members of the Management Board, trainees and interns rose by 6 year-on-year to 534 (previous year: 528).

UK reporting segment (va-Q-tec UK Ltd)

kEUR unless stated otherwise	2022 (IFRS)	2021 (IFRS) adjusted*	Δ 22/21
Revenues	45,107	37,597	+20 %
EBITDA	15,521	14,531	+7 %
Equity ratio	35 %	26 %	+8 %
Number of employees	54	58	–4

* The prior-year figures in the table include adjustments in accordance with IAS 8 (see section 6.3 in the notes to the financial statements)

The UK reporting segment (va-Q-tec UK Ltd.) comprises mainly the rental of temperature-managed containers for the global pharmaceuticals industry. Revenues in this segment rose significantly in 2022, by kEUR 7,510 (+20 %), from kEUR 37,597 in the previous year to kEUR 45,107. The UK reporting segment benefited from a dynamic ramp-up of new projects. In addition, earnings also include compensation payments from a major customer that had committed to purchasing rental containers as part of its planned coronavirus vaccine logistics but failed to realize this to the planned extent. EBITDA in this segment were down by 11 % increased year-on-year by 7 % from kEUR 14,531 in 2021 to kEUR 15,521 in 2022 due to, at a slightly lower rate than the significant revenue growth as well as lower-than-rate. Equity increased significantly by eight percentage points from 27 % in the previous year. The average cost increases reflecting optimized logistics processes for the container fleet, despite sharply reduced and expensive air freight capacities. The number of employees decreased by 4 to 54 (previous year: 58). Adjusted for customs and tax arrears payments not attributable to the operating business, EBITDA would also have increased from kEUR 15,925 in the previous year to kEUR 16,820.

Other reporting segment

kEUR unless stated otherwise	2022 (IFRS)	2021 (IFRS) adjusted*	Δ 22/21
Revenues	22,493	20,973	+7 %
EBITDA	51	1,087	-95 %
Equity ratio	-11 %	-6 %	-5 pp
Number of employees	61	39	+22

* The prior-year figures in the table include adjustments in accordance with IAS 8 (see section 6.3 in the notes to the financial statements)

The subsidiaries in Switzerland, China, India, Brazil, Singapore, Korea, Japan, Uruguay and the USA, which together formed the Other reporting segment in 2022, also contributed to the Group's revenue growth. As a result of the 7% revenue growth, the segment's share of unconsolidated share of revenues in 2022 remained constant at 16 %, as in the previous year. All subsidiaries in the Other reporting segment are extremely important for local presence, the expansion of regional operating activities, and the perception of va-Q-tec as a reliable global and regional partner. Revenues increased by kEUR 1,520 (+7%), from kEUR 20,973 in the previous year to kEUR 22,493 in 2022. EBITDA amounted to TEUR 51 (previous year: kEUR 1,087, -95%). The earnings trend in this segment is still heavily influenced by upfront investments and growth costs for new national companies. The average number of employees in this segment increased by 22 to 61 as of 31 December 2022 (previous year: 39).

Financial position

Principles and goals of financial management

va-Q-tec's financing strategy is oriented to providing the financial resources required for strong growth. Recourse is made in this context to various financing instruments such as loans, leasing, factoring, overdrafts and government subsidies. Existing financing instruments were optimized continuously in terms of their structures and interest rates. In total, va-Q-tec has adequate and good financial resources for the needs of a rapidly growing company as of 31 December 2022 with bank balances plus open credit lines of more around EUR 28 million.

The EUR 11.0 million multibank master loan agreement was cancelled in the middle of the year and replaced by several bilateral agreements with banks with a total volume of EUR 24.5 million. Under these bilateral agreements and as part of the bond issued in Switzerland, va-Q-tec has committed itself to maintaining a minimum equity ratio of 30 %. In particular, due to the aforementioned non-recurring and extraordinary costs of kEUR 6,657 (which from the company's perspective were mainly incurred in connection with the improvement of financial security and the improvement of the equity ratio), an accounting and formal shortfall occurs in relation to the agreed minimum equity ratio as of the 31 December 2022 reporting date. This gave lead manager of the bond and the banks the right, but not the obligation, to call the bond or the loans early. As a consequence, va-Q-tec AG asked all affected financial partners to confirm that they waive this right. In response, both lead manager of the bond confirmed that it waives the right to call the bond and convene a creditors' meeting on condition that the capital increase takes place immediately after the closing of the acquisition transaction (which is contractually secured by the merger agreement) and that no new circumstances require a reassessment of the facts, and the other banks declared their waiver of the accounting and formal compliance with the equity ratio as of 31 December 2022.

Due to the confirmations received from the banks regarding the waiver of calling the bond and the short-term loans, va-Q-tec AG has bank balances plus open credit lines of approximately EUR 28 million as of 31 December 2022 and thereby a comfortable financial position. Nevertheless, the bond is reclassified from non-current to current liabilities and provisions in the balance sheet for the reasons stated above. Taking the current takeover offer into consideration, the alternative scenario and an overall moderate level of debt, the Management and Supervisory boards do not identify any specific reasons that undermine the going concern assumption. In addition to the minimum equity ratio, the company has undertaken entered into a commitment to the bondholders not to fall below a liquidity level of EUR 50 million for the term of the bond. This condition has been complied with over the entire term to date.

Liquidity

kEUR	2022	2021
Net cash flow from operating activities	9,681	3,280
Net cash flow from investing activities	-8,664	-24,222
Net cash flow from financing activities	-1,557	13,571
Net change in cash and cash equivalents	-429	-7,324
Cash and cash equivalents as of 31 December 2022	9,381	9,810

Before changes in working capital, va-Q-tec generated cash flow from operating activities of kEUR 7,350 in 2022 compared to kEUR 13,333 in 2021 (-45 %) due to the deterioration in EBITDA.

Net cash flow from operating activities including working capital changes amounted to kEUR 9,681 in 2022, kEUR 6,401 above the level of kEUR 3,280 in the prior year. This was due to the significant year-on-year decrease in working capital, which, with inventories remaining relatively constant, was attributable particularly to lower trade receivables as of the reporting date, whereas trade payables, which also decreased, had a negative impact on operating cash flow.

Adjusted for the cash flows in connection with the non-recurring costs of the takeover offer not attributable to operating activities and the associated capital increase, as well as the tax arrears payments, net cash from operating activities, including working capital changes, would have been kEUR 354 higher at kEUR 10,035 in the 2022 financial year, and the difference compared with the previous year would have increased to kEUR 6,755.

Cash flow from investing activities decreased from kEUR -24,222 in the prior-year period to kEUR -8,664 in 2022 and was thereby very significantly below the level of the previous year. The purchase of property, plant and equipment resulted in kEUR -8,272 of cash flow, compared with kEUR -22,080 in the previous-year period. In 2021, due to the additional demand anticipated as part of the coronavirus pandemic for investments. The company had to invest more in the container fleet and the expansion of production capacity in the short term in anticipation of the very

strong revenue growth in 2021 – including for future revenue growth – before significantly scaling back investments in 2022. In addition, the expansions of production capacities in Kölledda were state-subsidized under a subsidy program until February 2022 and had to be completed by that date.

The overall analysis of net cash flow from operating activities and net cash flow from investing activities shows that va-Q-tec generated positive free cash flow of kEUR 1,017 in the 2022 financial year.

The cash flow from financing activities of kEUR -1,557 (previous year: kEUR 13,571) resulted very largely from repayments of leasing and loan obligations, which were, however, largely offset by new financing (for investments in buildings and equipment under the subsidy program in Kölledda), investment grants and further financing of the container fleet.

Due to the confirmations received from the banks regarding the waiver of calling the bond and the short-term loans (see detailed explanations under “Principles and goals of financial management”), va-Q-tec AG has bank balances plus open credit lines of approximately EUR 28 million as of 31 December 2022 and thereby a comfortable financial position. In addition, the Management Board is continuously in talks with banks and financial institutions with regard to short- and medium-term debt financing instruments. Taking into consideration the current takeover offer and the associated capital increase, which were initiated primarily to strengthen financial security, as well as an overall moderate level of debt, the Management and Supervisory boards see no indications in the context of the expected business performance that va-Q-tec might not be able to meet its payment obligations.

Net assets and capital structure

Assets

kEUR	31/12/2022	31/12/2021 adjusted*
Non-current assets		
Intangible assets	6,036	4,273
Property, plant and equipment	80,645	82,649
Investment property	1,020	1,020
Capitalized contract costs	48	38
Financial assets	7,752	4,972
Other non-financial assets	1,307	1,298
Deferred tax assets	875	2,381
Total non-current assets	97,683	96,631
Current assets		
Inventories	18,838	18,469
Trade receivables	7,733	12,432
Other financial assets	6,734	2,380
Tax assets	–	22
Other non-financial assets	2,145	5,168
Cash and cash equivalents	9,381	9,810
Non-current assets held for sale	–	594
Total current assets	44,831	48,875
Total assets	142,514	145,506

* The prior-year figures in the table include adjustments in accordance with IAS 8 (see section 6.3 in the notes to the financial statements)

The prior-year figures in the following remarks concerning the net assets and capital structure include adjustments in accordance with IAS 8. With regard to these adjustments, please refer to the detailed explanations in section 6.3 in the notes to the financial statements.

Compared with 31 December 2021, property, plant and equipment decreased by kEUR 2,004, from kEUR 82,649 to kEUR 80,645 as of 31 December 2022. Total non-current assets rose by kEUR 1,052, from kEUR 96,631 to kEUR 97,683 as of 31 December 2022. This increase was mainly due to investments in intangible assets and a significant increase in other financial assets, whereas property, plant and

equipment and deferred tax assets decreased as of 31 December 2022.

Inventories increased slightly by kEUR 369 to kEUR 18,838 (previous year: kEUR 18,469) in line with the revenue growth, which was also due to increased safety stocks as a result of the supply chains still being disrupted in some cases and long delivery times, as well as the 69 equipping of the (new) foreign companies. Trade receivables decreased very significantly by kEUR 4,699 to kEUR 7,733 as of 31 December 2022 (previous year: kEUR 12,432) due to the very high prior-year figure in the course of vaccine distribution. Current other financial assets increased by kEUR 4,354, from kEUR 2,380 to kEUR 6,734 as of

31 December 2022, due to the invoicing of a service on behalf of a subsidiary carried out via va-Q-tec AG for technical reasons. At the same time, current non-financial assets decreased very significantly by kEUR 3,023 to kEUR 2,145 (previous year: kEUR 5,168) due to the receipt of payments for the very high level of VAT receivables in the previous year, which was due to factors relating to the reporting date. Cash and cash equivalents decreased by kEUR -429, from kEUR 9,810 to kEUR 9,381. For the aforementioned reasons, total current assets reduced significantly from kEUR 48,875 as of 31 December 2021 to kEUR 44,831 as of 31 December 2022. Total assets decreased slightly from kEUR 145,506 as of 31 December 2021 to kEUR 142,514 as of 31 December 2022 for the reasons stated above.

Investments

The focus of investment activity in 2022 was on continued investment in production capacity in Würzburg and Kölldeda, the expansion of the container fleet for the global container rental business and the expansion of the thermal box fleet. As planned, investment activity decreased very significantly from the high level of the previous two years. Investments of kEUR 3,457 related to intangible assets (previous year: kEUR 2,702). A total of kEUR 12,374 (previous year: kEUR 26,117) was invested in property, plant and equipment, of which kEUR 2,998 related to the container fleet (previous year: kEUR 7,061). In addition, these investments already include additions of rights of use in accordance with IFRS 16 amounting to kEUR 3,567 (previous year: kEUR 4,291).

Property, plant and equipment, net of depreciation and other movements, was down by 2 % from kEUR 82,649 to kEUR 80,645. After a large part of the basic investments had already been realized in 2017 and 2018, additional investments in new capacities were unavoidable in the context of the significantly higher demand expected in 2021 and beyond (coronavirus vaccine shipments). At the same time, it was also possible to take advantage of government subsidy programs to expand the site in Kölldeda. Following completion of these measures, investment activity was scaled back significantly in 2022.

Equity and liabilities

kEUR	31/12/2022	31/12/2021 adjusted*
Equity		
Issued share capital	13,415	13,415
Treasury shares	-54	-54
Additional paid-in capital	54,020	54,020
Cumulative other comprehensive income	378	
Retained earnings	-29,060	-17,396
Total equity	38,699	49,985
Non-current liabilities and provisions		
Provisions	208	189
Bond Liabilities from bonds issued	-	23,362
Bank borrowings	25,319	23,451
Other financial liabilities	5,307	4,695
Other non-financial liabilities	4,753	6,790
Total non-current liabilities and provisions	35,587	58,487
Current liabilities and provisions		
Provisions	3,188	247
Liabilities from bonds issued	24,821	-
Bank borrowings	12,180	13,741
Other financial liabilities	11,732	8,290
Contractual liabilities	65	189
Trade payables	7,130	8,628
Tax liabilities	973	63
Other non-financial liabilities	8,139	5,876
Total current liabilities and provisions	68,228	37,034
Total assets	142,514	145,506

* The prior-year figures in the table include adjustments in accordance with IAS 8 (see section 6.3 in the notes to the financial statements)

The Group's equity decreased by kEUR -11,286 to kEUR 38,699 as a result of the consolidated net profit for the year, which was significantly impacted by non-recurring costs. Despite the parallel only slight decrease in total assets, the unadjusted equity ratio decreased to 27% as of 31 December 2022 (31 December 2021: 34%). The consolidated net income for the year includes significant costs of kEUR 6,657 that are not attributable to operating activities but

are related to the public takeover offer by EQT Private Equity and the capital increase of approximately EUR 34.9 million to be realized in a binding manner immediately after the closing of the transaction, and which is intended to strengthen the financial strength and capital structure as well as to secure the growth potential of va-Q-tec AG. The Management Board expects the capital increase to raise the equity ratio

to well over 40 % of total assets, which would also be significantly higher in this case.

The liabilities from bonds issued, previously reported as non-current, are reported as current liabilities due to the aforementioned shortfall in relation to the agreed minimum equity ratio of 30 % as of 31 December 2022, despite the waiver of calling the bond (see detailed remarks under “Principles and goals of financial management”). Long-term bank borrowings consist primarily of real estate loans with terms of 15 to 20 years, and fixed interest rates at a low level. Non-current banks borrowings increased slightly from kEUR 23,451 in total to kEUR 25,319. At the same time, current bank borrowings decreased by kEUR –1,561, from kEUR 13,741 to kEUR 12,180.

Non-current other financial liabilities rose slightly from kEUR 4,695 to kEUR 5,307. Within this item, lease liabilities, in particular, increased from kEUR 4,341 to kEUR 4,982. Non-current other non-financial liabilities decreased by kEUR 2,037, from kEUR 6,790 to kEUR 4,753, mainly due to the reclassification of VAT liabilities from non-current to current liabilities. In the reporting period, grants for investments amounting to kEUR 1,294 (previous year: kEUR 695) were paid to va-Q-tec by development banks, mainly for the expansion of the Kölleda site, which increased the non-current portion of the special item for grants by kEUR 365.

Current provisions rose from kEUR 247 as of 31 December 2021 to kEUR 3,188 as of 31 December 2022 due to a provision for a performance-related fee in connection with the takeover offer and the related capital increase. Other current financial liabilities increased by kEUR 3,442 in total, from kEUR 8,290 to kEUR 11,732, mainly due to a significant rise in accrued liabilities for outstanding invoices. Trade payables decreased from kEUR 8,628 in the previous year to kEUR 7,130 as of 31 December 2022. Other current non-financial liabilities increased on a net basis by kEUR 2,263 to kEUR 8,139 (31 December 2021: kEUR 5,876). Within this item, VAT liabilities, in particular, increased by kEUR 2,293 due to reclassification from non-current to current liabilities, as did the special item for grants by kEUR 326. At the same time, the special item for deferred container profits, in particular, decreased by kEUR 766, as planned.

Bank borrowings plus equipment leasing thereby accounted for 27% of total assets at kEUR 38,181 (31

December 2021: kEUR 39,207, 27%). For this reason, the total volume of finance leases decreased further by kEUR –1,333, from kEUR 2,016 in the 2021 year to kEUR 683 in the 2022 financial year. Current liabilities and provisions increased to kEUR 68,228 in the financial year under review, corresponding to 48 % of total assets (31 December 2021: kEUR 37,034, 25 %), due to the recognition as current of the bond issue as well as the significant liabilities and provisions for nonrecurring and partly performance-related expenses in connection with the takeover offer and the related capital increase (see detailed explanations under “Principles and goals of financial management”). Similarly, the Group’s non-current liabilities and provisions decreased to kEUR 35,587 or 25 % of total assets as of 31 December 2022 (31 December 2021: kEUR 58,487, 40 %). Trade payables reduced to kEUR 7,130, compared with kEUR 8,628 in the previous year.

Overall statement on business progress

From the Management Board’s perspective, the 2022 financial year proved to be particularly challenging in many respects. Given a very high year-on-year comparison base, the rate of revenue growth decreased significantly and revenues of EUR 112 million fell slightly short of the original revenue guidance range of EUR 115 million to EUR 122 million. Demand for qualified thermal transport solutions for coronavirus vaccines decreased significantly more than announced by the business partners and accordingly expected by the Management Board. The financial year under review was characterized by significant fluctuations with the Covid-19 business and, particularly at the end of the year, many forecasts regarding the need for vaccine shipments failed to materialize at short notice, so that their share of total revenues in 2022 ultimately amounted to just 16 % (previous year: 23 %). Business outside coronavirus vaccine logistics continued to perform well, but was unable to compensate in the short term for the slowing momentum in the vaccine transport business.

In addition to the weaker-than-expected growth momentum, earnings also deteriorated significantly against the backdrop of rising input costs due to the Ukraine war and its consequences, but above all also due to the non-recurring costs of kEUR 6,657 in connection with the public takeover offer by EQT Private Equity that are not attributable to operating activities, as well as by payments of customs duties and taxes arrears of kEUR 1,299 (see also “Adjusted earnings”).

Unadjusted EBITDA decreased by 57% to kEUR 7,736. The EBITDA margin in relation to revenues decreased by nine percentage points to 6%, compared with the original guidance of a stable to slightly increasing EBITDA margin compared with 2021. Unadjusted EBIT was very clearly negative at kEUR -7,264. Unadjusted EBT was also clearly in negative territory at kEUR -9,336.

If these key figures are adjusted for the aforementioned non-recurring costs of kEUR 7,956 in total that are not attributable to operating activities, va-Q-tec AG would have generated EBITDA of kEUR 15,692 in 2022, which corresponds to a 13% margin on revenues. Adjusted EBITDA amounts to kEUR 692, and adjusted EBT of kEUR -1,380 is also significantly better than the unadjusted results.

For the reasons described for the unadjusted earnings trend, the equity ratio in the 2022 financial year decreased compared with the originally communicated expectation of a stable equity ratio.

On a positive note, the Group succeeded in achieving a significant year-on-year increase in operating cash flow and also a positive free cash flow in the past financial year, despite the many challenges mentioned above.

2.2.4 Non-financial performance indicators

Employees at va-Q-tec

As a technology company, va-Q-tec ascribes particular significance to its staff and their qualifications. The employees' knowledge, skills, further development and commitment are essential for va-Q-tec's further success and performance. Staff received both inhouse and external training measures during the year under review. Along with corresponding functional training sessions for employees, the focus was on the cross-functional topic of project management. va-Q-tec employs a high number of students, especially in research and development.

A total of 18 working students were employed at va-Q-tec (previous year: 21). The average of employees grew in the previous year by 25, from 591 in the previous year to 616 in the 2022 financial year. Including the members of the Management Board, managing directors, trainees and interns in the Group, the average number of employees rose from 625 in the 2021 financial year to 649 in 2022. As a

consequence, the change in the number of employees was in line with the communicated expectation of a slight increase in the 2022 financial year.

2.3 EVENTS AFTER THE BALANCE SHEET DATE

For reportable events after the balance sheet date and information about significant transactions, please see section 8.5. of the notes to the consolidated financial statements.

2.4 FORECAST

2.4.1 Outlook

va-Q-tec AG faces extensive changes if the offer made to shareholders by Fahrenheit AcquiCo GmbH ("Bidder") and its sole shareholder, each controlled by EQT X Fund, is successfully completed after all conditions have been met. The previously described Business Combination Agreement with the Bidder provides for the merger of pharmaceutical-focused parts of va-Q-tec's service and systems business for the pharmaceutical industry with Envirotainer AB ("Envirotainer"), in which EQT Private Equity already holds an indirect majority interest, in the event of a successful implementation and completion of the takeover offer. The business in the area of thermal energy efficiency ("Product Business") and with thermal boxes for non-pharmaceutical applications is to be spun off in the long term within an independent, new company ("va-Q-tec 2.0"), and is to be expanded to include new application possibilities for vacuum insulation technology.

In this forecast report, guidance is given in relation to the Group's key performance indicators for the full 2023 financial year in accordance with our existing corporate structure, as the takeover offer must first be successfully completed and the conditions for the intended merger of part of va-Q-tec AG and simultaneous spinoff of another part of va-Q-tec AG must be created, including by the conclusion of a domination and profit and loss transfer agreement, and the determination of the allocation of the assets to the individual divisions, which is to be worked out by an integration committee following a successful majority shareholding within 12 to 18 months, etc. Accordingly, va-Q-tec assumes that the business will initially continue unchanged until the decisionmaking process out-lined has begun and been completed.

At present, no specific plans exist for the intentions declared for the period following the conclusion of the aforementioned steps. In due course the company will reclassify the relevant assets to discontinued operations. For our guidance, we assume that the spinoff costs and tax expenses incurred in connection with the spinoff in the 2023 financial year will be immaterial and will be offset in subsequent periods by potential positive effects from the potential spin-off. This outlook excludes charges arising from legal and regulatory issues.

The following forecasts for the trend in management metrics were made under the assumption of the macroeconomic conditions for 2023 described above. They are also based on the expected positive growth rates in the market for VIPs and insulation materials overall.

A fast growth dynamic is expected again in 2023 in the market for thermal packaging and services, particularly in the high-performance thermal packaging business area. These assumptions are underpinned by the estimates of the market research institutes mentioned above, which already expect growth in the (lower) double-digit percentage range (see 2.2.1 Macroeconomic environment and Group-specific conditions). Material uncertainties with regard to the forecast result from continuing or intensifying macroeconomic effects of the Russia-Ukraine war, e.g. on energy prices, the supply chain or inflation in general, etc. va-Q-tec expects to benefit disproportionately from the megatrends of energy efficiency, regulation of cold chains (product safety) and globalization of value chains. Also taking into consideration the opportunities and risks of the business described under section 2.5.2., the company identifies growth drivers in the tapping of new markets and application areas (e.g. last mile to the pharmacy, use of rental containers for temperature-sensitive goods outside the pharmaceutical industry, TempChain 4.0 applications, requirements relating to personalized medicines) and in geographical terms (new and further developed national markets such as in Latin America, India, China).

Overall statement

For the 2023 financial year, va-Q-tec expects further revenue growth to a revenue range between EUR 120 million and EUR 135 million, including in light of the overall trend, which is very difficult to assess

with regard to inflation, the Ukraine war as well as the energy crisis, which has not yet been overcome.

For earnings before interest, tax, depreciation and amortization (EBITDA), the company expects growth in the 2023 financial year to be generally medium compared with the previous year and higher than the rate of revenue growth. Despite potential additional costs and uncertainties due to the current geopolitical upheavals, the company expects a significant increase in the EBITDA margin compared with 2022 thanks to operational economies of scale as well as a change in the product mix with a growing proportion of higher-margin products and services. This EBITDA guidance does not take into account any additional transaction costs that may be incurred in 2023.

The company expects the equity ratio to increase significantly above 40 % in the 2023 financial year thanks to the capital increase to which the Bidder is committed in the event of a successful takeover offer, and despite the associated significant increase in total assets.

The company believes that the number of employees will increase slightly in 2023 as the international business expands.

Overall, the Management Board of va-Q-tec AG thereby expects revenue to grow disproportionately in comparison with the previous year and in comparison with the target markets, with EBITDA profitability significantly improved compared with 2022.

The company expects the equity ratio is expected to increase significantly above 40 % in the 2023 financial year as due thanks to the capital increase to which the bidder has Bidder is committed itself in the event of a successful takeover offer, and despite the associated significant increase in total assets.

The company believes that the number of employees will increase slightly in 2023 as the international business expands.

Overall, the Management Board of va-Q-tec AG thereby expects revenue grow disproportionately in comparison with the previous year and in comparison with the target markets, with EBITDA profitability significantly improved compared with 2022.

2.4.2 Forward-looking statements

This report includes forward-looking statements based on current assumptions and forecasts of the management of va-Q-tec AG. Such statements are subject to risks and uncertainties. These and other factors can lead the company's actual results, financial position, development or performance to differ significantly from the estimates provided here. The company assumes no obligation of any kind to update such forward-looking statements and adjust them to future events or developments.

This document is an English translation of an original German document; in the event of discrepancies, the original German version shall prevail and take precedence over the English translation of the document. For technical reasons, formatting differences may arise between the accounting documents contained in this document and those published due to legal requirements.

For reasons of better readability, the masculine form is predominantly used in this annual report. Nevertheless, the information refers to persons of any gender.

2.5 REPORT ON OPPORTUNITIES AND RISKS

2.5.1 Risk management and internal control system

Risk management va-Q-tec is based on three main aspects:

- a risk-aware corporate culture
- a formalized risk management system
- the internal control system

Anchoring risk awareness within the corporate culture

All successful business activity is connected with the conscious assumption of risks. It is crucial to the corporate governance of va-Q-tec that existing and newly added risks be handled in such a way to enable them to be managed actively, and incur as few losses as possible. Opportunities in a business sense should also be leveraged to enhance the company's value for all stakeholders. va-Q-tec enjoys a high degree of "risk awareness", which is communicated openly and transparently. From the Management Board's perspective, risk awareness that is translated into practice forms one of the most efficient instruments

for handling risks. If employees are aware of risks and manage them professionally, the risk of losses being incurred because of risks materializing is diminished. Risks are disclosed and managed both proactively and transparently in such an environment. The establishment and company-wide communication of compliance guidelines also fosters greater awareness of compliant behavior. A compliance management system is in place that defines a code of conduct for both internal and external business activity. The compliance officer appointed in this context records, processes and reports to the Supervisory Board and its Audit Committee on all relevant compliance cases.

Risk management system

Risk management at va-Q-tec refers to the systematic engaging with risks, understood as negative events whose occurrence can incur losses and/or unforeseen costs within the company. To meet this requirement, internal and external risks for all segments and subsidiaries are systematically surveyed, measured, steered, managed and reported to the Management and Supervisory boards with the risk management system.

To supplement the existing internal and external control system, the Group management of va-Q-tec has implemented a formalized risk management system (RMS) for this purpose, which undergoes constant further development. The RMS is based on the experience gained in recent years in identifying risks, such as the findings of the risk inventory compiled during the preparation of the risk inventories. At the meetings of the Management Board, the Audit Committee and the Supervisory Board, the developments and changes in existing risks and the emergence of new risks regularly form the subject of consultations. As in the previous year, the risk situation in the 2022 financial year was evaluated on the basis of two risk inventories as of the reporting date. In the interim, a regular exchange of information on the risk situation also occurred between those responsible for risk officers, risk managers, the Management Board and the Supervisory Board.

The aims of the risk management system at va-Q-tec are, as a matter of principle, to avoid, reduce and transfer risks, including through corresponding insurance cover, for example. Along with compliance with regulatory requirements, systematic risk management secures long-term and sustainable

competitiveness. As part of the RMS, the risk early warning system is designed to identify at an early stage risks that could potentially jeopardize the company's continued existence and also to take into consideration risks that could jeopardize the company's continued existence cumulatively or in the aggregate of their individual events. Risk management at va-Q-tec is not only a security instrument but also a management instrument. Moreover, risks that are identified offer new business opportunities and competitive advantages.

The RMS is based on a reporting process, two biannual risk inventories and risk assessments during the course of the year. As part of the risk inventory, the respective decision-makers and experts within the specialist areas appraise all significant risks. Risks identified within the va-Q-tec Group are measured according to their potential loss and taking event probabilities into account. The risks identified as part of the risk analysis are categorized into risk classes according to their event probability and impact, by multiplying their respective effect by their respective event probability. The bandwidth of event probabilities and effects starts with "very low" and ends with "very high". Risks can thereby be differentiated and prioritized according to the resultant expected risk value. The specialist areas are required to identify and report new risks as part of risk appraisal during the course of the year. The information that is aggregated in this manner is summarized in risk files that are addressed and reported to the Management Board of the va-Q-tec Group. All risks – newly added as well as existing – are also to be monitored and reported continuously. As there is an ongoing high focus on the area of risk management, particularly due to the global coronavirus pandemic and, more recently, the Ukraine crisis, we further developed the methodology for assessing risks at va-Q-tec in the reporting year. This primarily led to even more diligent monitoring of cumulative risks. The risk inventory is consequently also considered on a cumulative or aggregated basis. In other words, the occurrence of several risks over time or at different locations, which appear immaterial when considered individually, is analyzed and the materiality threshold is derived accordingly. Requisite countermeasures are launched quickly, and subsequently monitored.

New risks and significantly changed risks also form fixed agenda items at all regular management meetings, and at all Management and Supervisory

board meetings. They are discussed as part of results briefings between the Management Board of the va-Q-tec Group and the managers of the specialist areas. A review is also conducted as to whether risk minimizing measures that have already been taken are sufficient or whether further steps are to be initiated (such as in terms of ad hoc capital market communications). The Group risk management system enables the company's management to identify significant risks at an early stage, and in order to initiate countermeasures and monitor their implementation. The auditor also examines the risk early warning system to ensure it is suited to the early identification of going concern risks.

Accounting-related internal control system

Key features of the internal control and risk management system

The overriding objective of our accounting-related internal control (ICS) and risk management system (RMS) – as part of the overarching ICS and RMS – is to ensure the propriety of financial reporting in the sense of ensuring that the consolidated financial statements and the combined Group management report, as well as the annual financial statements of va-Q-tec AG, as the parent company, comply with all relevant regulations. The ICS and RMS are adapted to the size of the Group. The financial statement information reported by va-Q-tec AG and its subsidiaries forms the data basis for the preparation of our financial statements. In certain cases, such as the evaluation of postemployment benefits, we make recourse to the support of external service providers. The financial statements are prepared in the consolidation system on the basis of the reported financial statement information. The steps to be taken to prepare the financial statements are subject to manual as well as system controls. The qualification of the employees involved in the accounting process is ensured through appropriate selection processes and training. In principle, taking materiality considerations into account, the "dual control principle" applies; in addition, financial statement information must undergo certain approval processes. Further control mechanisms include target/actual comparisons and analyses of the composition of and changes to individual items, both in the financial statement information reported by Group units and in the consolidated financial statements. To protect against unauthorized access, access authorizations are defined in the accounting-related IT systems in

accordance with our information security regulations. The aforementioned manual and system controls also apply in principle to the reconciliation of International Financial Reporting Standards (IFRS) financial statement information to the separate annual financial statements of va-Q-tec AG. The Audit Committee is involved in our accounting-related ICS. In particular, it monitors the accounting and the accounting process as well as the appropriateness and effectiveness of the associated ICS and RMS.

va-Q-tec operates a clear organizational, corporate, as well as control and supervision structure. Planning, reporting, controlling and early warning systems and processes exist across the company for the comprehensive analysis and management of earningsrelevant risk factors and going concern risks. The functions in all areas of the (Group) financial accounting process (such as financial accounting, financial bookkeeping and controlling) are clearly allocated. To date, va-Q-tec AG has refrained from operating a separate internal audit function due to the company's somewhat small dimensions and limited complexity. Use is mainly made of standard software (BC365) as far as installed financial systems are concerned. Standard consolidation software is used to prepare separate and consolidated financial statements. Here, existing structures have to be adjusted constantly to reflect the company's growth and changing conditions, such as capital market requirements. The IFRS consolidated financial statements are prepared based on a standard reporting format for submission by all Group companies to the central administration in Würzburg. The validation processes applied there and additional plausibility checks ensure that the separate financial statements of the subsidiaries and of va-Q-tec AG are complete and correct. The internal control and risk management system relating to the financial accounting process ensures that business transactions are recorded, processed and appraised correctly from a financial accounting standpoint, before being transferred to external financial reporting. Payment transactions are performed electronically with embedded control mechanisms (two sets of eyes principle with a selected group of individuals). External service providers implement payroll transactions. The organizational, corporate as well as controlling and supervisory structure determines the framework of the ICS. Clear statutory and inhouse regulations and guidelines ensure a standard and proper financial accounting process.

Check mechanisms within the areas directly involved in the financial accounting process, review by the internal control function, backup from the independent auditors and early risk identification by the risk management function are designed to ensure that (Group) financial accounting is free of error.

2.5.2 Operating risks

va-Q-tec measures risks based on their estimated event probabilities and potential effects on the company's financial position and performance, as well as reputation. Measurement of risk loss levels and event probabilities leads to the following examples of key risk indicators.

Event probability	Loss level in EUR	Risk indicator
Very low	0 – 50,000	1
Low	50,000 – 500,000	4
Medium	500,000 – 1,000,000	9
High	1,000,000 – 5,000,000	16
Very high	> 5,000,000	25

The Management Board applies the following scheme to measure the characteristic of a risk based on its risk indicator:

Risk indicators	Risk characteristic
0 – 5	Low
5 – 15	Medium
> 15	High

Overall, the following section presents risks after instituting countermeasures.

Risks from the potential investment in a majority interest by Fahrenheit AquiCo GmbH ("EQT Private Equity" or "Bidder") and resultant changes in corporate structures

Risks arise from significant changes to structures, policies or the management of the company, for example to improve speed, agility or corporate culture, or to bring about the integration and spin-off of defined areas of the company. This also includes increased costs, missed financial or performance targets, in particular the loss of qualified personnel, the loss of (cost) synergies and loss of confidence on

the part of customers and investors. This applies to the Group as a whole, in other words, to va-Q-tec's Services and Systems businesses as well as to va-Q-tec's business in the area of thermal energy efficiency ("Products business"). The Management Board is closely monitoring the effects of the takeover offer on the company and its employees. This includes, for example, actively monitoring employee turnover rates and implementing appropriate countermeasures, as well as increasing active dialog with employees, such as via several "town hall meetings" with the immediate opportunity for queries, as well as direct employee mailings from the Management Board etc. In principle, the Management Board believes that the opportunities arising from the potential takeover, including the intended capital increase and the Bidder's financial strength, far outweigh any potential risks. For va-Q-tec AG as a whole, however, at present a medium risk exists due to the considerable strategic transformation.

Risks in the value chain

As a manufacturing company, va-Q-tec has to make recourse to suppliers for intermediate products. va-Q-tec procures the main raw materials, consumables and intermediate products from a limited number of key suppliers worldwide. Global trade and supply chains are vulnerable to disruption. In this respect, va-Q-tec could be exposed to the risk of delays and interruptions in the supply chain as a consequence of global economic and geopolitical dynamics (including inflation), extreme events (including pandemics and wars such as currently in Ukraine), cyber incidents or financial difficulties at suppliers, in particular if it is not possible to establish alternative sources of supply or transport options in a timely manner, or at all. In addition, the Group is dependent on the supply of certain raw materials. Global demand, availability and pricing of these commodities have been volatile recently, especially in light of the situation in Ukraine, and we expect them to continue to fluctuate in the future, including in the wake of stronger carbon pricing. It is consequently the objective in the purchasing strategy of va-Q-tec to reduce dependency on individual or a few suppliers by qualifying and selecting new suppliers ("dual" or "multiple" sourcing). As in previous years, in 2022 the company continued to newly qualify and select second and third tier suppliers for intermediate products and materials. The company also consciously includes international suppliers in its selection in order to avoid regional dependency. The Group has no

production facilities in Ukraine or Russia and manufactures almost all of its products in Germany. Preliminary products or raw materials are not sourced from Ukraine or Russia; the customer base in Ukraine and Russia is very small. Overall, it remains the case that we do not expect the situation in Ukraine to have any direct material impact on our business operations, either on the revenue side or in terms of disruptions in the value chain.

For va-Q-tec AG as a whole, a medium risk exists due to the limited number of suppliers and noticeable cost inflation for preliminary products and services.

Production stoppages and operational interruptions represent a further risk. Such risks may also arise in particular from extreme weather events or natural disasters as a consequence of climate change and pandemics. The company depends on the continuous operation of its production systems in order to ensure that it can meet delivery requirements, especially to major industrial customers whose value chains are closely intermeshed with that of va-Q-tec. va-Q-tec manufactures at two geographically separate sites in Würzburg and Kölleda. Stoppage at one site has no significant effects on the other site, where production can continue. Where possible and economically feasible, the individual production systems are also decoupled from each other through technical measures, so the stoppage of an individual system does not restrict the operation of other plants.

Besides the outage of existing systems, a risk can also arise in the insufficient overall capacity of the production systems. Along with productivity and efficiency improvements to the existing systems, the company's strong growth can also require early and forward-looking investment in capacity expansions, as the requisite plants sometimes require long delivery times. The company could nevertheless be surprised by sudden market developments, potentially being unable to satisfy all customer orders on the customers' requested dates. Through regular ad hoc reporting on new order trends between the sales areas and the Management Board, the company endeavors to identify such developments at an early stage and counteract them with appropriate measures. For example, such measures can temporarily consist of higher levels of reserve stocks, additional working shifts or the utilization of less appropriate plant for production, in order to bridge the time gap until additional capacities are commissioned. The

Management Board also gauges the risk of long-lasting production outage from the aforementioned reasons as low, and appraises the risk of insufficient capacity as low following material growth investments.

Rental services (Serviced Rental) are particularly dependent on external logistics providers, which are not only responsible for operative processes at the network stations – for cleaning, warehousing and cooling processes, in other words – but also for transporting the preconditioned containers and boxes to the endcustomers. This can lead to interruptions to operations, loss compensation claims and damage to reputation. Auditing and close-meshed controlling by the company's own logistics specialists serve to assure the quality of Serviced Rental for the pharmaceuticals industry globally. For this reason, the Management Board gauges this risk as medium.

Personnel risks

The company's operating activities and success depend on qualified managerial and key personnel. The well-trained staff have developed specific knowledge, skills and commercial contacts, in some cases over many years of service to the company. va-Q-tec counters the risk of losing such employees, especially in times of strategic upheaval, not only taking measures to retain employees, but also by diversifying the knowledge base across the employee base: at va-Q-tec, the development of employees, the diversification of the knowledge base in the company, as well as the market-oriented remuneration avoid the migration of key employees. Employee

motivation and satisfaction is also boosted through performance-based compensation components, regular further training and the good corporate culture with the possibility to help shape disruptive business models. The risks to which va-Q-tec is exposed due to a change of key staff are appraised as medium level risks.

Market and competition risks

The Group in its business activities has a strong focus on major industrial customers. This initially leads to a higher level of customer concentration. The company is constantly reducing the resultant risk through its growing number of customers, as well as diversification. Further protection exists thanks to a high level of customer loyalty, especially in the healthcare industry. The Group generally endeavors to establish and maintain a close, trusting and sustainable business relationship with all partners, employees and customers, and consequently gauges such risk as medium, and as a risk that can be reduced further.

As a fast-growing company, va-Q-tec might potentially be unable to effectively advance and shape its growth. The Group has almost completed a period of heavy investment in personnel, sales activities, rental fleets, infrastructure, and research and development, and is also adapting agilely to short-term opportunities. To this extent, were actual growth to prove lower than planned, the risk exists of a negative effect on operating profits. As a matter of principle, the Management Board decides on such future investments with due objectivity and sense of



proportion, and always based on specific expectations about market trends, as well as taking into consideration the ability to finance such investments. Insufficiently researched and/or excessively early investments are avoided as a consequence. At the same time, significantly higher actual growth than planned generates the risk of a negative effect on the customer relationship due to non-compliance with delivery deadlines, delivery bottlenecks etc., and thereby also on the operating results. Here, too, sound judgment and the early identification of market developments through regular coordination with the sales areas constitute an important instrument to reduce risk, thereby identifying in good time the requirement for capacity expansions, with early decisions being made by the Management and Supervisory boards concerning the necessary investments in production plants and buildings. The Management Board assesses the residual risk as medium.

The intensification of the competitive environment also represents a significant risk. This may result in increased pressure on prices and margins or a loss of market share. Existing competitors, known potential competitors and barriers to market entry are constantly monitored and strategies and measures are adapted accordingly. The company guards itself against such risk through two strategic levers, namely cost optimization measures and innovative products and services. Cost optimization includes, for example, increasingly automated production and the particularly efficient purchasing of intermediate products, with selective backwards integration to upstream value chain steps. The innovation topic includes research and development activities, which have already led to commercially successful, high-quality and particularly differentiated products since the company was formed. The company's range of products and services is distinguished from that of its competitors in many aspects: examples include the possibility to test the quality of the insulation in situ, or the production of VIPs with sections extracted and in three-dimensional form. Overall, the Group gauges the risk due to newly emerging competitors or a more aggressive competitive situation as medium.

Coronavirus

Since the beginning of the 2020 financial year, va-Q-tec has been affected by the coronavirus pandemic. The very dynamic situation and its consequences, as well as different regulations worldwide, could expose va-Q-tec to the risk of

various negative effects. Key potential impacts include risk to employee health and safety, and the closure of offices and manufacturing facilities due to coronavirus cases or staff absenteeism. In contrast to other industries, va-Q-tec's supply chain is less designed for just-in-time processes. Short-term disruptions in the supply chain can be partially offset as a consequence. After assessing the consequences, the Management Board takes a differentiated view of this risk and assesses it as a low risk overall at present, taking into account risks and revenue opportunities identified to date, experience with the pandemic, and the overall very significant weakening of pandemic momentum.

Cyclical target markets

Especially the target markets of Appliances and Food, Technics and Industry, and Building are dependent on the economic situation. The Management Board gauges this risk as medium, as the underlying drivers of va-Q-tec's business (increasing regulation and energy efficiency) are less susceptible to economic cycles. On the other hand, macroeconomic upheavals (inflation, rising interest rates) may lead to a poorer investment climate, which could limit demand for relatively high-priced insulation solutions.

Cybersecurity

We are seeing a continued increase in cybersecurity threats worldwide and a higher level of professionalism in cybercrime, particularly during the coronavirus pandemic. With its business in the TempChain area, va-Q-tec's products, solutions and services are exposed to a particular cyber risk. However, the number and criticality of attacks on va-Q-tec have not changed significantly. va-Q-tec places great emphasis on cybersecurity to protect customers and the Group itself from cyberattacks. For this reason, a package of measures was developed centrally with the involvement of an external service provider, involving all relevant areas of the company and integrating cybersecurity resources, expertise and competence in a central team. In addition to the technical and organizational controls it has established, va-Q-tec is continuously raising employee awareness so that staff can detect attacks at an early stage and respond to them in an improved manner. This is especially important during the coronavirus pandemic, as a large number of employees are working from home offices, at least temporarily. As cyber security is a responsibility shared by all parties involved as well as various stakeholders,

va-Q-tec is also constantly developing its ability to protect against cyber attacks when they occur. Overall, the Management Board assesses the risk from cyber attacks as medium.

Adherence to laws, compliance and legal risks

In connection with its global business activities, va-Q-tec must ensure compliance with patent, antitrust and competition law, anti-corruption laws, data protection regulations and other laws such as tax and customs regulations. In order to comply with requirements, the Group has established compliance, participation and risk management systems. Nevertheless, no guarantee exists that we can avoid all risks in every jurisdiction with these systems. Risks exist here, for example, in the form of customs and tax regulations in connection with new subsidiaries or the global rental services, as well as in relation to product liability and similar matters. Furthermore, va-Q-tec is occasionally involved in patent disputes both as plaintiff and defendant. Since the financial year before last, patent litigation has been pending in Germany concerning the alleged infringement of a patent by va-Q-tec AG, and the action was upheld in the first instance. Even though va-Q-tec AG immediately appealed the first-instance ruling and filed a nullity suit against the patent in question, it cannot be completely ruled out that the courts will ultimately rule in the plaintiff's favor.

All these risks could result in material consequences and have a negative impact on business and on the financial position and performance. In addition, they could lead to criminal or administrative fines, claims for damages, and reputational damage. Consequently, we continuously counter these risks with targeted measures such as employee training and regular reporting at all Management and Supervisory board meetings. For this reason, the Management Board considers the risk from compliance incidents and legal risks to be medium.

Financial risks

va-Q-tec's central finance department utilizes revolving liquidity plans in order to monitor liquidity risk. The Group was, and is, solvent at all times. Interest risks deriving from existing long-term lending facilities are partly hedged through interest rate swaps. The Group is exposed to interest rate risk on its short-term overdrafts.

va-Q-tec is an internationally active company whose assets, liabilities, revenues, costs and profits are denominated in various currencies, with the US dollar (USD), the British pound (GBP), the Swiss franc (CHF) and the South Korean won (KRW) currently representing the most important foreign currencies. Currency risks are limited due to the fact that most invoicing occurs in euros (the company's functional currency) as well as by way of the company's internationalization. Significant changes in exchange rates could nevertheless have material effects on va-Q-tec's financial position, net assets position and results of operations, which are reported in euros.

The currency risks arising from the issue in 2020 of the CHF bond were hedged by derivative hedging transactions (cross-currency swaps/CCSs) for the portion of CHF 24 million over the term of the bond. The CCSs thereby eliminate the EUR-CHF currency risk resulting from the interest and redemption payments for the entire term of the bond for the secured portion.

Overall, the Group gauges risks in its financial area as medium risks.

Liquidity was secured at all times in the 2022 financial year and was adequate for the needs of a rapidly growing company. Due to the confirmations received from the banks regarding the waiver of calling the bond and the short-term loans in relation to falling short of the minimum equity ratio (see section 2.2.3, Financial position), va-Q-tec AG has bank balances plus open credit lines of approximately EUR 28 million as of 31 December 2022 and thereby a comfortable financial position. As part of the takeover offer, the Bidder has undertaken to subscribe to a 10 % capital increase. Should the merger regulatory approvals not be granted and the planned acquisition not be completed, the company assumes that it will maintain the minimum equity ratio of 30 % due to the reversal of provisions for performance-related transaction costs and the break fee agreed for this case, and will rapidly implement alternative options to ensure financial stability and solvency at all times. Overall, the Management Board nevertheless gauges liquidity risk as a medium risk at present.

In an overall view of risks, va-Q-tec is predominantly exposed to general business risks (performance risks)

and financial risks. For the reasons explained in the previous sections, the Management Board does not identify any individual or cumulative risks as going concern risks at present. Strategically as well as financially, the company is positioned in such a way that the business opportunities that present themselves can be leveraged, especially if EQT Private Equity successfully completes the investment initiated for this reason.

2.5.3 Future development opportunities

va-Q-tec possesses extensive knowledge relating to compliance with rules and regulations in relevant countries and regions. Laborious and expensive qualification measures at healthcare industry customers – along with corresponding quality assurance and process documentation – provide the requisite expertise for the successful implementation of packaging solutions for customers. Only a few companies are currently capable of successfully combining the necessary characteristics of thermal packaging within a complex, reliable and at the same time user-friendly offering. With its technology platform, va-Q-tec is one of the few companies worldwide to meet the high requirements. Increasingly complex regulation makes it necessary for a company to constantly further develop itself and research new technologies. In such an environment, high barriers to entering the market for thermal packaging are beneficial for va-Q-tec.

Demand for VIPs is also increasing in the other target markets as a consequence of regulations: customers in the “Technology and Industry” target market are currently facing a change in the regulatory environment in important core markets. Like many household appliances, hot water tanks for heating systems are now subject to the “Ecodesign Directive”, i.e. their energy efficiency is made transparent to end consumers via a labelling system in energy efficiency classes. Moreover, equipment with high energy consumption and a low energy efficiency class is excluded from the European domestic market. Customers of va-Q-tec currently use VIPs mainly to position premium boilers in the highest efficiency classes. In future, and with more stringent regulation, we believe VIP-insulated boilers from the premium segment will also encounter demand in the mass market.

New markets

Since it was founded, va-Q-tec has worked on developing new products and services that open up additional markets and application possibilities for vacuum insulation. Along with basic research and product predevelopment – such as VIPs for entirely new temperature ranges – examples here include food logistics and the mobility area.

With va-Q-med thermal boxes, va-Q-tec can ensure secure logistics without temperature deviations directly to pharmacies. In Germany alone, almost 20,000 pharmacies need to be supplied with shipment and temperature logistics in accordance with “Good Distribution Practices”. With the va-Q-med box, va-Q-tec has the opportunity to play a crucial role in shaping the future of pharmacy and last-mile logistics. This also offers opportunities in the area of logistics for online pharmacies.

In personalized medicine, each patient should be treated with extensive consideration of individual circumstances, beyond the functional diagnosis of disease. This also includes the ongoing adaptation of therapy to reflect the progress of recovery and gene-based medications. Such forms of therapy will become increasingly important in the future. At the same time, they are often very sensitive to temperature. va-Q-tec’s particularly temperature-stable and high-performance thermal boxes and containers are especially suitable for such medications.

To date, both va-Q-tec’s existing thermal packaging and thermal packaging in development, as well as its Service Rental, are designed for deployment almost exclusively in the healthcare industry. However, a trend to increasingly temperature-sensitive goods and manufacturing processes is now identifiable in many industries. As a consequence, growth opportunities arise from the development of new application areas with va-Q-tec technologies, such as food transport and the opto-electronics industry.

In the building sector, the opportunity arises to benefit from ever more stringent energy efficiency standards for new buildings and renovations. va-Q-tec VIPs could be used here to enhance energy efficiency, as underlined by, for example, the RECOSt project, which will be continued in 2022.

Along with the aforementioned market opportunities in terms of products and services, the Management Board also identifies considerable future growth opportunities in geographic expansion. The internationalization of business activities and the company's entry into new global markets open up major sales opportunities for the Group. Equally, its international presence can be exploited to tap new sources of raw materials, consumables and intermediate products, and for efficient purchasing.

Innovative services and offerings

In the Products division (vacuum insulation panels), work was carried out on the further development of the existing portfolio and the new development of a panel class for medium and high temperatures. Novel high-temperature panels, such as va-Q-steel, which was launched on the market in 2021, can be used wherever temperatures of up to approximately 400 °C prevail on the one hand, and where very good insulation is required on the other, such as for ovens for industry and food. With such VIPs, va-Q-tec can revolutionize the market for high-temperature insulation.

With the stackable "va-Q-tray", a thermal packaging system, food can be transported in such a way that it remains warm, cold or frozen for hours, or in some cases days. The temperature holding time can optionally be extended by PCMs. With the va-Q-tray, for example, bakery branches can be supplied efficiently with fresh produce: in contrast to existing styrofoam systems, the va-Q-tray meets the highest hygiene and temperature chain requirements, can be used universally (e.g. as a portable refrigerator), and as a combinable system with non-insulated standard containers. In addition to hygiene benefits, this also results in cost savings as additional refrigerated vehicles can be dispensed with.

In the future, the innovative combination of hardware and IT solutions – referred to as "TempChain 4.0" – will become ever more important. Such new services and offerings, consisting of intelligent boxes, fleet data management, live tracking of temperature data, and predictive analysis in the area of temperature-controlled shipments can be offered to customers with a premium.

Mergers, acquisitions, investments, partnerships, divestments and streamlining of our portfolio; exploitation of market potential

va-Q-tec continuously monitors current and potential markets with regard to opportunities for strategic mergers, acquisitions, investments and partnerships that can be used to complement organic growth. Such activities may help us strengthen our position in our current markets, enter new or underserved markets, or complement our technology portfolio in strategic areas. Opportunities may also arise if portfolio optimization measures generate gains that enable us to continue to pursue our strategies for growth and profitability.

The Business Combination Agreement with EQT Private Equity as well as the Management and Supervisory boards' recommendation of the voluntary takeover offer are also to be understood in this context. The company expects this to provide the opportunity to accelerate growth in all business areas through a financially strong partner with which the potential can be developed and realized to an even greater extent. A key point for va-Q-tec in this context is also the capital increase to be implemented immediately after a successful takeover, which significantly reduces the company's financial risks and at the same time significantly improves its growth opportunities.

Climate change and carbon dioxide

In line with the Glasgow Climate Pact (COP 26), va-Q-tec is working with its VIP technology to support the reduction of carbon emissions. This applies in particular to the business activities of va-Q-tec's customers or end users, whose carbon emissions can be materially reduced through better thermal energy efficiency and insulation. The transition to a decarbonized economy consequently represents an opportunity for va-Q-tec.

By way of summary, the Management Board is of the opinion that the opportunities pertaining to the development and growth of the business outweigh the aforementioned risks.

2.5.4 Risk reporting on the deployment of financial instruments

The Group is exposed to various financial risks due to its operating activities. The Group's risk management aims to minimize the potential negative effects on the Group's financial position. Financial instruments are only deployed to a limited extent at va-Q-tec.

In the German reporting segment, 76 % of sales revenues and approximately 97 % of purchases were processed in euros. Sales in foreign currencies mainly relate to intercompany transactions. In the UK reporting segment, some revenues were generated in US dollars. The costs attributable to such revenues are largely also incurred in US dollars. Risk-reducing natural hedging consequently exists for the US dollar. Significant foreign currency losses could nevertheless occur in the event of stronger exchange rate fluctuations. For this reason, the Management Board gauges the remaining currency risk relating to the US dollar as medium.

Interest rate hedging instruments continue to be in place in order to hedge interest payments on long-term loans at a standard market interest rate level. The cross-currency swap concluded to hedge the currency risks resulting from the CHF bond is shown as hedge accounting in accordance with IFRS. The real estate loans taken out in 2018 were largely financed on a long-term basis with fixed interest rates over the term on the basis of the current, low interest level. No interest-rate hedge was arranged for existing variable interest overdrafts.

No separate financial instruments are held to hedge against default on receivables. The risk of defaults on receivables is relatively low due to the high credit standing of the customer base. To further improve liquidity, the factoring implemented in 2019 at va-Q-tec AG and additionally at the UK subsidiary va-Q-tec Ltd. in 2021 was also continued in 2022. Reverse factoring is currently only implemented for a small number of customers with long receivables terms (such as in Italy) as is customary in the market.

Above and beyond the financial instruments described here, the Group holds no further financial instruments that are important for appraising the Group's position or prospective development. Please refer to the sections on "Financial instruments" and "Risk

management" in sections 4.4 and 4.6 of the notes to the consolidated financial statements for more details.

2.6 NON-FINANCIAL STATEMENT

Statutory basis for this non-financial statement

This non-financial statement pursuant to Section 315b in conjunction with Section 289b of the German Commercial Code (HGB) is the non-financial statement of both va-Q-tec AG and the Group, and consequently forms part of the combined management report as a combined non-financial statement. It fulfils the thematic requirements in accordance with the aforementioned regulations and also includes reporting in accordance with the EU Taxonomy Regulation. va-Q-tec will also publish a separate sustainability report in May 2023. The summarized non-financial statement was not audited as part of the audit of the financial statements.

The aim of this combined non-financial statement is to provide va-Q-tec's stakeholders with a coherent overall picture of the company. It covers the following topics:

Area of activity	Topics
Business model (NFS)	Addition of non-financial aspects to the business model presented in section (2.1.1.1); R&D as a central driver of innovation of efficient products and services
Governance (NFS)	Combating corruption and bribery, respect for human rights, free competition, cooperation with suppliers
Environmental concerns (NFS)	Greenhouse gas emissions, water consumption, use of renewable and non-renewable energy, energy consumption, waste
Social issues (NFS)	Employee issues, corporate culture, work organization, health protection, respect for employee rights, safety at work
Society	Strengthening an attractive region
EU Taxonomy	Determination of taxonomy-aligned economic activities; share of revenues, capital expenditure and operating expenses

The data presented in this document covers a two-year period as far as possible. When reading and interpreting the data presented here, please bear in mind that the impact of the coronavirus pandemic may play a role.

The non-financial consolidated statement of va-Q-tec AG was not subjected to an audit by the auditors Rödl & Partner.

Information about the business model

Information about va-Q-tec's business model and business strategy can be found in the combined management report in sections 2.1.1.1 and 2.1.1.2 respectively.

Non-financial aspects, opportunities and risks of the business model

va-Q-tec's business model leverages the opportunities arising from the sustainable transformation of society. By using innovative and environmentally compatible VIPs (vacuum insulation panels), va-Q-tec enables efficient thermal insulation in various applications, such as in refrigerators and freezers, medicine transport, automobiles and aircraft, buildings, and technology and industry.

For example, in the thermal energy efficiency area va-Q-tec's offering can reduce heat loss in hot water networks by up to 60 % or increase the range of electric vehicles by up to 12 % through insulation with VIPs. Products in the TempChain area (temperature-controlled supply chain) also contribute to energy and carbon savings through the use of the purely passive high-tech packaging systems, as in many cases the use of carbon-intensive dry ice can be dispensed with. In addition, passive solutions do not require regular power supply. Moreover, these efficient boxes and containers minimize temperature deviations, thereby preventing medicines and foodstuffs from becoming wasted. va-Q-tec has received several awards for its sustainable solutions, including the German Environmental Award in 2018 and the German Founders Award in 2019.

In addition to opportunities, however, sustainable change also entails risks for va-Q-tec. In order to strengthen va-Q-tec's resilience, we also manage non-financial risks arising from climate change, resource scarcity, globalization and demographic change, which are outlined in more detail in the following sections.

Research and development is of central importance for va-Q-tec's resilience. In 2022, va-Q-tec invested kEUR 4,528 (previous year: kEUR 3,653) in research and development in order to constantly extend its innovative capabilities. This corresponds to a 4.0 % share of consolidated revenues (previous year: 3.6 %).

va-Q-tec secures its technical knowledge with a total of more than 220 patents and industrial property rights. In 2022, 17 property rights were filed (previous year: 24), of which 14 were patent and 3 utility model applications (previous year: 22 and 2, respectively). Services also form part of va-Q-tec's research and development. Further information about research and development can be found in section 2.1.2 of the Annual Report.

Corporate management, governance

Good governance ensures that va-Q-tec acts in accordance with its corporate values, complies with all laws, and averts damage that may arise from reputational and compliance risks.

As a consequence, both legislation and honest business principles form the basis of va-Q-tec's governance. How these laws and principles are to be implemented in the day-to-day work of employees and managers is defined by the Code of Conduct and a Compliance Manual, both of which are available in German and English.

Monitoring compliance with legislation and corporate policies is the responsibility of the Chief Compliance Officer (CCO), who has direct access to all processes and procedures in Germany. In the case of foreign subsidiaries, controlling is the responsibility of the respective managing directors. Clear reporting channels are in place within the company to report suspected incidents or violations of compliance regulations.

va-Q-tec's commitment to effective governance and compliance encompasses not only its own business, but also its business partners and suppliers. The company has established mechanisms for reporting suspected cases or violations, and expects business partners and suppliers to behave with integrity and in compliance with the law. va-Q-tec also attaches importance to compliance with human rights and appropriate working conditions among its business partners and suppliers, and requires foreign suppliers to comply with the Responsible Business Alliance's

international supplier code. va-Q-tec requires corresponding declarations of commitment from, or conducts audits of, important suppliers on a two-year cycle, which are defined on the basis of purchasing volumes.

The compliance situation is regularly assessed and discussed by the Supervisory Board to ensure that all the company's activities are in line with applicable legislation and regulations.

As part of governance commitments, the following topics are managed along the value chain:

- Anti-corruption
- Anti-money laundering
- Human rights
- Supply chain
- Fair competition

To ensure that all va-Q-tec employees and business partners adhere to the company's high compliance standards with respect to all of these topics, new employees receive training about the compliance guidelines at the beginning of their employment.

Governance data

va-Q-tec endeavors to promptly investigate any violation of relevant laws or regulations and to take appropriate measures to ensure that such conduct is not repeated. In addition, va-Q-tec strives to work closely with government agencies in order to ensure that applicable laws and regulations are fully and correctly implemented.

- Number of reported violations of the Code of Conduct: 2
- Sanctions due to violations of the Code of Conduct (termination): 2

Environmental issues

As a manufacturing company, the following environmental issues are of particular importance to va-Q-tec:

- Environmental and energy management
- Climate change mitigation
- Resource efficiency
- Water management
- Waste management
- Process, plant and transport safety

In order to be able to control services in this area, va-Q-tec relies on certifications, standards and frameworks:

- **German Institute for Sustainability & Ecology:** In 2020, 2021 and 2022, va-Q-tec was certified by the German Institute for Sustainability and Ecology (DINO) in the areas of ecology, economy and social competence (Code of Practice D-20/400851). This officially confirms the extraordinary product, service and consulting quality, the economic future orientation, corporate management as well as the perception of ecological and social responsibility.
- **Climate-neutral company:** As the first supplier of temperature-controlled packaging solutions and as a producer of high-tech insulation materials, va-Q-tec achieved climate neutrality for its production sites for the year 2020. The entire Group has been climate-neutral since 2021. The calculation of the resultant emissions is carried out in cooperation with natureOffice and on the basis of the internationally recognized Greenhouse Gas (GHG) Protocol. The offsetting of the remaining emissions is achieved through supporting Environmental Protection Projects in Uruguay, which are certified in accordance with the Verified Carbon Standard.
- **ISO certifications:** Since 2014, va-Q-tec has a certified environmental management system (ISO certification ISO 14001:2015). This international standard confirms the environmental management system by which va-Q-tec improves its performance for the benefit of the environment, fulfills legal and other obligations and achieves environmental goals. Furthermore, va-Q-tec's energy management system has been certified according to ISO 50001:2018 since 2013. The aim is to systematically enhance the efficiency of energy management, energy efficiency and energy savings.
- **Greenhouse Gas Protocol:** All greenhouse gas emissions were recorded together with an external partner on the basis of the internationally recognized GHG (Greenhouse Gas) Protocol standard. The company's emissions footprint is issued in so-called CO₂e and thereby includes all climate-relevant greenhouse gases, not just the carbon emissions themselves.

va-Q-tec organizes corresponding processes within the company in accordance with these guidelines.

Two environmental audits are conducted at va-Q-tec every year. va-Q-tec is working hard to continuously improve its structures and processes, not least in order to successfully manage its steady growth and to be able to meet high demands in relation to products and customer service at all times and without compromise. Production safety for employees and the environment as well as ensuring high energy efficiency and low emission intensity are self-evident requirements for all processes.

Environmentally compatible disposal and recycling after use

The core material of VIPs can be collected and recycled. The material of the core panel, the microporous silica powder, is a valuable raw material that can be reprocessed after recycling, such as into a new vacuum insulation panel. The powder panel can also be deposited in a suitable landfill, if required. The high-quality wrapping is disposed of like any other packaging film, e.g. as fuel.

Energy consumption and alternative energy sources

va-Q-tec sources part of the energy required for its manufacturing and office operations through the use of a photovoltaic system at the Kölleda site, as well as from a combined heat and power (CHP) system at the Würzburg site. Purchased electricity is sourced externally as 100 % “green electricity” – in other words, it is derived from renewable sources. The respective coordination activities are realized by the energy officers in cooperation with the environmental officers.

Climate change mitigation

In addition to recycling and alternative energy sources, the comprehensive climate protection strategy also includes monitoring and compensation measures. va-Q-tec invests in international climate protection projects (certified by the Verified Carbon Standard) to offset the emissions caused by its own activities. Only projects that meet the highest standards and create sustainable benefits for the environment and the affected communities are supported.

Our environmental data

Volume of energy consumed

kWh	2022	2021
Fuel (gasoline and diesel for the fleet)	553,188	545,983
Heating oil	0	0
Natural gas	7,384,641	7,446,786
Electricity	4,384,641	4,452,233
of which from renewable energies (“green electricity”)	4,235,594	4,452,233
Total volume of energy consumed	12,048,175	12,445,002

Greenhouse gas emissions

in tonnes/tonnes CO ₂ e equivalent (CO ₂ e, market based)	2022	2021
Scope 1 (direct emissions)	2,668.28	2,396.00
Scope 2 (indirect emissions)	794.40	504.93
Scope 3 (indirect emissions, upstream and downstream)	98,718.33	106,816.61
Total greenhouse gas emissions (CO ₂ e)	102,181.01	109,821.17

CO₂ offset

Tonnes of CO ₂	2022	2021
Volume of CO ₂ offset with certified/credited projects	5,554	5,122

Electricity generation

kWh	2022	2021
electricity generated by CHP	1,934,525	1,932,635
Solar power generated by va-Q-tec	81,022	72,312

Water utilization

Cubic meters	2022	2021
Volume of the total amount of water utilized	6,702	7,362
of which: Volume of water bound in products	50 %	50 %

Waste volumes

Tonnes	2022	2021
Total volume of waste	364.23	687.71
of which: Volume to be disposed of separately	3.95	10.90
of which: Volume that can be recycled	40.44	61.20

Social issues

Due to demographic change, va-Q-tec, too, is affected by the shortage of skilled workers. In order to counter this risk, the company focuses on enhancing its attractiveness as an employer and on retaining talent through a working environment that unites all employees according to one vision: taking responsibility for people and the environment.

Here, the following topics are of great importance for the management of va-Q-tec:

- Health and occupational safety
- Respect for employees' rights
- Employer attractiveness
- Education and training
- Equal treatment
- Diversity

Health and occupational safety

As a manufacturing company, va-Q-tec attaches great importance to employee health and safety. As

a consequence, regular risk assessment and the implementation of occupational safety measures are essential and are consistently implemented. This also includes the appointment of an occupational health and safety officer who coordinates and monitors compliance with the legal requirements. In addition, the company offers its employees regular examinations by a company doctor, and also organized a vaccination campaign during the coronavirus pandemic. In December 2022, a Health Day was also held for the first time, giving employees at the Würzburg and Kölleda sites the opportunity to find out more about nutrition and sports topics. This day marked the start of the "va-Q-care" company health management scheme.

Respect for employees' rights

Respect for employee rights is a top priority for va-Q-tec's personnel department and Management Board. A so-called Social Performance Team, which is elected every three years by all employees, concerns itself with employee issues. This team can be consulted on issues of all kinds, including on an anonymous basis, and acts as an intermediary between the workforce and the Management Board. Regular reports to the Management Board on current topics raised by the workforce promote constructive cooperation.

Employer attractiveness

One indication of the successful cooperation and pleasant working atmosphere at va-Q-tec is its low employee turnover rate of 2.7% in 2022 (previous year: 3.0%), which was well below the average for the manufacturing sector in Germany of 18 percent. This is calculated in accordance with the calculation method of the Confederation of German Employers (BDA).

However, just like many other companies, va-Q-tec is also affected by the shortage of labor and skilled workers. For this reason, va-Q-tec systematically invests in the retention of existing employees and the development and expansion of its employer attractiveness, which was recognized by Kununu with the "Top Company" Award in 2022. In order to achieve this goal, va-Q-tec has implemented a number of measures, such as:

- Company pension scheme
- Numerous company training courses
- Flexible working hours and part-time programs
- Study-related work at the company
- Canteen with free fruit and drinks
- Leasing offers for bicycles
- Employee events

In addition, va-Q-tec's good networking within the region and intensive contacts with the University of Würzburg (Julius Maximilian University), such as in the context of research projects, play a significant role. At present, va-Q-tec also supports eight employees as part of professional degrees such as master's degrees in the areas of craftsmanship and laboratory management.

Diversity and equality

va-Q-tec aims to be an employer where employees can develop their skills regardless of race or ethnic origin, gender, religion or belief, disability, age or sexual identity. For this reason, the topics of diversity and equality are also very important for va-Q-tec.

In accordance with Germany's General Equal Treatment Act (AGG), va-Q-tec in its job advertisements invites all genders to apply for open positions.

In cooperation with a regional organization, va-Q-tec also integrates people with disabilities into the company. The integration of these employees is accompanied by Mainfränkische Werkstätten. In 2022, 6 individuals with disabilities initially worked at va-Q-tec, and 7 individuals as of March 2022 (previous year: 8).

On the basis of all of the Group's employees, va-Q-tec employs people from 31 different nations (previous year: 31). Women accounted for 28 % of the total workforce in 2022 (previous year: 30 %), while women accounted for 20 % of all managers below the Management Board level in 2022 (previous year: 19 %).

Due to the small number of Management Board members, the Supervisory Board has set the ratio of proportion of women on the Management Board at 0 %. For the first level below the Management Board, the ratio of proportion of women was set at 10.0 %. As of 31 December 2022, the proportion of women at the first management level below the Management Board stands at 10.5 %.

For itself, the Supervisory Board set a proportion of women at 16.7%, corresponding to one in six members. This quota is met with the current composition of the Supervisory Board.

Employee data

Number of employees in the va-Q-tec Group by region

	2022	2021
Total employees	649	634
Germany	81.6 %	83.9 %
Rest of the European Union	0.0 %	0.0 %
Rest of Europe	8.9 %	9.8 %
Rest of the world	9.5 %	6.3 %
Number of different nationalities	31	31

Number of employees in the va-Q-tec Group by gender

	2022	2021
Total employees	649	634
Women	28.0 %	30.1 %
Men	72.0 %	69.9 %
Total	100.0 %	100.0 %

Number of employees in the va-Q-tec Group by function

	2022	2021
Total employees	649	634
Managers (first two management levels)	3.1 %	3.3 %
Production	50.7 %	58.8 %
Sales and marketing	17.6 %	15.5 %
Administration	24.8 %	19.1 %
Trainees	3.8 %	3.3 %
Total	100 %	100 %

Occupational health and safety

	2022	2021
Number of occupational accidents	15	10
Number of employees on sick leave as a percentage of all employees	7.1 %	4.5 %

Inhouse training

	2022	2021
Number of training sessions	182	234
Number of employees trained	1,681	1,862
Number of employees in supported vocational qualifications such as master, master craftsman and laboratory manager	8	9

Corporate Social Responsibility (CSR)

va-Q-tec benefits from the attractiveness and good infrastructure of the regions where the company operates. In order to repay the positive contribution that this makes to the company's value, va-Q-tec in turn makes a significant contribution to enhancing the long-term attractiveness of the regions where it operates. Consequently, va-Q-tec is not only an attractive employer, but also plays an active role in social life. One focus here is the close alliance with the University of Würzburg (Julius Maximilian University), from which va-Q-tec emerged as a spin-off company in 2001. As part of research projects, va-Q-tec works intensively with students and also offers them the opportunity to work at the company during their studies. va-Q-tec thereby aims to foster young scientists and potential employees. In the 2022 financial year, va-Q-tec employed a total of 18 students (previous year: 21).

A further area of va-Q-tec's social commitment is the promotion of MINT education – in other words, the imparting of knowledge in mathematics, information technology, natural sciences and technology. To this end, as in previous years, va-Q-tec was a sponsor of the "Youth Research" initiative in 2022 and has already been the venue for the annual competition, which make awards to students who conduct experimental research into scientific topics.

va-Q-tec also actively promotes sports, culture and art within the region: the company is a financial supporter of the Mozartfest, the Würzburg Mainfranken Theater, the local "Würzburg Baskets" basketball club, the "TC Weiss-Blau" tennis club, the "QOOL Sharks" second women's basketball league team as well as the "Rimparer Wölfe" second Bundesliga handball team. In addition, va-Q-tec supports individual athletes such as open water swimmer Leonie Beck and professional handball player Benedikt Brielmeier, whose work at the company is coordinated to enable him to pursue his training routine.

EU Taxonomy

Definition and purpose

The EU Taxonomy aims to encourage investment flows from the financial sector to companies engaged in environmentally sustainable activities. This is intended to achieve the European Green Deal's overarching goal of reducing net emissions in the European Union to zero by 2050. The EU Taxonomy thereby creates a common understanding of which activities are environmentally sustainable. This is the case when an activity makes a significant contribution to at least one of the six environmental objectives defined by the EU Taxonomy Regulation:

- (1) Climate change mitigation
- (2) Climate change adaptation
- (3) The sustainable use and protection of water and marine resources
- (4) The transition to a circular economy
- (5) Pollution prevention and control
- (6) The protection and restoration of biodiversity and ecosystems

In addition, the activity must not interfere with the achievement of any of the other environmental objectives (DNSH principle = "Do no significant harm"). Moreover, activities must comply with minimum social standards.

Scope of application

Companies must report on their taxonomy-eligible and taxonomy-aligned economic activities in accordance with the Taxonomy Regulation. Activities are considered taxonomy-eligible if they comply with the activity description set out in Annexes I and II to the Delegated Regulation of 4 June 2021. Taxonomy-aligned activities are those that also meet the

technical evaluation criteria defined for the respective business activity. Evaluation criteria are available to date only for the first two environmental objectives, which are reported below.

Determining relevant economic activities

In va-Q-tec's opinion, in principle our products and services contribute to a reduction in carbon emissions in that their underlying vacuum insulation technology in the TempChain logistics area ensures temperature stability in a closed system for up to 200 hours without the need for external energy. In the Products/TEEff area, vacuum insulation technology, whose insulating effect is around ten times greater than conventional insulating materials, ensures significantly greater energy efficiency while occupying significantly less space.

Economic activities according to the defined activity "Manufacture of other low carbon technologies"

Our economic activities in the "Systems" and "Services" divisions, with which we primarily serve the target market of "Healthcare and Logistics", are consistent with the activity "3.6 Manufacture of other low carbon technologies" as defined in the EU Taxonomy. The technical evaluation criteria for this activity – the manufacture of technologies "that are aimed at and demonstrate substantial lifecycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market [...]" – require a statement about the extent to which va-Q-tec's products achieve these significant savings compared to the best performing alternative technologies available on the market.

The most powerful alternative to our passive solutions for temperature-controlled logistics on the market are the still predominant active TempChain solutions. Active means that the supply of energy (through electrically powered refrigeration units) ensures temperature stability during transport. As around 80 % of the world's energy is generated from fossil fuels², the operation of these cooling units also generally generates significant carbon emissions. This is not the case when using our passive TempChain solutions. To this extent, va-Q-tec's assessment is that economic activities in our "Systems" and

"Services" divisions meet the criterion of taxonomy conformity.

Economic activities according to the defined activity "Manufacture of energy efficiency equipment for buildings"

Our activities in the "Products" division, with which we address customers in the target markets of "Refrigeration and Food", "Technology and Industry" and "Construction", among others, correspond to the activity defined in the EU Taxonomy "3.5 Manufacture of energy efficiency equipment for buildings". For example, with the va-Q-vip F, we produce an insulation product that functions significantly below the lambda value of 0.06 W/mK (lambda value 0.008 W/mK). As a consequence, we meet the technical assessment criteria for the activity "3.5 Manufacture of energy efficiency equipment for buildings" and thereby make a significant contribution to environmental objective (1) Climate change mitigation. In refrigerators, our vacuum insulation panels also ensure significant energy savings and thereby carbon reductions. A further technical evaluation criterion for the activity "3.5 Manufacture of energy efficiency equipment for buildings" – the manufacture of products or components for household appliances of the highest energy efficiency classes in accordance with Regulation (EU) 2017/1369 – is thereby also met. In addition, for the aforementioned activity related to the use of our vacuum insulation panels in hot water storage tanks, we meet the technical evaluation criterion "manufacture of products or components for systems for space heating and water heating". As a consequence, our economic activities in this application area are also taxonomy-aligned. For this reason, our main activities in the "Products" division are taxonomy-aligned.

We report the taxonomy-aligned share of our economic activities in the KPIs of revenues, capital expenditure and operating expenses in the reporting forms below.

No significant harm to other environmental objectives

In order for the economic activities described above to be taxonomy-aligned, in addition to the demonstrated contribution to at least one of the two environmental objectives – (1) Climate change mitigation and (2) Climate change adaptation – it must also be ensured that none of the other

² <https://de.statista.com/statistik/daten/studie/167998/umfrage/weltweiter-energiemix-nach-energietraeger/>

environmental objectives as defined in Article 17 of the Taxonomy Regulation are significantly affected.

As far as environmental objective (2) Climate change adaptation, is concerned, according to va-Q-tec's review, no indications exist that the aforementioned activities will increase the adverse effects of the current and expected future climate on the company itself or on people, nature or assets.

The fulfillment of the DNSH criteria for the environmental goal (3) The sustainable use and protection of water and marine resources, essentially refers to legal and regulatory requirements, which va-Q-tec is obligated to comply with. No violations of these requirements were identified during the reporting period.

For the environmental goal (4) The transition to a circular economy, general requirements exist such as long usability as well as ease of maintenance and disassembly. va-Q-tec products, such as the va-Q-pal SI, are reusable several times and can be recycled by the end recipient due to their environmentally compatible materials. Accordingly, we cannot determine any impairment of the environmental objective.

The fulfillment of the DNSH criteria for the environmental goal (5) Pollution prevention and control, mainly refers to legal and regulatory requirements. va-Q-tec did not identify any violations of these specifications. In addition, va-Q-tec has had an ISO 14001-certified environmental management system in place since 2017, which enables us to prevent our business activities from exerting harmful effects on the environment.

No impairments of the environmental goal (6) The protection and restoration of biodiversity and ecosystems, due to va-Q-tec's business activities were identified. Rather, by supporting a Verified Carbon Standard (VCS) certified conservation project in Uruguay, va-Q-tec is helping to restore an ecosystem while preserving biodiversity in this region.

Compliance with minimum social standards

According to Article 18 of the Taxonomy Regulation, minimum social standards must be met as further conditions for the fulfillment of the taxonomy conformity of an economic activity. This is ensured

by following the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, the core labor standards of the International Labour Organization (ILO) as well as the International Bill of Human Rights.

va-Q-tec complies with all applicable legislation in all countries where it operates. In particular, va-Q-tec regularly audits its suppliers according to the SA80000 standard, which is based on the Universal Declaration of Human Rights and ILO standards. va-Q-tec thereby ensures that human rights, including employee rights, are respected. Furthermore, va-Q-tec is committed to the principles of good corporate governance and complies with the recommendations of the German Corporate Governance Code (DCGK). With its effective compliance management system, va-Q-tec prevents bribery and corruption. In addition, the company respects the principles of fair competition and complies with its tax obligations.

Based on its established processes and systems, va-Q-tec was unable to identify any violations of minimum social standards in the 2022 reporting year.

Taxonomy-aligned share of revenues, capital expenditure and operating expenses Revenues

Economic activity	Revenues		Substantial contribution to climate change mitigation				Climate change mitigation	Climate change adaptation	Water and maritime resources
	Mio.€	%	Climate change mitigation		Climate change adaptation				
A. Taxonomy-eligible activities	111,833	100	100	0	0	0	J	J	
3.5 Manufacturing of energy-efficient equipment for buildings	22,297	19,9		0	0		J	J	
3.6 Manufacturing of other low-carbon technologies	89,536	80,1		0	0		J	J	
B. Taxonomy-non-eligible activities	0,0	0,0							
Total (A+B)	111,833	100							

Taxonomy-aligned share of revenues, capital expenditure and operating expenses

Revenues

In order to calculate taxonomy-aligned revenues in relation to total revenues, the total revenues from products and services identified as taxonomy-aligned were divided by the consolidated revenues reported

in the consolidated financial statements. These are disclosed in the notes to the consolidated financial statements and amount to EUR 111.8 million. Of this amount, EUR 111.8 million are taxonomy-aligned revenues, which corresponds to a share of 100 %.

Compliance with DNSH criteria			Compliance with minimum safeguards	Taxonomy-aligned Revenues		Category (enabling economic activities)	Category (transitional activities)
Circular economy	Pollution	Biodiversity and ecosystems					
J/N	J/N	J/N	J/N	Mio.€	%	(E)	(T)
J	J	J	J		100		
J	J	J	J			E	
J	J	J	J			E	

Capital expenditure

Economic activity	Revenues		Substantial contribution to climate change mitigation				Climate change mitigation	Climate change adaption	Water and maritime resources
	Mio.€	%	Climate change mitigation		Climate change adaption				
A. Taxonomy-eligible activities	11,766	100		100	0	0		J	J
3.5 Manufacturing of energy-efficient equipment for buildings	1,254	10,7			0	0		J	J
3.6 Manufacturing of other low-carbon technologies	10,512	89,3			0	0		J	J
B. Taxonomy-non-eligible activities	0,0	0,0							
Total (A+B)	11,766	100							

Capital expenditure

Capital expenditures according to the EU Taxonomy amounted to EUR 11.8 million. For the capital expenditures attributable to taxonomy-aligned economic activities already identified under "Revenues", a breakdown has been made as follows:

63 % of the capital expenditures could be clearly allocated to taxonomy-eligible or taxonomy-aligned

activity are 3.6. Capital expenditures amount to EUR 7.4 million. Capital expenditures that could not be clearly allocated to a taxonomy-eligible or taxonomy-aligned area of activity were taken into account using an allocation key. The allocation key here is based on the proportion of taxonomy-aligned revenues and was applied to the investments. This allocation key was used to distribute the remaining 37% of capital expenditures.

Compliance with DNSH criteria			Compliance with minimum safeguards	Taxonomy-aligned Revenues		Category (enabling economic activities)	Category (transitional activities)
Circular economy	Pollution	Biodiversity and ecosystems					
J/N	J/N	J/N	J/N	Mio.€	%	(E)	(T)
J	J	J	J		100		
J	J	J	J			E	
J	J	J	J			E	

Operating expenses

Economic activity	Revenues		Substantial contribution to climate change mitigation				Climate change mitigation	Climate change adaptation	Water and maritime resources
	Mio.€	%	Climate change mitigation		Climate change adaptation				
A. Taxonomy-eligible activities	29,480	100		100	0	0		J	J
3.5 Manufacturing of energy-efficient equipment for buildings	5,866	19,9			0	0		J	J
3.6 Manufacturing of other low-carbon technologies	23,613	89,3			0	0		J	J
B. Taxonomy-non-eligible activities	0,0	0,0							
Total (A+B)	29,480	100							

Operating expenses

The operating expenses in the meaning of the EU Taxonomy take into account EUR 29.5 million of the taxonomy-eligible or taxonomy-aligned operating expenses. Operating expenses can be reconciled directly to the presentation in the consolidated income statement.

The operating expenses were allocated to the taxonomy-eligible or taxonomy-aligned areas of activity on the basis of an allocation key. This key was used to distribute 100 % of the operating expenses. The allocation key is based on the proportion of taxonomy-aligned revenues.

Compliance with DNSH criteria			Compliance with minimum safeguards	Taxonomy-aligned Revenues		Category (enabling economic activities)	Category (transitional activities)
Circular economy	Pollution	Biodiversity and ecosystems					
J/N	J/N	J/N	J/N	Mio.€	%	(E)	(T)
J	J	J	J		100		
J	J	J	J			E	
J	J	J	J			E	

2.7 TAKEOVER LAW DISCLOSURES AND NOTES PURSUANT TO SECTIONS 289A AND 315A HGB

2.7.1 Composition of the subscribed share capital

The share capital of va-Q-tec AG amounts to EUR 13,415,000, and is divided into 13,415,000 ordinary registered shares. The share capital is fully paid in. The shares carry the same rights and obligations. Each share grants one vote at the Shareholders' General Meeting. Exceptions to this include shares the company itself holds (treasury shares), from which no rights accrue to va-Q-tec AG, such as the right to vote at the Shareholders' General Meeting. As of the balance sheet date, va-Q-tec AG held 13,566 treasury shares (previous year: 13,566). For information about changes in the treasury share position, please refer to the notes to the consolidated financial statements in this annual report.

2.7.2 Restrictions affecting voting rights or the transfer of shares

The shareholders pooled in the share pool have undertaken to exercise their voting rights uniformly and to transfer the shares pooled in the share pool only in accordance with certain conditions. According to the information available to the company, after completion of the takeover offer by Fahrenheit AcquiCo GmbH for the outstanding shares in the company, the share pool will in the future also include Fahrenheit AcquiCo GmbH, which will control the share pool and the shares and the voting rights it pools. Fahrenheit AcquiCo GmbH publicly announced on 13 December 2022 that it intends to enter into a control and profit and loss transfer agreement with va-Q-tec AG as the dependent company in the event that it successfully acquires a majority of the shares. The Management Board is not aware of any further currently valid or imminent restrictions affecting voting rights or the transfer of shares.

2.7.3 Interests in the share capital exceeding 10 % of the voting rights

Pursuant to the German Securities Trading Act (WpHG), all investors reaching, exceeding or falling below voting rights thresholds pursuant to Section 33 WpHG through purchase, sale, or in another manner, are required to report such transactions to the respective company and to the German Federal

Financial Supervisory Authority (BaFin). To this extent, the Management Board of va-Q-tec AG is aware of the following individuals and companies whose interests exceed 10 % of the voting rights:

Name	Country	Number of shares	Interest in the share capital
Share pool of the families of Dr. Joachim Kuhn and Dr. Roland Caps	Germany	3464,635	25.83 %
TOTAL		3464,635	25.83 %

2.7.4 Rules concerning the appointment and recall from office of Management Board members

Pursuant to Section 84 of the German Stock Corporation Act (AktG), and the bylaws of va-Q-tec AG, the Supervisory Board appoints the members of the Management Board. Pursuant to the company's bylaws, the Management Board consists of one or several individuals. The Supervisory Board determines the number of Management Board members. If the Management Board consists of several members, Management Board resolutions are passed with a simple voting majority. If the Supervisory Board has appointed a Management Board Chair (CEO) and if the Management Board consists of at least three members the vote of the Management Board Chair is decisive given an equal number of votes on a resolution.

2.7.5 Rules concerning bylaw amendments

Amendments to the bylaws require a resolution of the Shareholders' General Meeting. Resolutions by the Shareholders' General Meeting require a simple voting majority unless a greater majority is imperative by law.

2.7.6 Management Board authorizations relating to the issuing and repurchase of shares

va-Q-tec AG has both approved share capital and contingent share capital as follows:

2.7.7 Approved share capital

By resolution of the Annual General Meeting of 2 June 2022, the Management Board was authorized, with the approval of the Supervisory Board, to increase the company's share capital by up to a total of EUR 6,707,500.00 up to and including 1 June 2027 (Approved Capital 2022/1), whereby shareholders' subscription rights may be excluded. On 13 December 2022, the Management Board, with the approval of the Supervisory Board, passed a resolution, upon completion of the takeover offer by Fahrenheit AcquiCo GmbH for the outstanding shares in the company, which in turn was made conditional by Fahrenheit AcquiCo GmbH on various completion conditions (including a minimum acceptance threshold and clearance under merger regulations), to increase the share capital in accordance with the bylaws with the exclusion of shareholders' subscription rights in an amount of EUR 1,341,500.00, corresponding to 1,341,500 shares. Following such a capital increase, the Supervisory Board will amend the bylaws of va-Q-tec AG accordingly. Following implementation of the capital increase and corresponding amendment of the bylaws, the Management Board will be correspondingly authorized, with the approval of the Supervisory Board, to increase the company's share capital by up to a total of 5,366,000 new no par value registered shares (ordinary shares) against cash capital contributions and/or non-cash capital contributions by up to a total of EUR 5,366,000 up to and including 1 June 2027 (Approved Capital 2022/1), whereby shareholders' subscription rights may be excluded.

2.7.8 Contingent capital

Pursuant to Section 6.5 of the company's bylaws, the share capital is conditionally increased by EUR 6,500,000 through issuing up to 6,500,000 new ordinary registered shares (Contingent Capital 2020/1). Contingent Capital 2020/1 serves exclusively to grant shares upon the exercise of conversion or warrant rights, or upon fulfilment of conversion obligations, to the holders or creditors of convertible bonds, bonds with warrants and/or participating bonds (or combinations of such instruments) (collectively "bonds") issued on the basis of the authorization resolution of the Annual General Meeting of 14 August 2020 under agenda item 7 letter b).

2.7.9 Significant agreements in the case of a change of control due to a takeover offer and compensation agreements in the case of a takeover offer

No significant agreements on the part of the company exist that are subject to a change of control following a takeover offer.

2.8 CORPORATE GOVERNANCE STATEMENT

Besides relevant disclosures concerning corporate governance practice as well as a description of the working methodologies of the Management and Supervisory boards, the corporate governance section, as a part of the annual report, also includes the statement of conformity pursuant to Section 161 of the German Stock Corporation Act (AktG). The corporate governance section together with the statement of conformity pursuant to Section 161 AktG is also available on the Internet at www.va-Q-tec.com in the Investor Relations section.

2.9 NOTES TO THE (HGB) FINANCIAL STATEMENTS OF VA-Q-TEC AKTIENGESELLSCHAFT

va-Q-tec AG is the parent company of the va-Q-tec Group and is headquartered in Würzburg. The business activities of va-Q-tec AG essentially comprise the development, production and distribution of products and services as well as the management of the va-Q-tec Group. The administration as well as the production of smaller production series are located at the Würzburg site. Würzburg is also the location of one of the TempChain service centers, through which thermal containers and boxes are rented. In addition, va-Q-tec AG has a production site in Kölleda, Thuringia, where the majority of the Group's products are manufactured. va-Q-tec AG prepares its annual financial statements in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). This company is by far the most significant entity in the va-Q-tec Group. For this reason, the statements relating to the fundamentals of the va-Q-tec Group and the general conditions of the business report also predominantly apply to va-Q-tec AG. va-Q-tec AG is integrated into the va-Q-tec Group's controlling system. In this context, va-Q-tec AG covers all three

business areas: the sale of VIPs, the distribution of thermal boxes and containers, and the rental of thermal boxes. The most significant performance indicators of va-Q-tec AG correspond to those of the Group. The organization, corporate structure, management responsibility, corporate strategy and financing strategy correspond to those of the Group. No significant changes occurred in the organization, corporate structure or management structure in the 2022 financial year. With regard to the financing strategy, please refer to the comments about the takeover offer in section 2.1.1.2 relating to the strategic orientation.

Business performance of the single entity va-Q-tec AG

The specific business performance of va-Q-tec AG essentially corresponds to the performance of the va-Q-tec Group's "German reporting segment", which is presented in the section "Group business results and analysis of the financial position and performance".

Results of operations of the single entity va-Q-tec AG

The profitability of va-Q-tec AG in the 2022 financial year was significantly impacted by the marked decrease in business with Covid vaccine shipments, significant expenses in connection with the takeover offer and the associated capital increase, as well as impairment losses recognized in relation to receivables due from and investments in affiliated companies as part of impairment tests, which severely impaired the comparability of the following figures with the previous year. In this context, the company also failed by a significant margin to meet the previous year's published guidance of at least 10 % revenue growth and a slight year-on-year improvement in EBITDA. Even if the result is adjusted for the kEUR 6,657 of non-recurring costs in connection with the public takeover offer by EQT Private Equity, as explained in section 2.2.3 under "Adjusted earnings" of the Group, as well as the impairment losses on receivables from affiliated companies and writedowns on financial assets totaling kEUR 4,149, i.e. a total of kEUR 10,806, this target would probably not have been achieved due to the uncertainty that emerged at the beginning of the financial year due to the Ukraine war and its consequences (inflation, energy crisis, supply chain disruptions) as well as the weaker than expected growth momentum within the Group, which made the 2022 financial year very challenging for va-Q-tec in many respects.

At kEUR 74,631, the revenues of va-Q-tec AG were 4 % below the previous year's level (previous year: kEUR 77,616), and total income decreased by 13 % or kEUR 11,224 to kEUR 76,698 year-on-year (previous year: kEUR 87,923). In addition to the lower level of revenues, the main factor was the significant reduction in inventories of finished goods and work in progress by kEUR -3,978 (previous year: kEUR +3,577) and the planned lower level of own work capitalized compared with the previous year.

Revenues include revenues generated with Group companies in the amount of kEUR 23,516 (previous year: kEUR 26,812).

The growth in other operating income of kEUR 935, from kEUR 2,238 in the previous year to kEUR 3,173 in 2022, is mainly due to higher income from foreign currency differences of kEUR 1,002 (previous year: kEUR 587). Other operating income also included the reversal of the special item for grants and subsidies in the amount of kEUR 560 (previous year: kEUR 352) and intercompany income in the amount of kEUR 832 (previous year: kEUR 921).

At kEUR 31,449, the cost of materials and purchased services was significantly lower than in the previous year (kEUR 38,331), reflecting lower costs due to the reduction in inventories. The cost of materials ratio decreased significantly from the previous year's level to 41 % of total income (previous year: 44 %).

As the company continuously invests in new growth areas, personnel expenses also increased slightly in 2022, from kEUR 27,545 to kEUR 29,568 (kEUR +2,024). In all areas of the company, both existing employees were further developed and experienced employees were recruited from outside. At 7% overall, personnel expenses thereby increased more strongly than total income compared with the previous year, with the personnel expense ratio in relation to total income thereby rising from 31 % in the previous year to 38 % in the financial year under review.

Other operating expenses were kEUR 11,300 or 71 % higher than in the previous year and amounted to kEUR 27,180 (previous year: kEUR 15,880). As a consequence, other operating expenses' share of total income has risen very sharply to 35 % in the 2022 financial year compared with 18 % in the previous year.

Adjusted for the kEUR 10,317 of non-recurring costs included in other operating expenses, as explained at the beginning of this section, other operating expenses increased by only 6 % overall compared with the previous year, corresponding to a ratio of 21 % in relation to total income.

Overall, earnings before interest, tax, depreciation and amortization (EBITDA) deteriorated from kEUR +6,167 in the previous year to kEUR -11,499. This corresponds to a negative EBITDA margin of 15 % in 2022 compared with +7 % in 2021, based on total income.

Adjusted for the aforementioned non-recurring costs, earnings deteriorated from kEUR 6,167 in the previous year to kEUR -1,182 in 2022. The adjusted EBITDA margin amounts to -2 %.

Depreciation and amortization continued to grow due to increased investment activity towards the end of 2021, for example in new buildings and equipment, and increased by kEUR 1,327, from kEUR 5,831 in the previous year to kEUR 7,158. This corresponds to a 9 % share of total income (previous year: 7%).

Overall, the operating result or earnings before interest and tax (EBIT) amounted to kEUR -18,657, compared with kEUR 336 in the previous year. This corresponds to a negative EBIT margin of 24 % in 2022 compared with 0.4 % in 2021, based on total income.

Adjusted for the aforementioned non-recurring costs, EBIT deteriorated from kEUR 336 in the previous year to kEUR -8,340 in 2022. The adjusted EBITDA margin amounts to -11 %.

The net financial result of kEUR -2,055 was significantly higher than the prior-year figure (previous year: kEUR -1,304). In addition to the moderate increase in interest expenses, this item also includes write-downs of financial assets in the amount of kEUR 489 in 2022, which are attributable to the aforementioned non-recurring costs. These are the aforementioned impairment tests and writedowns on investments in affiliated companies.

Adjusted for these costs, the net finance result amounted to kEUR -1,566, up 20 % on the previous year.

In the 2022 financial year, va-Q-tec AG recorded a very significant deterioration in EBT to kEUR -20,712 compared to the previous year (previous year:

kEUR -967), which is mainly due to the effects in total income described above.

Adjusted for the aforementioned non-recurring costs, EBT amounted to kEUR -9,906. This corresponds to -13 % of the total income.

The formation of deferred taxes led to an income tax expense of kEUR 311 despite the significant pretax loss in the 2022 financial year. All tax loss carryforwards are available for offsetting in subsequent years.

Net assets of the single entity va-Q-tec AG

The net assets of va-Q-tec AG changed as follows in the 2022 financial year, including the non-recurring costs explained at the beginning of the section "Results of operations of the single entity va-Q-tec AG": total assets decreased slightly by kEUR 3,986, from kEUR 132,567 to kEUR 128,581 as of the 31 December 2022 balance sheet date. Non-current assets decreased by kEUR 5,367 to kEUR 90,630 (2021: kEUR 95,996). This reduction was mainly due to the decrease in property, plant and equipment as a result of the lower level of investing activities as well as due to a lower level of loans to affiliated companies, mainly as a result of repayments by va-Q-tec Ltd., UK. Inventories decreased significantly by kEUR 4,097 to kEUR 12,489 (2021: kEUR 16,587), mainly due to the transfer of inventories stored abroad to local subsidiaries during the year. In turn, receivables and other assets increased by kEUR 6,178 to kEUR 22,902 (2021: kEUR 16,724), mainly due to higher receivables from affiliated companies and the very strong increase in other assets as of the reporting date, which is attributable to the invoicing of a service on behalf of a subsidiary for technical reasons.

Financial position of the single entity va-Q-tec AG

The equity of va-Q-tec AG decreased by kEUR 21,132 to kEUR 39,316 (2021: kEUR 60,448) due to the negative net result. As a consequence, the equity ratio amounts to 31 % (previous year: 46 %). Adjusted for the non-recurring costs explained at the beginning of the section "Results of operations of the single entity va-Q-tec AG", equity would have decreased by kEUR 10,326 to kEUR 50,122. In the 2022 financial year, va-Q-tec AG invested kEUR 8,468 in non-current assets (2021: kEUR 22,788). Of this amount, kEUR 2,057 related to intangible assets (2021:

kEUR 2,598), mainly software, and kEUR 5,169 to property, plant and equipment (2021: kEUR 14,397), mainly machinery and equipment, as well as operating and office equipment. In addition, va-Q-tec AG increased its interest in ING3D by kEUR 300 and its interests in affiliated companies by kEUR 672 in the financial year under review, whereas loans to affiliated companies decreased significantly by kEUR 4,330 to kEUR 7,733. In the 2022 financial year, part of the undeveloped land in Heuchelhof (Würzburg) was sold. For further details, please refer to the relevant comments for the Group.

The financing strategy of va-Q-tec AG is geared towards providing the necessary financial resources for its own strong growth and the growth of the Group as a whole, for which va-Q-tec AG manages and secures financing and liquidity requirements worldwide. Recourse is made in this context to various financing instruments such as loans, leasing, factoring, overdrafts and government subsidies. Existing financing instruments were optimized continuously in terms of their structures and interest rates. For further details, please refer to the relevant comments for the Group.

Capital structure

Significant financing measures and projects

Long-term investments are financed through equity and long-term loans. The multi-bank agreement in the amount of kEUR 11,000 in place with the principal banks of va-Q-tec AG since September 2016 was cancelled in June 2022 and replaced by significantly expanded bilateral lines with the banks totaling kEUR 24,500. Bank borrowings plus equipment leasing account for kEUR 33,073, equivalent to 25 % of total assets (previous year: kEUR 33,851, 26 %). Of the bank borrowings, kEUR 9,133 (previous year: kEUR 5,702) have a remaining term of up to one year. For further information, please refer to the detailed comments on the financing measures and projects for the Group, for which the parent company is mainly responsible as the company managing these measures.

The investment grants and subsidies received are deferred in the special item for grants and subsidies (kEUR 4,867; previous year: kEUR 4,133). The company received investment grants from the government of Lower Franconia between 2017 and 2020 for investments at the new site in Würzburg. The

investment grants were used for structural investments, machinery and equipment, and the overall investment for the building in Würzburg. Furthermore, the company received various investment grants from the Thüringische Aufbaubank between 2008 and 2022 for the various construction phases, machinery and equipment at the Kölleda site. Provided that the eligibility conditions, as expected for the current projects and audited and confirmed for the expired projects, are met, the grants received do not have to be repaid.

Trade payables reduced by kEUR 1,117 year-on-year to kEUR 4,777 (previous year: kEUR 5,894). As in the previous year, this corresponds to 4 % of total assets. As in the previous year, trade payables have a remaining term of up to one year. The growth of the subsidiaries' foreign activities was also cofinanced by the parent company in 2022. For this purpose, va-Q-tec AG provides the subsidiaries with financial resources in the form of equity or loans as required. Loans to affiliated companies decreased by kEUR 4,330 to kEUR 7,733 in the 2022 financial year (previous year: kEUR 12,063). At the same time, receivables due from affiliated companies rose from kEUR 11,864 to kEUR 19,758. It is expected that further investments in the subsidiaries will have to be made in the future on an eventled basis in order to leverage the business potential deriving from the Group's international expansion. SUMTEQ GmbH, Cologne, Germany, also progressed according to plan on its path to piloting and launching submicroporous foams. From this, va-Q-tec expects to use the new materials as a further high-performance insulating material. The interest held amounts to 15.0 %. Due to the significant increase in interest rates in 2022, the company has recognized valuation allowances of kEUR 3,660 in relation to receivables from affiliated companies despite the generally positive outlook for 2023 and subsequent years because, based on DCF calculations, the full repayment of these receivables cannot be regarded as certain. Future loans should decrease as the companies begin to generate profits. The financing of the subsidiaries is sustainable for va-Q-tec AG from a liquidity standpoint. The further expansion of the UK container fleet was again largely financed by leasing companies in 2022. In 2022, guarantee bonds for payments amounting to kEUR 2,664 were issued to lessors for the UK subsidiary (previous year: kEUR 2,116). As of the balance sheet date, cumulative payment obligations

of the subsidiary in the amount of kEUR 5,098 (previous year: kEUR 5,396) are subject to guarantee declarations by va-Q-tec AG.

Liquidity

The cash flow statement is as follows:

kEUR	2022	2021
Net cash flow from operating activities	1,157	-641
Net cash flow from investing activities	-55	-22,789
Net cash flow from financing activities	-2,015	8,353
Cash and cash equivalents at the end of the period	-4,868	-3,955*

*This figure was understated by kEUR 1,241 due to an incomplete utilization of working capital lines in the previous year and has been adjusted here.

The cash inflow from operating activities was positive at kEUR 1,157 in 2022, up kEUR 1,798 on the prior-year level (2021: kEUR -641). The significantly negative result for the period compared with the previous year is offset mainly by the increase in provisions and the increase in liabilities to affiliated companies. The cash outflow from investing activities in the 2022 financial year amounted to a total of kEUR -55 and was consequently kEUR 22,733 lower than in the previous year (previous year: cash outflow of kEUR -22,789). Firstly, the figure reflects the planned very significant decrease in capital expenditure in 2022 following the high level of investment activity in 2021, particularly in Köllda, where production capacity had been significantly expanded. Secondly, in contrast to the previous year, va-Q-tec AG recorded significant cash inflows from disposals of items of property, plant and equipment and financial assets, primarily as a result of the reduction in intercompany loans by the UK subsidiary. Financing activities resulted in a total cash outflow of kEUR -2,015 in 2022, mainly due to slightly higher outflows from repayments than inflows from new borrowings and investment grants. In the previous year, the figure (kEUR +8,353) was largely influenced by the cash inflow from the capital increase of kEUR 8,054.

Cash and cash equivalents decreased slightly by kEUR 352 year-on-year to kEUR 1,438 (previous year: kEUR 1,790). The cash holdings, available current account lines and further financing options result in

a solid liquidity cushion for 2023, which is appropriate for va-Q-tec AG. Due to the confirmations received from the banks regarding the waiver of calling the bond and the short-term loans (see detailed explanations for the Group under "Principles and goals of financial management"), va-Q-tec AG has bank balances plus open credit lines of approximately EUR 20 million as of 31 December 2022 and thereby a comfortable financial position. In addition, the Management Board is continuously in talks with banks and financial institutions with regard to short- and medium-term debt financing instruments. Taking into consideration the current takeover offer and the associated capital increase, which were initiated primarily to strengthen financial security, as well as an overall moderate level of debt, the Management and Supervisory boards see no indications in the context of the expected business performance that va-Q-tec might not be able to meet its payment obligations.

Non-financial performance indicators of the single entity va-Q-tec AG

The non-financial performance indicators of va-Q-tec AG correspond to those of the va-Q-tec Group, which are presented in the section "Non-financial performance indicators". As of 31 December 2022, va-Q-tec AG employed a total of 538 individuals (2021: 532 employees). The average number of employees excluding the Management Board, trainees and interns was 508 in the 2022 financial year (2021: 503 employees).

Opportunities and risks of the single entity va-Q-tec AG

va-Q-tec AG is essentially subject to the same opportunities and risks as the va-Q-tec AG Group. As the parent company of the va-Q-tec AG Group, va-Q-tec AG is integrated into the Groupwide internal control and risk management system. Explanations and quantitative statements are provided in the opportunities and risks report.

Forecast report for the single entity va-Q-tec AG

The expected business performance of va-Q-tec AG is essentially subject to the same influences as those of the Group. Explanations and quantitative statements are contained in the "Forecast" section of the Group management report. For the 2023 financial year, we expect revenue growth for va-Q-tec AG in the upper single-digit percentage range. Excluding any additional transaction costs that

may be incurred in 2023, we expect measures to reduce costs and improve earnings to result in clearly positive EBITDA in a low to mid single-digit range in millions of euros compared with unadjusted earnings in 2022 of kEUR -11,499. We expect earnings before tax (EBT) to still be negative in 2023 despite a very significant year-on-year improvement. With regard to the trend in employee numbers, a constant to slightly increasing number is assumed.



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3 CONSOLIDATED FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS OF VA-Q-TEC AG FOR THE 2022 FINANCIAL YEAR

CONSOLIDATED INCOME STATEMENT

kEUR	Notes	2022	2021 restated*
Revenues	7.1.1	111.833	104.063
Change in inventories	–	–421	2.846
Work performed by the company and capitalised	7.1.2	5.725	11.328
Other operating income	7.1.3	5.666	4.294
Total Income	–	122.803	122.531
Cost of materials and services	7.1.4	–46.701	–50.482
Gross profit	–	76.102	72.049
Personnel expenses	7.1.5	–37.587	–33.191
Other operating expenses	7.1.6	–30.779	–21.064
EBITDA	–	7.736	17.794
Depreciation, amortization and impairment losses	7.1.7	–15.000	–13.655
Earnings before interest and tax (EBIT)	–	–7.264	4.139
Result from fair value valuation of investments	–	530	–
Finance Income	–	6	6
Finance expenses	–	–2.608	–2.252
Net financial result	7.1.9	–2.602	–2.246
Earnings before tax (EBT)	–	–9.336	1.893
Income tax	7.1.10	–2.328	–485
Net income	–	–11.664	1.408
Consolidated net income attributable to owners of va-Q-tec AG	–	–11.664	1.408
Earnings per share – basic /diluted in EUR	7.1.11	–0.87	0.11

* The comparative figures have been adjusted due to error corrections (see note 6.3)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

kEUR	Notes	2022	2021 restated*
Net Income	-	-11,664	1,408
Consolidated other comprehensive income	-	-	-
Currency translation differences	7.2.2.1	-145	-145
Derivative financial instruments (after tax)	-	523	187
Total other comprehensive income that will be reclassified to profit or loss	-	378	42
Consolidated total comprehensive income	-	-11,286	1,450
Consolidated total comprehensive income attributable to owners of va-Q-tec AG	-	-0,87	0,11

* The comparative figures have been adjusted due to error corrections (see note 6.3)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**Assets**

Assets kEUR	Konzern- anhang	31.12.2022	31.12.2021 angepasst*	01.01.2021 angepasst*
Non-current assets				
Intangible assets	-	6,036	4,273	2,955
Property, plant and equipment	-	80,645	82,649	69,636
Investment property	-	1,020	1,020	1,614
Contract assets	-	48	38	73
Other financial assets	-	7,752	4,972	3,503
Other non-financial assets	-	1,307	1,298	1,056
Deferred tax assets	-	875	2,381	2,661
Total non-current assets	-	97,683	96,631	81,498
Current assets				
Inventories	7.2.1.6	18,838	18,469	11,615
Trade receivables	7.2.1.7	7,733	12,432	6,532
Other financial assets	7.2.1.4	6,734	2,380	927
Current tax assets		-	22	3
Other non-financial assets	7.2.1.5	2,145	5,168	1,549
Cash and cash equivalents	7.2.1.9	9,381	9,810	17,134
Non-current assets held for sale	-	-	594	-
Total current assets	-	44,831	48,875	37,760
Total assets	-	142,514	145,506	119,258

* The comparative figures have been adjusted due to error corrections (see note 6.3)

Equity and liabilities

kEUR	Notes	31.12.2022	31.12.2021 restated*	01.01.2021 restated*
Equity	7.2.2.1	–	–	–
Issued share capital	–	13,415	13,415	13,090
Treasury shares	–	–54	–54	–54
Additional paid-in capital	–	54,020	54,020	46,158
Consolidated total other comprehensive income	–	378	–	–42
Retained earnings	–	–29,060	–17,396	–18,804
Total equity	–	38,699	49,985	40,348
Non-current liabilities				
Provisions	7.2.2.2	208	189	96
Bonds issued	7.2.2.3	–	23,362	22,064
Bank borrowings	7.2.2.4	25,319	23,451	25,170
Other financial liabilities	7.2.2.5	5,307	4,695	3,857
Other non-financial liabilities	7.2.2.6	4,753	6,790	6,426
Total non-current liabilities	–	35,587	58,487	57,613
Current liabilities				
Provisions	7.2.2.2	3,188	247	190
Bonds issued	7.2.2.3	24,821	–	–
Bank borrowings	7.2.2.4	12,180	13,741	3,919
Other financial liabilities	7.2.2.5	11,732	8,290	6,434
Liabilities from contracts with customers	7.2.2.7	65	189	40
Trade payables	7.2.2.8	7,130	8,628	5,978
Tax liabilities	–	973	63	44
Other non-financial liabilities	7.2.2.6	8,139	5,876	4,692
Total current liabilities	–	68,228	37,034	21,297
Total Equity and liabilities	142,514	119,258	145,506	119,258

* The comparative figures have been adjusted due to error corrections (see note 6.3)

CONSOLIDATED STATEMENT OF CASHFLOW

kEUR	Notes 7.3	2022	2021 restated*
Cash flow from operating activities			
Net income		-11,664	1,408
Current income taxes recognised income statement		1,040	145
Income taxes paid		-24	-23
Net finance costs recognised income statement		2,602	2,246
Interest received		4	-
Interest paid		-2,320	-1,967
Depreciation on contract assets		5	62
Non-cash gain from fair value valuation of investments		-530	-
Depreciation, amortisation and impairment losses		15,000	13,656
Gain/loss from disposal of non-current assets		-2,166	38
Change in other assets		-998	-5,338
Change in other liabilities		4,644	5,065
Change in provisions		2,957	148
Other non-cash expenses or income		-1,200	-2,107
Cash flow from operating activities before working capital changes		7,350	13,333
Change in inventories		-366	-6,561
Change in trade receivables		4,993	-5,690
Change in trade payables		-2,296	2,198
Net cash flow from operating activities		9,681	3,280
Cash flow from investing activities			
Payments for investment in intangible assets		-3,495	-2,874
Proceeds from disposal of property, plant and equipment		2,359	759
Payments for investments in property, plant and equipment		-8,272	-22,080
Proceeds from disposal of non-current assets		759	-
Payments for investments in contract assets		-15	-27
Net cash flow from investing activities		-8,664	-24,222

* The comparative figures have been adjusted due to error corrections (see note 6.3)

Cash flow from financing activities		
Proceeds from issuing shares	–	8,495
Payments for share issue costs	–	–442
Proceeds from bank loans	30,960	21,149
Repayments of bank loans	–30,711	–13,114
Proceeds from government grants	1,294	428
Payments for leases liabilities	–3,100	–2,945
Net cash flow from financing activities	–1,557	13,571
Change in cash and cash equivalents before exchange rate effects	–540	–7,371
Effect of exchange rate changes on cash and cash equivalents	111	47
Net change in cash and cash equivalents	–429	–7,324
Cash and cash equivalents at start of period	9,810	17,134
Cash and cash equivalents at end of period	9,381	9,810

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

kEUR	Issued share capital	Treasury shares	Additional paid-in capital	Retained-earings
01.01.2021 (as reported)	13.090	–54	46.158	–17.896
Adjustment on correction of error (net of tax)	–	–	–	–908
01.01.2021 (restated ¹)	13.090	–54	46.158	–18.804
Net income (restated¹)	–	–	–	1.408
Consolidated other comprehensive income	–	–	–	–
Consolidated total comprehensive income (restated ¹)	–	–	–	1.408
Issue of treasury shares	325	–	8.170	–
Share issue related costs	–	–	–308	–
31.12.2021 (restated ¹)	13.415	–54	54.020	–17.396
01.01.2022	13.415	–54	54.020	–17.396
Net income	–	–	–	–11.664
Consolidated other comprehensive income	–	–	–	–
Consolidated total comprehensive income	–	–	–	–11.664
31.12.2022	13.415	–54	54.020	–29.060

kEUR	Cumulative other comprehensive income		Equity attributable to parent company owners	Total equity
	Currency translation reserves	Derivative financial instruments		
01.01.2021 (as reported)	103	-145	41.256	41.256
Adjustment on correction of error (net of tax)	-	-	-908	-908
01.01.2021 (restated*)	103	-145	40.348	40.348
Net income (restated*)	-	-	1.408	1.408
Consolidated other comprehensive income	-145	187	42	42
Consolidated total comprehensive income (restated*)	-145	187	1.450	1.450
Issue of treasury shares	-	-	8.495	8.495
Share issue related costs	-	-	-308	-308
31.12.2021 (restated*)	-42	42	49.985	49.985
01.01.2022	-42	42	49.985	49.985
Net income	-	-	-11.664	-11.664
Consolidated other comprehensive income	-145	523	378	378
Consolidated total comprehensive income	-145	523	-11.286	-11.286
31.12.2022	-187	565	38.699	38.699

* The comparative figures have been adjusted due to error corrections (see note 6.3)

4 GENERAL INFORMATION

4.1 INFORMATION ABOUT THE COMPANY

The company va-Q-tec AG, which has its headquarters at Alfred-Nobel-Strasse 33, 97080 Würzburg, Germany, is entered in the commercial register of Würzburg under commercial register sheet number 7368. Along with va-Q-tec AG itself, the consolidated financial statements of va-Q-tec AG also include its subsidiaries (hereinafter also referred to as “va-Q-tec”, the “va-Q-tec Group” or the “company”). va-Q-tec is a technologically leading provider of highly efficient products and solutions in the thermal insulation area. The company develops, produces and markets innovative products for reliable and energy-efficient temperature control and insulation – vacuum insulation panels (“VIPs”) and phase change materials (“PCMs”). Furthermore, va-Q-tec produces passive thermal packaging systems (containers and boxes) through optimally combining of VIPs and PCMs. To implement temperature-sensitive logistics chains, va-Q-tec offers, within a global partner network, the rental of containers and boxes that meet demanding thermal protection standards. Along with Healthcare & Logistics as the main market, va-Q-tec addresses the following further markets: Appliances & Food, Technics & Industry, Building, and Mobility.

These consolidated financial statements of va-Q-tec for the financial year from 1 January to 31 December 2022 were approved for publication by the Management Board on 26 April 2023.

4.2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

va-Q-tec AG is the ultimate parent company of the va-Q-tec Group and consequently prepares the consolidated financial statements for the smallest and largest group of companies. va-Q-tec prepares its consolidated financial statements as of 31 December 2021, in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB. The term IFRS also comprises all still valid International Accounting Standards (IAS) as well as all interpretations and amendments of the International Financial Reporting Standards Interpretations Committee (IFRS IC) – formerly the International Financial Reporting Interpretations Committee

(IFRIC) – and of the former Standing Interpretations Committee (SIC).

The consolidated financial statements have been prepared by the Management Board on a going concern basis in accordance with IAS 1.25 f. As of the 31 December 2022 balance sheet date, the company fell short of the minimum equity ratios agreed with banks, but the financing partners waived their right to call in the financial liabilities; to this extent, the company's financing and going concern status are not at risk. Please see the more detailed disclosures in the notes under “8.5 Events after the balance sheet date”.

These consolidated financial statements were prepared on the basis of historical cost. Exceptions to this include derivative financial instruments and investments that were recognized at fair value on the reporting date. The corresponding note is provided as part of the respective accounting policies.

Historical cost is generally based on fair value, which represents the consideration rendered in exchange for the asset.

Fair value is the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date. This applies irrespective of whether the price is directly observable, or has to be estimated by applying a valuation method.

The fair value that is to be determined for certain disclosures and calculation methods is not always available as a market price. Frequently, it has to be calculated on the basis of various measurement parameters. Depending on the availability of observable parameters and the significance of such parameters for fair value measurement overall, the fair value is allocated to one of the levels 1, 2 or 3 (fair value hierarchy). This allocation is implemented on the following basis:

- Level 1 inputs comprise quoted prices (unadjusted) on active markets for identical assets or liabilities to which va-Q-tec can access at the measurement date.
- Level 2 inputs comprise inputs other than Level 1 quoted prices, for which the value of the asset or liability is either directly observable, or can be derived indirectly from other prices.

- Level 3 inputs are unobservable inputs for the asset or liability.

As a rule, the Group classifies assets and liabilities as current if they will be realized or settled prospectively within twelve months after the reporting date. If assets and liabilities comprise both a current and a non-current element, they are divided into their term components and reported as current and non-current assets or liabilities in accordance with the balance sheet structure.

The consolidated income statement is prepared according to the nature of expense method.

The consolidated financial statements are prepared in thousands of euros (kEUR), which is both the functional and the reporting currency of va-Q-tec. Differences of up to one unit (EUR, %) relate to arithmetic rounding differences.

4.3 EFFECTS OF NEW ACCOUNTING STANDARDS

The va-Q-tec Group has applied uniform accounting methods for all the periods presented in its IFRS consolidated financial statements. These comply with IFRS entailing mandatory application in the EU in the 2022 financial year.

The accounting policies applied correspond to those applied in the previous year, as a matter of principle.

The following new standards and interpretations or amendments to existing standards and interpretations required mandatory application for financial years commencing from 1 January 2022, and were applied for the first time by the company.

Standard	Title	Mandatory application for financial years commencing from
Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRSs – 2018–2020 Cycle	01/01/2022
Amendments to IFRS 3	Reference to the Conceptual Framework 2018	01/01/2022
Amendments to IAS 16	Proceeds before Intended Use	01/01/2022
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	01/01/2022

All new accounting policies presented in the table did not have a material effect on the consolidated financial statements.

The following standards and interpretations and amendments to existing standards and interpretations were approved by both the IASB and the EU, and come into force for financial years commencing after 1 January 2023. The company has not applied these regulations early.

Standard	Title	Mandatory application for financial years commencing from
IFRS 17	Insurance Contracts, including amendments to IFRS 17 and amendments to IFRS 17 Insurance Contracts: First-time Adoption of IFRS 17 and IFRS 9 Comparative Information	01/01/2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	01/01/2023
Amendments to IAS 8	Definition of Accounting Estimates	01/01/2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01/01/2023

All standards listed are applied by va-Q-tec only from the date of mandatory first-time adoption.

va-Q-tec recognizes deferred tax assets and liabilities in relation to rights of use and lease liabilities on a net basis. In accordance with the amendments to IAS 12, the Group will recognize a separate deferred tax asset and deferred tax liability. As of 31 December 2022, the taxable temporary difference relating to the right-of-use asset amounts to kEUR 6,451 (note 7.2.1.2) and the deductible temporary difference relating to the lease liability amounts to kEUR 6,603 (note 7.2.2.5), resulting in a net deferred tax asset of kEUR 16 (note 7.1.10). In accordance with the amendments, the Group will recognize a separate deferred tax liability of kEUR 1,213 and a deferred tax asset of kEUR 1,229. The application of the amendments will have no effect on retained earnings.

For the 2023 financial year, the other amendments listed will not have any material impact on accounting and measurement.

The following standards will become effective in the forthcoming years, but have not yet been endorsed by the EU:

Standard	Title	Mandatory application for financial years commencing from
Amendments to IAS 1	Classification of Liabilities as Current or Non-current — Deferral of Effective Date and clarification regarding classification of liabilities with ancillary conditions as non-current or current	01/01/2024
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	01/01/2024

The company is currently examining the potential effects on va-Q-tec's consolidated financial statements from standards or amendments to standards that have not yet been endorsed by the EU.

4.4 ACCOUNTING JUDGEMENTS AND ESTIMATES

In applying the accounting policies, the Group's management has made discretionary decisions that affect the amounts reported in the consolidated financial statements. Accordingly, assumptions and estimates are to be made to a certain extent when preparing consolidated financial statements that affect the amount and the reporting of recognized assets and liabilities, income and expenses, and contingent liabilities in the reporting period.

The assumptions and estimates are based on premises that in all cases reflect the currently available status of information at the time of each case. The expected future business trend also particularly reflects the circumstances prevailing at the time when the consolidated financial statements were prepared, as well as a realistically imputed future trend in the environment. As a consequence of developments in these overall conditions differing from the management's assumptions and lying outside its sphere of influence,

the resultant amounts can differ from the originally expected estimated values. In 2022, the business activities of va-Q-tec AG continued to be influenced by the very dynamic development of the Covid-19 pandemic and, in addition, by Russia's war against Ukraine, which began in February 2022, and its far-reaching consequences, which also had a significant impact on the assumptions and estimates made in the reporting period. Due to the ongoing war in Ukraine, the Management Board assumes that future assumptions and estimates will also be influenced by developments in relation to this topic, whereas the significance of the pandemic for future business trends is expected to diminish further. This uncertainty in relation to estimates could have a significant impact on the financial position and performance in subsequent years.

The estimates and assumptions that are applied are presented in the notes to the individual items of the statement of financial position and income statement in section 3 "Accounting policies". The main effects impacting the amounts arise in the following areas:

- Determining useful economic lives for intangible assets and for property, plant and equipment, including assets leased as part of finance leases.
- Assessment of the lease term and determination of the relevant discount rate for the accounting treatment of leases and assessment of sale-and-leaseback agreements.
- Impairment testing of assets based on appraisal of identifiable risks.
- Impairment testing of deferred tax assets in relation to tax loss carryforwards.
- Assessing the derecognition criteria of trade receivables as part of factoring agreements.
- Estimating market yield curves as part of measuring derivative financial instruments.
- Best possible estimate of the most probable settlement amount as part of the recognition and measurement of provisions.
- Best possible estimate of the event probability and the settlement amount in the context of the accounting and measurement of litigation risk.
- Assessing any requirement to separate, and measuring, embedded derivatives.
- Recognition of additional costs during the period of initiation of contracts with customers.
- Determination of the expected credit loss using the simplified approach for trade receivables and contract assets.

5 CONSOLIDATION

5.1 CONSOLIDATION SCOPE

The consolidation scope is derived by applying IFRS 10 (Consolidated Financial Statements). In the consolidated financial statements of va-Q-tec AG as of 31 December 2022, the following subsidiaries were fully consolidated:

Name	Headquarters	Equity interest 31/12/2022	Equity interest 31/12/2021
va-Q-tec Limited (UK)	Rochester, UK	100 %	100 %
va-Q-tec Inc. (USA)	East Rutherford, NJ, USA	100 %	100 %
va-Q-tec Ltd. (Korea)	Joong-gu, Incheon, Republic of Korea	100 %	100 %
va-Q-tec Switzerland AG (Switzerland)	Zürich, Schweiz	100 %	100 %
va-Q-tec Japan G.K. (Japan)	Tokyo, Japan	100 %	100 %
va-Q-tec Uruguay S.A. (Uruguay)	Montevideo, Uruguay	100 %	100 %
va-Q-tec SG PTE. Ltd. (Singapore)	Singapore	100 %	100 %
va-Q-tec India Ltd. (India)	New Delhi, India	100 %	100 %
va-Q-tec do Brasil Ltda. (Brasil)	Sao Paulo, Brazil	100 %	100 %
va-Q-tec Shanghai Ltd. – (China)	Shanghai, China	100 %	0 %
va-Q-tec Austria GmbH – (Austria)	Salzburg, Austria	100 %	0 %
va-Q-tec France SARL – (France)	Paris, France	100 %	0 %

va-Q-tec AG and its subsidiaries together form the va-Q-tec Group. Please see the segment reporting for key financial information about the subsidiaries. No significant restrictions exist on the Group's ability to access or utilize assets and to settle liabilities.

5.2 CONSOLIDATION SCOPE CHANGES AND OTHER ACQUISITIONS AND DISPOSALS

In January 2022, va-Q-tec established a subsidiary in Shanghai, China. va-Q-tec Thermal Solutions (Shanghai) Co., Ltd., is intended to establish a stronger local presence to support commercial activities in China. In the future, the new location will act as a central hub for va-Q-tec's rental business and as a fulfillment station.

Furthermore, va-Q-tec founded subsidiaries in Salzburg, Austria, and in Paris, France, in March and December 2022. The commercial activities in Europe are to be strengthened with the company va-Q-tec Austria GmbH and va-Q-tec France SARL. No significant revenues have been generated with the

new company to date, and there has been no significant impact on earnings.

The interest in SUMTEQ GmbH of 15.00 % (previous year: 15.00 %) and in ING3D GmbH of 15.00 % (previous year: 15.00 %) are recognized at fair value under financial assets. These companies exert no significant influence companies on va-Q-tec AG.

5.3 CONSOLIDATION PRINCIPLES

The consolidated financial statements are based on uniform accounting principles. The annual financial statements of the companies included in the consolidation scope were adjusted where required in order to align them with the accounting policies applied in the Group. All of the annual financial statements of the companies included in the consolidated financial statements are prepared on the basis of the reporting date of the consolidated financial statements.

Subsidiaries are those companies where the Group holds existing rights that endow it with the current capability to manage the companies' relevant activities. Relevant activities are those activities that significantly affect the companies' profitability. For this reason, control exists if the Group is exposed to variable returns from its relationship to a company, and as a consequence of its power over the relevant activities it has the capability to influence these returns. In the va-Q-tec Group, the ability of control is based in all cases on a direct voting majority held by va-Q-tec AG. Inclusion of companies in the consolidated financial statements of va-Q-tec AG begins on the date from which the possibility of control exists. It ends if such control ceases.

As part of capital consolidation (consolidation of the investment account), the carrying amounts of the participating interests are offset with the subsidiary's proportional equity. As all subsidiaries comprise companies that va-Q-tec has founded, initial consolidation has not resulted in any differential amount.

Intragroup transactions are fully adjusted. This entails the offsetting of significant receivables, liabilities and provisions between the consolidated companies, and the elimination of intercompany profits and losses. Intragroup revenues are offset with the corresponding expenses. Tax deferrals required pursuant to IAS 12 are applied to any temporary differences on consolidation.

5.4 FOREIGN CURRENCY TRANSLATION

The consolidated financial statements have been prepared in accordance with the functional currency concept. The functional currency of va-Q-tec AG is the primary currency of the economic environment in which the va-Q-tec Group operates. This corresponds to the euro, which also corresponds to the reporting currency for the consolidated financial statements. The functional currency of the subsidiaries in the USA, South Korea, Switzerland, Japan, Singapore and India is in each case the national currency, as these subsidiaries conduct their business independently in their respective markets. The functional currency of the UK company corresponds to the euro. The functional currency of the subsidiary in Uruguay is the US dollar.

In the financial statements of each Group company, business transactions denominated in foreign currencies are translated into the functional currency applying the rates valid on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated applying the rate prevailing on each reporting date. Non-monetary assets and liabilities measured at cost are translated at the exchange rate prevailing on the date when they are initially recognized on the statement of financial position. The foreign currency gains and losses arising from these translations are recognized in the consolidated income statement under other operating income or other operating expenses.

To prepare the consolidated financial statements, the assets and liabilities of the Group's foreign subsidiaries whose functional currency is not the euro are translated into euros applying the exchange rates on the reporting date. Income and expenses are translated at the average rate for the period, unless translation exchange rates during the period are subject to sharp fluctuations. In such cases, the exchange rates on the transaction date would be applied. Translation differences from the translation of foreign operations into the Group currency are recognized under consolidated other comprehensive income, and accumulated within equity.

The exchange rates into euros for the significant currencies in the Group applied for the translation are presented in the following table:

	Closing rate		Average rate	
	31/12/2022	31/12/2021	2022	2021
British pound	0.8869	0.8403	0.8526	0.8600
US dollar	1.0666	1.1326	1.0539	1.1835
South Korean won	1.344.0900	1.346.3800	1.358.0628	1.353.9181
Swiss Francs	0.9847	1.0331	1.0052	1.0814
Japanese Yen	140.6600	130.3800	138.0027	129.8548
Singapore-Dollar	1.4300	1.5279	1.4520	1.5896

6 ACCOUNTING POLICIES

6.1 CONSOLIDATED INCOME STATEMENT

Revenues

Revenue from the sale of goods is recognized when an asset is transferred and the customer obtains control of the asset, a transaction price has been agreed or can be determined, and payment is probable. Sales revenues from services are recognized to the extent that the service has been rendered, and the amount of the revenue can be measured reliably. Payments for unreturned thermal boxes in connection with rental services rendered are reported as revenue. Rebates, bonuses, VAT and other taxes associated with the service are deducted from sales revenues. All reported revenues represent revenues from contracts with customers.

Sales revenues are recognized at the transaction price of the consideration received or to be received, and reflect the amounts that are to be received for goods and services as part of ordinary business activity.

Sector-typical payment terms with customers not include any significant financing components. Warranty obligations under contracts between the company and its customers do not constitute separate performance obligations and are recognized as a provision.

With regard to the opening and closing balances and impairments of receivables from contracts with customers, we refer to the notes on trade receivables. For the composition of revenues by business segment, please refer to the notes on revenues, and for the composition by region please refer to the segment reporting.

Net financial result

Interest income and interest expenses reported under the net financial result are deferred and accrued in accordance with their respective terms, taking the outstanding loan sum and the applicable interest rate into account. The effective interest method is applied in this context.

Income taxes

The expense for taxes on income represents the sum of current income tax expense and deferred tax. The current income tax expense is calculated on the basis of taxable income for the year. Taxable earnings differ

from the earnings before tax reported in the consolidated income statement, as these do not include income and expense items that were taxable or tax-deductible in other years, as well as items on which no tax is generally incurred, or which are generally not tax-deductible.

Deferred taxes are recognized in accordance with the balance sheet liability method as presented in IAS 12 (Income Taxes). This entails forming deferred tax items for temporary differences between tax valuations and valuations on the consolidated balance sheet, as well as for tax loss carryforwards. Deferred tax assets are only taking into consideration if it is probable that the corresponding tax benefits will also be realized. Loss carryforwards for which deferred tax assets have been formed are expected to be utilized within the five-year planning period. The carrying amount of deferred tax assets is reviewed each year on the reporting date, with an impairment loss being applied if it is no longer probable that sufficient taxable income will be available to fully or partially realize the asset.

Deferred tax liabilities are formed for taxable temporary differences arising from interests in subsidiaries, unless the Group can control the reversal of the temporary differences, and it is probable that the temporary difference will not reverse within the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset to the extent that they relate to the same taxpayer, and exist in relation to the same tax authority.

To measure deferred tax, future years' tax rates are applied if the related legislation has already been enacted, or the legislative process has essentially been concluded. Deferred taxes are recognized in profit or loss, as a matter of principle. To the extent that the charges or reliefs underlying deferred taxes are carried directly to equity, the formation or release of deferred taxes also occurs directly in equity.

Earnings per share

Earnings per share (basic earnings per share) are calculated on the basis of IAS 33 (Earnings Per Share). Basic earnings per share are calculated by dividing

the after-tax profits attributable to the parent company shareholders by the weighted average number of shares in issue during the financial year under review. At the end of the financial year under review, as in the previous year, only ordinary shares were issued, so that the consolidated net income does not have to be allocated to different classes of shares. Diluted earnings per share are not shown separately as, as in the previous year, no potentially diluting instruments were outstanding as of 31 December 2022.

6.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

6.2.1 Assets

Intangible assets

Pursuant to IAS 38, intangible assets are capitalized if a future economic benefit is expected from utilization of the asset, and the costs of the asset can be calculated reliably.

Individually purchased intangible assets are recognized at purchase cost on initial recognition, and intangible assets that the company has generated itself are recognized at production cost. In subsequent periods, intangible assets are measured at cost less cumulative amortization and any cumulative impairment losses. Research costs are expensed in the period in which they are incurred.

Intangible assets with limited useful life are amortized straight-line over their useful life, and impairment-tested as soon as any indications emerge that they might have become impaired. The estimated useful life and amortization method are reviewed at the end of the annual reporting period, and any changes to the estimated value are taken into account in subsequent measurement. Amortization is based on the following useful lives:

Software	3 – 5 years
Internally generated intangible assets	3 – 6 years

Gains or losses on the derecognition of intangible assets are calculated as the difference between net disposal proceeds and the asset's carrying amount, and recognized in profit or loss within other operating

income or other operating expenses in the period in which the asset is derecognized.

An intangible asset arising from internal development (or the development phase of an internal project) is recognized if the corresponding criteria of IAS 38.57 are shown to have been met. Capitalized production costs of internally generated intangible assets comprise costs directly attributable to the development process, and development-related overheads.

Property, plant and equipment

Property, plant and equipment are utilized for business purposes, and measured at cost less cumulative depreciation and cumulative impairment losses.

The purchase costs of an item of property, plant and equipment comprise all costs attributable to the purchase of the asset. Repair and maintenance charges are expensed in the income statement in the financial year in which they are incurred. Internally generated assets are initially measured at directly attributable production cost plus production-related overheads.

Borrowing costs that are directly attributable to the acquisition, construction or production of a so-called qualifying asset as part of the cost of that asset are capitalized as part of cost pursuant to IFRS.

Property, plant and equipment is depreciated straight-line in accordance with its type of use and duration of use. Property, plant and equipment is depreciated straight-line in accordance with its type of use and duration of use. Property, plant and equipment is depreciated straight-line in accordance with its type of use and duration of use. Depreciation is based mainly of the following useful lives:

Buildings, outdoor and other facilities	
Buildings	33 – 40 years
Outdoor and other facilities	5 – 20 years
Production equipment and machinery	
Production plants	8 – 21 years
Other production equipment and machinery	3 – 25 years
Operating and office equipment	
	3 – 15 years
Container fleet	
	5 years
Box fleet	
	2 – 5 years

If any indications of impairment exist, property, plant and equipment are tested for potential impairment accordingly.

Gains or losses arising from the disposal or derecognition of an item of property, plant and equipment are calculated as the difference between disposal proceeds and the asset's carrying amount, and recognized in profit or loss among other operating income or other operating expenses.

Investment property

Investment property comprises land and buildings held to generate rental income and for the purposes of value appreciation, rather than being utilized for the company's own production, to deliver goods or render services, for administrative purposes or for sale as part of ordinary operating activities. Investment property is measured at cost less accumulated depreciation and impairment losses.

If indications of impairment exist, investment property is tested for potential impairment accordingly.

Contract assets

Contract assets include development costs that do not already meet the criteria for capitalization in accordance with other standards. These are primarily customer-specific developments that are performed during the contract initiation period, are directly related to an expected contract, and are expected to recover the related costs. Firstly, such costs are incurred for the modification or qualification of products from the company's existing product range according to customer-specific requirements, and, secondly, for the implementation of va-Q-tec products or services into the customer's processes. In addition, these costs create new or improve existing resources for the company that will be used for the future fulfillment of performance obligations.

Additional costs for customer-specific developments during the contract initiation, for which the amortization period would not exceed one year are expensed immediately.

Capitalized contract assets are amortized simultaneously with the transfer of the goods or services to which the contract assets relate.

Impairment testing

Intangible assets with indefinite useful lives, as well as intangible assets that are not yet ready for utilization, are not amortized, but are instead tested annually for impairment. Assets that are amortized are impairment-tested where an indication exists that the asset's carrying amount may no longer be recoverable. An impairment loss is recognized equivalent to the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is the higher of an asset's fair value less costs to sell, and its value in use. The value in use in this context is calculated on the basis of the estimated future cash flows from the utilization and disposal of the asset, applying the discounted cash flow method. A pre-tax interest rate in line with market conditions is applied as the discounting rate in this context. If no recoverable amount can be calculated for an individual asset, the recoverable amount is calculated for the smallest identifiable group of assets (cash-generating unit) to which the respective asset can be allocated.

If the reasons for the impairment loss no longer apply at a later date, a reversal of the impairment loss is realized up to the level of the new recoverable amount, as a matter of principle. Such reversals of impairment losses are limited to the amortized carrying amount that would have arisen without the impairment loss applied in the past.

No indicators of potential impairment were identified. Accordingly, no impairment losses or reversals of impairment losses pursuant to IAS 36 were applied in either the period under review, or in the previous year.

Leases Leasing

Leases comprise all agreements that transfer the right to use a specific asset for a fixed period of time in return for payment. This also applies to contracts where the transfer of such a right is not expressly described. As a lessee, va-Q-tec uses real estate and vehicles, in particular.

Group as lessee

Based on the opportunities and risks associated with a leased asset, an assessment was made until 31 December 2018 as to whether economic ownership of the leased asset was attributable to the lessee

(so-called finance leases) or the lessor (so-called operating leases) in accordance with IAS 17.

In the case of an operating lease, the lease instalments or rental payments were expensed straight-line in the income statement. Assets accounted for under a finance lease are recognized at the inception of the lease at the lower of the present value of the lease payments or the fair value of the leased property or equipment, and, in subsequent periods, less accumulated depreciation and other accumulated impairment losses. Depreciation was calculated applying the straight-line method, taking into account the asset's residual value. The payment obligations resulting from the future lease instalments were discounted and carried under financial liabilities.

As of 1 January 2019, the Group as lessee generally recognizes rights of use for leased assets in property, plant and equipment and liabilities for payment obligations entered into at present values under other financial liabilities. The leasing liabilities include the following leasing payments:

- fixed payments, including de facto fixed payments, less lease incentives still to be paid by the lessor,
- variable payments linked to an index or interest rate,
- expected amounts that are likely to be paid due to residual value guarantees,
- the exercise price of a purchase option, if exercise is considered sufficiently certain, and
- contractual penalties for terminating the lease, if the assumed term of the lease takes into account that a termination option is exercised.

Lease payments are discounted at the marginal borrowing rate. The interest rate is calculated on the basis of the risk-free reference interest rate, taking into account the term of the leases in the relevant Group currency (in EUR thousands) plus a risk premium corresponding to va-Q-tec's rating. If necessary, country- and currency-specific adjustments to the base rate are applied. The risk premium is structured uniformly throughout the Group, as no significant differences in credit risk exist within the Group. In the financial year under review, leasing-specific adjustments were not necessary as, for example, collateral had no material impact on the interest rate. Changes in leases and revaluations of lease liabilities are generally recognized directly in equity against the right of use. The lease is recognized in the income

statement if the carrying amount of the right of use has already been reduced to zero, or if it derives from a partial or early termination of the lease.

The right to use the leased asset was capitalized in proportion to the lease liability. At the start of the lease, the value of the right of use corresponds to the present value of the corresponding lease liability. In subsequent periods, the right of use is measured at amortized cost. The Group also conducts impairment tests if corresponding indicators exist.

The Group utilizes the relief provisions of IFRS 16 for short term leases (leases with terms of less than 12 months) and low value assets. A benchmark of kEUR 5 is applied for low-value assets. Payments from leasing obligations with a term of no more than twelve months are expensed at the time of payment in accordance with the option. In addition, va-Q-tec does not generally present the leasing and service components separately from one another in accordance with the option offered by the standard.

Sale-and-finance-leaseback transactions

As part of sale-and-finance-leaseback transactions, until 31 December 2018 the Group sold containers to leasing companies, and then leased them back. As a result of the leaseback, the Group re-assumed all significant risks and rewards connected with ownership, and classified the lease as a finance lease. The revenues from these sale-and-finance-leaseback transactions were eliminated in full. As all containers are produced and leased back via sale-and-finance-leaseback transactions in the same period, the related additions from own work performed by the enterprise and capitalized were offset with the same disposals of equal amount, and reported under changes to the cost of the container fleet under property, plant and equipment. Initial recognition of the finance lease asset was according to the general regulations of IAS 17, and resulted in a capitalization of the leased asset and the corresponding liability.

The excess of the cash accruing to va-Q-tec (sales price) resulting from the sale of containers over the carrying amount or the own work capitalized could not be recognized immediately in profit or loss in the case of sale-and-finance-leaseback transactions, but was instead recognized on the liabilities side of the balance sheet under non-financial liabilities as deferred income (special item for deferred container profits). This deferred income is released through

profit or loss over the 5-year lease duration, and reported under other operating income in the consolidated income statement. The existing special item will be released by 31 August 2023.

Since 1 January 2019, a sale-and-leaseback transaction must first be examined on the basis of the criteria of IFRS 15 to determine whether the transfer of an asset constitutes a sale. If the transfer of an asset does not meet the requirements for accounting for a sale as set out in IFRS 15, the asset continues to be recognized, and the proceeds received are recognized as a financial liability, in accordance with IFRS 9.

Group as lessor

The Group acts as lessor in operating leases. This concerns the rental of containers and boxes to third parties that is of a short-term nature as a rule. As part of these leases, the opportunities and risks associated with ownership are not transferred to the lessee, with the consequence that the leased containers and boxes are reported under non-current assets. Revenues from rentals are presented within revenues. Income from the temporary rental of premises not continuously used by the company is reported in other operating income.

Inventories

Inventories are measured at the lower of cost and net realizable value. When calculating purchase costs, ancillary purchase costs are added, and purchase price reductions are deducted. Production costs include direct materials and manufacturing costs, as well as the production-related share of fixed and variable overheads. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The loss-free valuation entails applying inter alia discounts accounting for marketability.

Non-current assets held for sale

The Group classifies non-current assets or disposal groups as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. In this case, the assets or disposal groups are no longer depreciated or amortized, but are instead measured at the lower of carrying amount and fair value less costs to sell. Immediately prior to classification as held for sale, assets are tested for impairment using the applicable

specific rules. In the event of a subsequent increase in fair value less costs to sell, the impairment loss is reversed; this is limited to the impairment loss previously recognized for the asset or disposal group.

Financial instruments and financial assets

Financial assets comprise especially receivables and cash. Recognition and measurement is performed in accordance with IFRS 9. Financial assets are recognized if the Group is contractually entitled to receive cash or other financial assets from third parties. Purchases and sales of financial assets are recognized as of the settlement date, as a matter of principle. Financial assets are initially recognized at fair value, plus transaction costs where relevant. Transaction costs of financial assets that are measured at fair value through profit or loss are expensed. Subsequent measurement is performed in accordance with allocation to the categories of financial assets pursuant to IFRS 9.

The classification and measurement of financial assets is based, firstly, on the so-called cash flow condition (exclusively cash flows from interest and capital repayments) in accordance with the specific form of the contractually agreed cash flows from an individual financial asset. Secondly, this also depends on the business model according to which portfolios of financial assets are managed. va-Q-tec's business model for managing portfolios of financial assets reflects how the company manages its financial assets to generate its cash flows. Depending on the business model, cash flows arise from the receipt of contractual cash flows, the sale of financial assets, or both.

On the basis of these criteria, va-Q-tec applies the following valuation categories for financial assets:

Financial assets measured at amortized cost include all assets whose contractual provisions result in cash flows at specified dates that exclusively represent interest and principal payments on the outstanding principal amount in accordance with the cash flow condition of IFRS 9, provided that such assets are held with the intention of receiving the contractual cash flows expected over their respective terms. Trade receivables, receivables included among other financial assets, and cash and cash equivalents are allocated to this measurement category. These assets are initially measured at fair value. This is regularly equal to the transaction price at the time of

acquisition. Subsequent measurement through profit or loss is based on the effective interest method.

Financial assets at fair value through profit or loss include all financial assets whose cash flows are not collected via sale or that do not represent exclusively interest and principal payments in accordance with the cash flow condition established in IFRS 9. Changes to the fair values of financial assets in this category, including derivative financial instruments, are expensed. The gain or loss arising from measuring derivative financial instruments is expensed under the net financial result, unless the derivative is included as a hedging instrument as part of the hedge (hedge accounting), and is effective as such. In the year under review as well as in the previous year, no hedging transactions were carried out for financial assets.

Pursuant IFRS 9, individual financial assets are tested for potential impairment on each reporting date. If any objective indications of impairment exist, an impairment loss is expensed equivalent to the difference between the asset's carrying amount and the present value of its expected future cash flows, and recognized within a separate impairment account. If the level of the impairment reduces in subsequent periods due to events that have occurred objectively after the date when the impairment was recognized, the impairment is reversed in the equivalent amount through profit or loss. Impaired receivables are derecognized if they are assessed as uncollectible. In accordance with IFRS 9, the simplified approach is also applied to the determination of expected credit losses on trade receivables, and expected credit losses are recognized as an impairment loss over the entire term of the receivable. The Group also applies the simplified approach to contract assets.

The Group derecognizes a financial asset if the contractual rights to the cash flows from an asset expire, or it receives rights to receive cash flows in a transaction in which all significant risks and opportunities connected with the ownership of the financial asset are also transferred. A portion of such transferred financial assets that originate or remain within the Group is recognized as a separate asset or separate liability.

6.2.2 Equity and liabilities

Equity

Equity comprises cash and non-cash capital contributions that substantiate a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recognized at the issue proceeds received, less directly attributable transaction costs. Transaction costs comprise costs that would not have been incurred without the issue of the equity instrument. These are deducted from additional paid-in capital taking all tax effects into account. The consolidated statement of changes in equity presents the development of the consolidated equity of the va-Q-tec Group for the 2022 and 2021 financial years.

Treasury shares

va-Q-tec applies the cost method to recognize the treasury shares it acquired for the first time in 2016, whereby the costs to purchase the treasury shares are reported within a separate item within equity.

Share-based payment

The company currently has no arrangements for equity-settled share-based payment transactions with employees. The "Other disclosures" section provides further information about share-based payment within the va-Q-tec Group.

Government grants

A government grant is not recognized until reasonable assurance exists that the company will comply with the conditions attaching to it, and that the grant will be received. They are recognized in profit or loss in the period in which the Group bears the corresponding expenses that are to be offset by the grants. Government grants whose most important condition is the purchase, construction or other type of acquisition of long-term assets are recognized as non-financial liabilities on the statement of financial position. They are released through profit or loss within other operating income based on the corresponding asset's useful life. In 2022, va-Q-tec AG received kEUR 1,294 of public grants to purchase non-current assets (previous year: kEUR 428).

Provisions

Provisions are reported if a current legal or constructive obligation has arisen for the Group from a past event that is likely to result in a future outflow of resources embodying economic benefits, and the level of this obligation can be estimated reliably.

The amount recognized as a provision corresponds to the best possible estimate of the consideration required to settle the current obligation as of the reporting date, whereby risks and uncertainties connected with the obligation are taken into account. All significant cost factors are included in the measurement of provisions. If the interest effect is material, non-current provisions with a remaining term of more than one year are reported at the discounted settlement amount as of the balance sheet date. If it is to be expected that the economic benefit required to settle an obligation for which a provision has been formed will be reimbursed wholly or partly by third parties, the receivable is recognized as an asset if it is as good as certain that the reimbursement will occur, and the level of the receivable can be measured reliably.

Provisions for warranties are formed on the date when the respective goods are sold, or the corresponding services are rendered. The level of the provision is based on historical trends, and an estimate of future warranty cases.

Financial liabilities

Financial liabilities comprise mainly bank borrowings, trade payables, and other financial liabilities. They are measured at fair value on initial recognition, and subsequently – except derivative financial instruments measured at fair value – at amortized cost applying the effective interest method, less directly attributable transaction costs where relevant.

To hedge foreign currency risks, certain derivative financial instruments are assigned to fixed obligations agreed in foreign currencies as hedging instruments in order to hedge the associated risk. These derivative financial instruments are recognized at fair value as other financial liabilities. The effective portion of changes in the fair value of derivative financial instruments designated as cash flow hedges and qualifying for hedge accounting in accordance with IFRS 9 is recognized directly in equity. Any ineffective portion of the change is recognized in profit or loss. The amount recognized in equity is recognized in the

consolidated income statement in the period in which the hedged item affects profit or loss.

Liabilities from contracts with customers

Contract liabilities are recognized for advance payments received from customers prior to contractual performance, as well as for liabilities arising from bonus agreements with customers. Upon fulfillment of the performance obligations, contractual liabilities for prepayments received are recognized as revenue.

6.3 ERROR CORRECTIONS IN ACCORDANCE WITH IAS 8

A UK subsidiary of va-Q-tec AG rents TempChain containers worldwide, which are usually rented and used for international air freight transports. Customers are typically airlines, freight forwarders and manufacturing companies. An international tax consulting firm was engaged to analyze tax and customs issues, and it was determined that the company was not fully tax compliant in several countries. The reason for the error was the company's assumption that the international air freight transport services performed or contracted would be tax-exempt or subject to a 0 % tax rate. The tax consulting company was also commissioned to quantify these risks and to limit possible errors or omissions and, if necessary, to correct them through subsequent reporting.

For example, in the most important market, the USA, it was assumed that most customers could provide the company with a Sales Tax Exemption Certificate in order to avoid the levying of sales tax. Due to the parallel development of the US business and the very dynamic revenue growth of the TempChain division in 2021, a tax provision was already formed in the 2021 annual financial statements. It was not until the middle of 2022 that va-Q-tec became aware of the full extent in the USA and other affected countries, as well as the amount of potential arrears payments for taxes and duties, due to the further investigations by the tax advisors commissioned, as well as due to the low number of Tax Exemption Certificates received from its customers and the reporting thresholds exceeded in several federal states as a consequence.

The final tax and duty risks determined as of the balance sheet date with the support of the tax consulting firm amount to kEUR 2,395. As a consequence, it has emerged that the provision

formed in the previous year was too low and that previous years are also affected. The error, including the tax effects, was corrected retrospectively by adjusting the respective items in the prior years' financial statements accordingly. The formation of provisions for the previous year was also corrected retrospectively, including in the disclosure.

In addition, it was determined in 2022 that no provision had been formed at some subsidiaries of va-Q-tec AG for the variable compensation of employees earned and agreed for the 2021 financial year in the amount

of kEUR 206. As a consequence, personnel expenses in 2021 were understated and earnings were overstated. The variable compensation for 2020 was also incorrectly reported in 2021; this has also been corrected. The error, including the tax effects, was corrected retrospectively by adjusting the respective items in the prior years' financial statements accordingly.

The following tables summarize the effects on the consolidated financial statements:

Consolidated statement of financial position

1 January 2021	Adjustments on correction of error		
	as reported	adjustments	restated
Assets			
kEUR			
Deferred tax assets	2,471	190	2,661
Other	116,597	–	116,597
Total Assets	119,068	190	119,258
Other non-current non-financial liabilities	5,425	1,001	6,426
Other current financial liabilities	6,434	–	6,434
Other non-current non-financial liabilities	4,595	97	4,692
Other	61,358	–	61,358
Total Liabilities	77,812	1,098	78,910
Retained earnings	–17,896	–908	–18,804
Other	59,152	–	59,152
Total Equity	41,256	–908	40,348

31 December 2021	Adjustments on correction of error		
Assets kEUR	as reported	adjustments	restated
Deferred tax assets	2,040	341	2,381
Other	143,125	–	143,125
Total Assets	145,165	341	145,506
Other non-current non-financial liabilities	4,628	2,162	6,790
Other current financial liabilities	8,888	–598	8,290
Other non-current non-financial liabilities	5,437	439	5,876
Other	74,565	–	74,565
Total Liabilities	93,518	2,003	95,521
Retained earnings	–15,734	–1,662	–17,396
Other	67,381	–	67,381
Total Equity	51,647	–1,662	49,985

Consolidated statement of comprehensive income

1 January - 31 December 2021	Adjustments on correction of error		
kEUR	as reported	adjustments	restated
Total Income	122,531	–	122,531
Cost of materials and services	–50,754	272	–50,482
Personnel expenses	–33,082	–109	–33,191
Other operating expenses	–19,996	–1,068	–21,064
Depreciation, amortization and impairment losses	–13,655	–	–13,655
Net financial result	–2,246	–	–2,246
Income tax	–636	151	–485
Net income	2,162	–754	1,408
Consolidated net income attributable to owners of va-Q-tec AG	2,162	–754	1,408
Consolidated net income attributable to non-controlling interests	–	–	–
Earnings per share - basic in EUR	0,16	–0,06	0,11
Earnings per share - diluted in EUR	–	–	–

CONSOLIDATED STATEMENT OF CASH FLOW

1 January - 31 December 2021	Adjustments on correction of error		
	as reported	adjustments	restated
kEUR			
Net income	2,162	-754	1,408
Current income taxes recognised in income statement	145	-	145
Income taxes paid	-23	-	-23
Change in other liabilities	4,160	905	5,065
Other non-cash expenses or income	-1,956	-151	-2,107
Other non-cash expenses or income	8,845	-	8,845
Cash flow from operating activities before working capital changes	13,333	-	13,333
Working capital changes	-10,053	-	-10,053
Net cash flow from operating activities	3,280	-	3,280
Net cash flow from investing activities	-24,222	-	-24,222
Net cash flow from financing activities	13,571	-	13,571
Net cash flows before exchange rate effects	-7,371	-	-7,371
Effect of exchange rate changes on cash and cash equivalents	47	-	47
Net change in cash and cash equivalents	-7,324	-	-7,324
Cash and cash equivalents at start of period	17,134	-	17,134
Cash and cash equivalents at end of period	9,810	-	9,810

7 NOTES

7.1 CONSOLIDATED INCOME STATEMENT

7.1.1 Revenues

The revenues are composed as follows:

kEUR	2022	2021
Products	22,297	22,032
Systems	35,046	36,379
Services	52,090	44,090
Other	2,400	1,562
Group, total	111,833	104,063

The Products business comprises the production and sale of vacuum insulation panels and heat storage components. These products are sold in the following sectors: Healthcare & Logistics, Appliances & Food, Technics & Industry, Building, and Mobility. Revenues in the Products business increased minimally by 1% compared to the previous year's level, which was in line with the Management Board's expectations.

The Systems business comprises the sale of thermal packaging to customers in the Healthcare & Logistics sector. Lower demand for vaccine shipments mainly affected revenues from the sale of systems, which decreased by 4% compared with the previous year.

The Services business comprises the container and box rental business for the transportation of temperature-sensitive goods, predominantly products from the pharmaceuticals and biotech sectors as well as for the semiconductor, chemicals and food manufacturing industries. Compared to the previous year, the positive revenue trend was successfully continued with 18% growth. Overall, va-Q-tec benefited from a broadening of its customer base, particularly in the area of airfreight thermal containers, as well as a sharp increase in the number of small thermal box rentals for "last mile" transports. These "last-mile transports" had still recorded significant reductions in revenue in the previous year due to the decreased number of clinical trials in the wake of the coronavirus crisis. Other revenues are generated through thermal consulting and government-subsidized research projects.

Overall, the 7% revenue growth compared to the previous year fell short of expectations. This was mainly due to the significant decline in demand for vaccine shipments, which could not be fully compensated by the revenue growth of va-Q-tec's regular business, especially in a challenging macroeconomic environment in the 2022 financial year. The revenues of the Services division also include compensation payments from customers for thermal boxes unreturned within the rental network in an amount of kEUR 1,954 (previous year: kEUR 672). Please refer to the section on segment reporting for more information.

Remaining benefit obligations as of the reporting date are immaterial and in no case extend beyond an original term of maximum one year. For this reason, no further disclosures are made in accordance with IFRS 15.

7.1.2 Work performed by the company and capitalized

The following table shows the trend in work performed by the company and capitalized in the 2022 and 2021 financial years. Due to the very strong expansion of the container and box rental business in 2021, which was mainly driven by Covid-19 vaccine business, the investment volume in this area was again significantly reduced in 2022.

kEUR	2022	2021
Work performed by the company and capitalised arising from expansion of rental-container-fleet	2,789	6,960
Work performed by the company and capitalised arising from expansion of rental-boxes-fleet	1,615	2,688
Other work performed by the company and capitalised	1,321	1,680
Group, total	5,725	11,328

Of the total research and development costs of kEUR 4,528 incurred in 2022 (previous year: kEUR 3,653), a total of kEUR 398 (previous year: kEUR 358) meet IFRS capitalization criteria and are reported under other own work capitalized. The other

research and development costs were recognized in the corresponding items of the consolidated income statement, mainly under personnel expenses. Other own work capitalized derives from the capitalization of internally generated software and own work in the construction and commissioning of new plant and machinery.

7.1.3 Other operating income

in kEUR	2022	2021
Exchange rate gains	2,442	1,167
Income from release of special item for deferred container profits	979	1,651
Income from release of special item for grants	603	413
Income from subtenancy / leasing agreements	441	441
Gains on fixed asset disposals	378	87
Income from private use of company vehicles	210	171
Income from other accounting periods	206	99
Other income	407	265
Group, total	5,666	4,294

Other operating income of kEUR 5,666 (previous year: kEUR 4,294) resulted primarily from foreign currency exchange gains, scheduled and continuous reversals of the special item sale-and-finance-leaseback transactions, income from the reversal of the special item for government grants, income from the leasing of parts of buildings and land in Würzburg, as well as income from the reimbursement for the private use of company vehicles, gains from asset disposals, and income not relating to the period under review. Miscellaneous other operating income also includes income from the reversal of impairment losses on expected credit losses on receivables that did not materialize in the amount of kEUR 68 (previous year: expense from impairment losses due to expected credit losses on receivables of kEUR 27, see notes 7.2.1.7 and 7.6) and income from feed-in tariffs for photovoltaic systems in the amount of kEUR 24 (previous year: kEUR 21). Income from subleases/ leases is expected to amount to kEUR 441 per year in subsequent years until 2026.

7.1.4 Cost of materials and services

kEUR	2022	2021 restated*
Cost of raw materials and supplies	26,348	31,430
Cost of purchased services	20,353	19,052
Group, total	46,701	50,482

* The comparative figures have been adjusted due to error corrections (see note 6.3)

The cost of materials, including the cost of purchased services, decreased from kEUR 50,482 in the previous year to kEUR 46,701 (-7%), mainly as a consequence of lower revenues in the material-intensive Systems business, which led to a reduction in the cost of materials ratio of three percentage points to 38 % (previous year: 41 %). Along with costs for raw materials and for purchased services, the cost of materials and services includes especially logistics services in the container rental business. The increase in energy costs in the overall environment was offset by lower material costs due to inventories accumulated before the price increases. The cost of purchased services includes expenses from short-term leasing agreements of kEUR 70 (previous year: kEUR 64).

7.1.5 Personnel expenses

The following table shows the trend in personnel expenses in the 2022 and 2021 financial years:

kEUR	2022	2021 restated*
Wages and salaries	31,161	27,791
Social security contributions	6,426	5,400
Group, total	37,587	33,191

* The comparative figures have been adjusted due to error corrections (see note 6.3)

Personnel expenses changed in absolute terms from kEUR 33,191 in the previous year to kEUR 37,587 in the 2022 reporting period; the percentage increase of 13 % was higher than the increase in total revenues and resulted in the personnel expense ratio rising by four percentage points to 31 %. The absolute increase is mainly due to growth-related new hires at the subsidiaries of va-Q-tec AG as well as salary updates of personnel hires from 2021. Social security contributions contain mainly employer contributions

to statutory social security. A defined contribution pension scheme exists as part of German statutory pension insurance for employees in Germany, to which the va-Q-tec Group is required to make payments at the contribution rate prevailing during the period under review of 9.3 % (previous 9.3 %) (employer component) of pension compensation. The contributions rendered amounted to kEUR 1,932 in the reporting year (previous year: kEUR 1,815). In addition, va-Q-tec AG rendered contributions of kEUR 226 (previous year: kEUR 126) to direct insurance as part of its company pension scheme. Moreover, a defined contribution pension plan exists at the majority of the subsidiaries, which was expensed as follows:

kEUR	2022	2021
va-Q-tec Ltd. (UK)	117	85
va-Q-tec Inc. (USA)	54	46
va-Q-tec Ltd. (Korea)	18	17
va-Q-tec Japan G.K. (Japan)	29	30
va-Q-tec SG PTE. Ltd. (Singapore)	40	32
va-Q-tec India Ltd. (Indien)	12	-
va-Q-tec Shanghai Ltd. - (China)	9	-

As a consequence, kEUR 2,468 (previous year: kEUR 2,167) of expenses for defined contribution pension plans were recognized.

Wages and salaries for the 2022 financial year again do not include any costs from granting options to staff (previous year: kEUR 0). See section 8.3 of the notes to the consolidated financial statements for more information about share-based payment.

The average number of employees in the 2022 and 2021 financial years is presented below:

	2022	2021
Male employees	435	425
Female employees	181	166
Group, total	616	591

The number of employees, including Management Board members, managing directors, apprentices and trainees, amounted to 649 (previous year: 625).

7.1.6 Other operating expenses

kEUR	2022	2021 restated*
Legal, patents and consulting costs	12,106	4,526
Freight	4,894	5,352
Marketing and sales	2,895	1,902
Repair and maintenance	2,123	1,818
Rent, leasing and other facility costs	1,540	1,442
Exchange rate losses	1,517	422
Subsequent payment sales taxes	1,299	1,068
IT and other office costs	1,152	1,139
Insurance and contributions	1,027	919
Other personnel expenses	909	1,008
Supervisory Board compensation	231	221
Waste disposal	169	204
Lab expenses	106	273
Other	811	770
Group, total	30,779	21,064

* The comparative figures have been adjusted due to error corrections (see note 6.3)

Other operating expenses increased by 46 % to kEUR 30,779 in the 2022 reporting period (previous year: kEUR 21,064). In addition to general inflation, this was mainly due to the very sharp rise in energy costs as a consequence of the Ukraine war, continued very high freight costs for air and sea freight as a consequence of the pandemic, advisory costs (including for the COOL 2022 project), foreign

exchange losses, and a renewed increase in marketing and sales activities compared with previous years. The items for rent, leasing and incidental costs for buildings include expenses from leasing contracts with a term of less than 12 months in the amount of kEUR 224 (previous year: kEUR 254), as well as kEUR 7 (previous year: kEUR 5) for low-value assets. Other expenses include, among other items, expenses not relating to the period under review of kEUR 31 (previous year: kEUR 109) and expenses from asset disposals of kEUR 213 (previous year: kEUR 40). Impairment losses of kEUR 44 (previous year: income of kEUR 13 from the reversal of impairment losses on trade receivables, see notes 7.2.1.7 and 7.6) are included in other expenses.

7.1.7 Depreciation, amortization and impairment losses

Depreciation and amortization charges of kEUR 15,000 were expensed in the 2022 financial year (previous year: kEUR 13,655). The depreciation on rights of use under leases included in this item amounted to kEUR 3,815 in the financial year under review (previous year: kEUR 4,936). No impairment losses or reversals of impairment losses occurred in either of these financial years.

7.1.8 Result from fair value measurement of investments

va-Q-tec holds a 15.00 % interest in each of the unlisted companies Sumteq GmbH and ING 3D GmbH. Prices quoted on an active market do not exist for the interests in these two investments. Based on valuations in connection with capital measures under negotiation, together with measurements performed (Level 2 in accordance with IFRS 13), a need arose to increase the fair value of both the interest in Sumteq GmbH by kEUR 375 (previous year: kEUR 0) and the interest in ING3D by kEUR 155 (previous year: kEUR 0).

7.1.9 Net financial result

kEUR	2022	2021
Interest income	5	–
Income from derivative financial instruments	1	6
Financial income	6	6
Interest expense	–2,435	–2,094
Interest expense from finance lease	–173	–158
Financial expenses	–2,608	–2,252
Net financial result	–2,602	–2,246

The increase in interest expenses is mainly due to the interest incurred in the financial year under review on the bond issued in November 2020.

7.1.10 Income taxes

kEUR	2022	2021 restated*
Actual tax expense (tax income)	1,040	146
Current period	983	142
Prior periods	57	4
Deferred tax expense (tax income)	1,288	339
Group, total	2,328	485

* The comparative figures have been adjusted due to error corrections (see note 6.3)

Deferred tax is calculated applying tax rates that are valid or expected to be valid based on current legislation in the individual countries as of the realization date.

The tax reconciliation account explains the connection between the expected tax expense and the actually reported tax expense, which derives from the IFRS consolidated result before income tax, applying a 30.3% income tax rate (previous year: 30.3%). In each

case, the income tax rate applied corresponds to the average domestic tax rate of va-Q-tec AG comprised of corporation tax (plus the solidarity surcharge) and trade tax.

kEUR	2022	2021 restated*
Consolidated earnings before tax	-9,336	1,893
Expected income tax expense	30,3 %	30,3 %
Expected income tax expense (tax income)	-2,828	573
Tax-free income	-184	-184
Non-tax-deductible operating expenses	266	110
Non-capitalised deferred taxes on temporary differences and tax loss carryforwards	4,847	347
Not recognised deferred taxes for current income/loss (IAS 12.15b)	19	177
Effects from tax rate changes	-	-179
Utilisation of non-capitalised loss carryforwards	-	-45
Reported tax expense	56	-4
Divergent foreign tax rates	-5	-392
Other effects	157	82
Reported tax expense (tax income)	2,328	485

* The comparative figures have been adjusted due to error corrections (see note 6.3)

The amount of deferred tax recognized directly in equity is composed as follows:

kEUR	2022			2021		
	Before tax	Deferred tax	After tax	Before tax	Deferred tax	After tax
Equity transaction costs offset in additional paid-in capital	-	-	-	-442	134	-308
Proportional reimbursement of equity transaction costs by previous shareholders	-	-	-	-	-	-
Effect on additional paid-in capital	-	-	-	-442	134	-308

The following overview shows to which balance sheet items the deferred tax assets and deferred tax liabilities are to be allocated:

kEUR	Deferred tax assets 31/12/2022	Deferred tax liabilities 31/12/2022
ASSETS		
Intangible assets	–	830
Property, plant and equipment	2,381	1,495
Contract assets	–	14
Interests in subsidiaries, joint ventures and associates	–	–
Non-current financial assets	18	97
Inventories	568	77
Trade receivables	–	–
Other current financial assets	55	–
Other current non-financial assets	–	–
EQUITY AND LIABILITIES		
Non-current provisions	–	–
Non-current bank liabilities	–	–
Other non-current financial liabilities	273	–
Other non-current non-financial liabilities	206	357
Current provisions	24	5
Current bank liabilities	–	–
Trade payables	–	–
Other current financial liabilities	160	–
Other current non-financial liabilities	65	–
Loss carryforwards	–	–
Total before offsetting	3,750	2,875
Offsetting	–2,875	–
As reported	875	–

kEUR	Deferred tax assets 31/12/2021	Deferred tax liabilities 31/12/2021 restated*
ASSETS		
Intangible assets	–	782
Property, plant and equipment	2,613	1,288
Contract assets	–	11
Interests in subsidiaries, joint ventures and associates	–	–
Non-current financial assets	18	56
Inventories	328	34
Trade receivables	–	–
Other current financial assets	–	–
Other current non-financial assets	–	–
EQUITY AND LIABILITIES		
Non-current provisions	–	–
Non-current bank liabilities	–	5
Other non-current financial liabilities	189	–
Other non-current non-financial liabilities	289	129
Current provisions	105	7
Current bank liabilities	–	5
Trade payables	–	–
Other current financial liabilities	119	–
Other current non-financial liabilities	293	–
Loss carryforwards	744	–
Total before offsetting	4,698	2,317
Offsetting	–2,317	–
As reported	2,381	–

* The comparative figures have been adjusted due to error corrections (see note 6.3)

Deferred tax assets are only recognized if such tax benefits can be realized. This entails taking into account all currently known positive and negative factors affecting future taxable results. Of the deferred tax assets, kEUR 1,115 (previous year: kEUR 1,426) are attributable to individual companies that have incurred tax losses in either the current reporting period or in the previous period. Due to the largely positive business trend, the Group generally assumes that its deferred tax assets can be utilized. Extensive investments in personnel, technology and capacities are being realized especially at the production company (va-Q-tec AG) and in the container service business (va-Q-tec Ltd. (UK)). These

investments are prerequisites for growth. Sustained profitability is assumed in the medium term, thereby allowing the deferred tax assets to be utilized.

As of 31 December 2022, tax loss carryforwards for which no deferred taxes were capitalized increased to kEUR 36,520 (previous year: kEUR 15,898). These tax loss carryforwards are mainly distributed among the subsidiaries in Uruguay and Singapore, the USA and the German parent company. In 2022, income taxes of kEUR 736 (previous year: 23) were recognized at the UK subsidiary due to the profit generated in the financial year under review, as all tax loss carryforwards were consumed in the previous year

and a special tax write-down on investments was utilized. Taking into account a planned increase in tax rates, the special tax depreciation from investments in the previous year led to deferred tax liabilities of kEUR 980 (previous year: kEUR 815).

The tax loss carryforwards at all companies can be utilized on an unlimited basis.

7.1.11 Earnings per share

The calculation of basic (undiluted) earnings per share is based on the earnings attributable to the holders of ordinary shares and a weighted average of the number of ordinary shares in issue. Earnings per share were not diluted in the past financial year as there are currently no dilutive share options in va-Q-tec in circulation.

Earnings per share are as follows:

Earnings per share	2022	2021 restated*
Consolidated net result (kEUR)	-11,664	1,408
Weighted average number of shares	13,401,434	13,109,824
Earnings per share (in EUR)	-0,87	0,11

* The comparative figures have been adjusted due to error corrections (see note 6.3)

Weighted average number of shares

in shares	2022	2021 restated*
Shares issued as 1 January	13,401,434	13,075,936
Weighted average number of issued shares in November 2021	-	33,888
Retrospective effect of capital increase from company funds (share split)	-	-
Effect of purchase of treasury shares	-	-
Weighted average number of ordinary shares (undiluted/basic) / (diluted) as of 31 December	13,401,434	13,109,824

* The comparative figures have been adjusted due to error corrections (see note 6.3)

Please refer to the remarks about equity in section 7.2.2.1 for information about the composition of issued share capital.

7.2 STATEMENT OF FINANCIAL POSITION

7.2.1 Assets

7.2.1.1 Intangible assets

Non-current assets

in kEUR	Aquisition and production cost					Balance on 31/12/2022
	opening balance 01/01/2022	exchange rate differences	Additions	Reclassifications	Disposals	
1. Software and other purchased intangible asstes	3,510	-	914	-	1	4,423
2. Internally generated intangible assests	4,473	-	934	-	231	5,176
3. Internally generated intangible assests in production stage	317	-	1,609	-	-	1,926
Intangible assets, total	8,300	-	3,457	-	232	11,525

Non-current assets

in kEUR	Depreciation, amortisation and impairment losses					Carrying amount		
	Balance on 01/01/2022	ex- change rate differ- ences	Deprecia- tion, amortisa- tion and impairment losses in the financial year	Reclassi- fications	Dispo- sals	Balance on 31/12/2022	Balance on 31/12/2022	Balance on 31/12/2021
1. Software and other purchased intangible assets	1,439	-	727	-	-	2,166	2,257	2,071
2. Internally generated intangible assets	2,588	-	966	-	231	3,323	1,853	1,885
3. Internally generated intangible assets in production stage	-	-	-	-	-	-	1,926	317
Intangible assets, total	4,027	-	1,693	-	231	5,489	6,036	4,273

Non-current assets

in kEUR	Aquisition and production cost					Balance on 31/12/2021
	opening balance 01/01/2021	exchange rate differences	Additions	Reclassifications	Disposals	
1. Software and other purchased intangible asstes	2,007	–	1,553	–	50	3,510
2. Internally generated intangible assests	3,989	–	881	–	397	4,473
3. Internally generated intangible assests in production stage	49	–	268	–	–	317
Intangible assets, total	6,045	–	2,702	–	447	8,300

Non-current assets

in kEUR	Depreciation, amortisation and impairment losses					Carrying amount		
	Balance on 01/01/2021	ex-change rate differences	Depreciation, amortisation and impairment losses in the financial year	Reclassifications	Disposals	Balance on 31/12/2021	Balance on 31/12/2021	Balance on 31/12/2020
1. Software and other purchased intangible asstes	1,174	–	315	–	50	1,439	2,071	833
2. Internally generated intangible assests	1,916	–	1,069	–	397	2,588	1,885	2,073
3. Internally generated intangible assests in production stage	–	–	–	–	–	–	317	49
Intangible assets, total	3,090	–	1,384	–	447	4,027	4,273	2,955

The additions to the internally generated intangible assets item include the company's product and software development work, which it has capitalized.

In accordance with IAS 36, no impairment losses or reversals of impairment losses were recognized in the reporting period or in the previous year.

7.2.1.2 Property, plant and equipment

Non-current assets

in kEUR	Aquisition and production cost					Balance on 31/12/2022
	opening balance 01/01/2022	exchange rate differences	Additions	Reclassifications	Disposals	
1. Land and buildings	47,515	185	2,650	199	405	50,144
2. Production equipment and machinery	27,098	4	2,090	6,127	124	35,195
3. Other plant, operating and office equipment	16,591	86	3,644	-382	2,776	17,163
4. Container fleet	37,146	-	2,998	-	6,888	33,256
5. Plant under construction	6,734	-	1,045	-5,944	72	1,763
Property, plant and equipment, total	135,084	275	12,427	-	10,265	137,521

Non-current assets

in kEUR	Depreciation, amortisation and impairment losses					Carrying amount		
	Balance on 01/01/2022	exchange rate differences	Depreciation, amortisation and impairment losses in the financial year	Reclassifications	Disposals	Balance on 31/12/2022	Balance on 31/12/2022	Balance on 31/12/2021
1. Land and buildings	5,949	54	2,260	-	142	8,121	42,023	41,566
2. Production equipment and machinery	13,368	-5	2,638	230	113	16,118	19,077	13,730
3. Other plant, operating and office equipment	8,315	40	3,101	-230	1,878	9,348	7,815	8,276
4. Container fleet	24,803	-	5,307	-	6,821	23,289	9,967	12,343
5. Plant under construction	-	-	-	-	-	-	1,763	6,734
Property, plant and equipment, total	52,435	89	13,306	-	8,954	56,875	80,645	82,649

Non-current assets

in kEUR	Aquisition and production cost					Balance on 31/12/2021
	opening balance 01/01/2021	exchange rate differences	Additions	Reclassifications	Disposals	
1. Land and buildings	40,093	170	6,840	546	134	47,515
2. Production equipment and machinery	24,043	2	2,894	171	12	27,098
3. Other plant, operating and office equipment	13,229	86	5,466	11	2,201	16,591
4. Container fleet	33,257	–	7,061	–	3,172	37,146
5. Plant under construction	3,606	–	3,856	–728	–	6,734
Property, plant and equipment, total	114,228	258	26,117	–	5,519	135,084

Non-current assets

in kEUR	Depreciation, amortisation and impairment losses					Carrying amount		
	Balance on 01/01/2021	ex-change rate differences	Depreciation, amortisation and impairment losses in the financial year	Reclassifications	Disposals	Balance on 31/12/2021	Balance on 31/12/2021	Balance on 31/12/2020
1. Land and buildings	4,165	55	1,789	–	60	5,949	41,566	35,928
2. Production equipment and machinery	11,389	–	1,988	3	12	13,368	13,730	12,654
3. Other plant, operating and office equipment	6,948	39	2,649	–3	1,318	8,315	8,276	6,281
4. Container fleet	22,090	–	5,845	–	3,132	24,803	12,343	11,167
5. Plant under construction	–	–	–	–	–	–	6,734	3,606
Property, plant and equipment, total	44,592	94	12,271	–	4,522	52,435	82,649	69,636

Additions to property, plant and equipment resulted primarily from investment in the further expansion of the container fleet and in the build-up of the thermal box fleet for the global rental business, as well as in the expansion of production capacity in Würzburg

and in Kölleda. The composition of the rights of use included in property, plant and equipment and the change in the rights of use in the reporting period is presented in the following table:

Non-current assets – right-of-use

in kEUR	Aquisition and production cost					Balance on 31/12/2022
	opening balance 01/01/2022	exchange rate differences	Additions	Reclassifications	Disposals	
1. Land and buildings	5,424	179	2,504	–	405	7,702
2. Production equipment and machinery	1,359	–	–	–180	–	1,179
3. Other plant, operating and office equipment	2,114	17	1,063	–31	598	2,565
4. Container fleet	21,588	–	–	–	6,704	14,884
Property, plant and equipment, total	30,485	196	3,567	–211	7,707	26,330

Non-current assets – right-of-use

in kEUR	Depreciation, amortisation and impairment losses					Carrying amount		
	Balance on 01/01/2022	exchange rate differences	Depreciation, amortisation and impairment losses in the financial year	Reclassifications	Disposals	Balance on 31/12/2022	Balance on 31/12/2022	Balance on 31/12/2021
1. Land and buildings	1,618	53	1,125	–	142	2,654	5,048	3,806
2. Production equipment and machinery	577	–	130	–100	–	607	572	782
3. Other plant, operating and office equipment	1,010	12	675	–31	501	1,165	1,400	1,104
4. Container fleet	19,623	–	1,885	–	6,704	14,804	80	1,965
Property, plant and equipment, total	22,828	65	3,815	–131	7,347	19,230	7,100	7,657

Non-current assets – right-of-use

in kEUR	Aquisition and production cost					Balance on 31/12/2021
	opening balance 01/01/2021	exchange rate differences	Additions	Reclassifications	Disposals	
1. Land and buildings	1,791	166	3,601	–	134	5,424
2. Production equipment and machinery	1,359	–	–	–	–	1,359
3. Other plant, operating and office equipment	1,952	14	690	–	542	2,114
4. Container fleet	24,594	–	–	–	3,006	21,588
Property, plant and equipment, total	29,696	180	4,291	–	3,682	30,485

Non-current assets – right-of-use

in kEUR	Depreciation, amortisation and impairment losses					Carrying amount		
	Balance on 01/01/2021	exchange rate differences	Depreciation, amortisation and impairment losses in the financial year	Reclassifications	Disposals	Balance on 31/12/2021	Balance on 31/12/2021	Balance on 31/12/2020
1. Land and buildings	873	54	751	–	60	1,618	3,806	918
2. Production equipment and machinery	448	–	129	–	–	577	782	911
3. Other plant, operating and office equipment	810	10	605	–	415	1,010	1,104	1,142
4. Container fleet	19,178	–	3,451	–	3,006	19,623	1,965	5,416
Property, plant and equipment, total	21,309	64	4,936	–	3,481	22,828	7,657	8,387

The rights of use include assets from finance leases with a net carrying amount of kEUR 80 (previous year: kEUR 1,965) attributable to the container fleet as of 31 December 2022. Technical plant and machinery includes assets from finance leases with a net carrying amount as of 31 December 2021 of kEUR 573 (previous year: kEUR 782). Further information about

the liabilities arising from leases and the expenses and payments arising from leases is provided in Notes 7.1.4, 7.1.6, 7.1.9, 7.2.2.5 and 7.3 to the consolidated financial statements.

As of the balance sheet date, assets under construction decreased significantly to kEUR 1,763

(previous year: kEUR 6,734) due to the lower investment volume in 2022 and many investments from 2021 completed during the year.

The following items of property, plant and equipment serve to collateralize financial liabilities:

- All buildings and land in Kölleda serve as collateral for long-term bank loans with a land charge totaling kEUR 8,562 (previous year: kEUR 6,672).
- The AN33 property in Würzburg serves as collateral for two long-term bank loans with a land charge of kEUR 14,300.
- The "Heuchelhof" buildings and land in Würzburg serves as collateral for two long-term bank loans with a land charge of kEUR 4,270.
- A production plant at the Kölleda site with a carrying amount of kEUR 573 (previous year: kEUR 782) serves as collateral for the financing from the bank and the leasing company. Of the

company's other technical plant and machinery, a proportion with a carrying amount of kEUR 13,701 (previous year: kEUR 9,414) serves as collateral for long-term bank loans.

- From the "Other equipment" category, assets amounting to kEUR 1,151 (previous year: kEUR 1,126) serve as collateral for the company's long-term bank loans.
- The block-type thermal power station at the Würzburg site with a carrying amount of kEUR 452 (previous year: kEUR 527) was pledged as security for the bank's long-term financing.
- The entire container fleet deriving from sale-and-finance-leaseback and hire purchase transactions serve the leasing companies as collateral for the financing they grant.

In accordance with IAS 36, no impairment losses or reversals of impairment losses were recognized in the reporting period or in the previous year.

7.2.1.3 Investment property

Non-current assets

in kEUR	Aquisition and production cost					Balance on 31/12/2022
	opening balance 01/01/2022	exchange rate differences	Additions	Reclassifications	Disposals	
Investment Property	1,020	–	–	–	–	1,020

Carrying amount

in TEUR	Abschreibungen					Buchwerte		
	Stand am 01.01.2022	Kursdifferenzen	Abschreibungen im Geschäftsjahr	Umbuchungen	Abgänge	Stand am 31.12.2022	Stand am 31.12.2022	Stand am 31.12.2021
Als Finanzinvestition gehaltene Immobilien	–	–	–	–	–	–	1,020	1,020

Non-current assets

in kEUR	Aquisition and production cost					Balance on 31/12/2021
	opening balance 01/01/2021	exchange rate differences	Additions	Reclassifications	Disposals	
Investment Property	1,614	–	–	–	594	1,020

Non-current assets

in kEUR	Depreciation, amortisation and impairment losses					Carrying amount		
	Balance on 01/01/2021	ex-change rate differences	Depreciation, amortisation and impairment losses in the financial year	Reclassifications	Disposals	Balance on 31/12/2021	Balance on 31/12/2021	Balance on 31/12/2020
Investment Property	–	–	–	–	–	–	1,020	1,614

In February 2017, a plot of land including warehouse adjacent to the plot of land that was already acquired in 2016 was purchased in Würzburg to construct an integrated production and administration site there. Due to a market opportunity arising short-term, a further large plot of land along with existing production and administrative buildings was acquired in April 2017 in Alfred-Nobel-Strasse 33 in Würzburg, in order to use it to aggregate the Würzburg locations into a management, technology and logistics headquarters. The merger of the Würzburg locations was completed in 2018.

By contrast with the original planning, the undeveloped land plots acquired in 2016 are held for value appreciation purposes as of 31 December, as it is not yet certain what to what future utilization the land plots are to be allocated. The sale of part of the land was notarized in November 2021. Due to the still missing prerequisites for the transfer of ownership, the sale did not take place economically until February 2022. As a consequence, this portion of the land was reported as “Non-current assets held for sale” under current assets as of the 31 December 2021 reporting date (see section 7.2.1.10 of the notes to the consolidated financial statements), which was recognized as a disposal, as planned, due to the sale realized in the financial year under review. The remaining land continues to be reported in the item “investment property” at the remaining carrying amount of kEUR 1,020 as of the reporting date. Due to the sale of a partial land plot completed in the reporting period, the prices currently obtainable on the market for land of this type, and contractual agreements with the City of Würzburg concerning buyback and resale options, the fair value of the land approximates the carrying amount reported. The fair

value of investment property is measured in accordance with hierarchy Level 2 in the meaning of IFRS 13.

Accordingly, no impairment losses pursuant to IAS 36 were applied in the period under review.

7.2.1.4 Non-current and current financial assets**Other financial assets**

kEUR	Non-current	Current	Balance on 31/12/2022
Investments	4,130	–	4,130
Suppliers with debit balances	–	74	74
Deposits	281	56	337
Derivates	3,044	–	3,044
Receivables from factoring agreements	–	2,365	2,365
Miscellaneous	297	4,239	4,536
Group, total	7,752	6,734	14,486

Other financial assets

kEUR	Non-current	Current	Balance on 31/12/2021
Investments	3,300	–	3,300
Suppliers with debit balances	–	65	65
Deposits	296	81	377
Derivates	1,150	–	1,150
Receivables from factoring agreements	–	1,606	1,606
Miscellaneous	226	628	854
Group, total	4,972	2,380	7,352

As of 31 December 2022, other financial assets include the investments in SUMTEQ GmbH recognized at fair value in the amount of kEUR 3,375 (previous year: kEUR 3,000) and ING3D GmbH in the amount of kEUR 455 (previous year: kEUR 300).

Other financial assets include the positive fair values from cross-currency swaps to hedge currency risks in connection with the bond issued in Swiss francs in the amount of kEUR 3,044 (previous year: kEUR 1,150), security retentions and pledged bank accounts under factoring agreements (see also section 7.2.1.7) amounting to kEUR 2,365 (previous year: kEUR 1,606) as well as a rental deposit account for the rental of parts of buildings and land areas amounting to kEUR 200 (previous year: kEUR 200).

The other financial assets are neither overdue nor impaired.

7.2.1.5 Other non-current and current non-financial assets**Other non-financial assets**

kEUR	Non-current	Current	Balance on 31/12/2022
Advance payments on intangible assets	1,016	–	1,016
Advance payments on inventories	9	–	9
VAT receivables	–	8	8
Advance payments and accrued income	–	1,530	1,530
Miscellaneous	187	544	731
Group, total	95	63	158
Group, total	1,307	2,145	3,452

Other non-financial assets

kEUR	Non-current	Current	Balance on 31/12/2021
Advance payments on intangible assets	979	–	979
Advance payments on inventories	–	8	8
VAT receivables	–	4,551	4,551
Advance payments and accrued income	224	502	726
Miscellaneous	95	107	202
Group, total	1,298	5,168	6,466

Other non-financial assets mainly include advance payments for intangible assets, VAT receivables due from tax authorities, as well as prepaid expenses and deferred income.

7.2.1.6 Inventories

Following the increase in inventories due to the overall growth in business activities in the previous year, inventories rose only slightly, by kEUR 369, in line with the growth of business activities in the 2022 financial year (previous year: kEUR 6,854).

kEUR	31/12/2022	31/12/2021
Raw materials and supplies	7,502	6,476
Work in progress	1,328	206
Finished products and goods	10,008	11,787
Group, total	18,838	18,469

Inventories as of 31 December 2022 include kEUR 584 of impairment losses (previous year: kEUR 483). All of the changes in valuation allowances were recognized in profit or loss under changes in inventories. No reversals of valuation allowances were applied in either the reporting year or the previous year. The inventories no longer serve as collateral for credit lines following the termination of the multi-bank agreement in mid-2022. The carrying amount of inventories recognized at net realizable value stands at kEUR 449 as of 31 December 2022 (previous year: kEUR previous 1,745).

7.2.1.7 Trade receivables

Trade receivables decreased by kEUR 4,699 year-on-year, from kEUR 12,432 to kEUR 7,733.

Where a risk of default relates to a customer, specific valuation allowances are applied. The respective business unit head assesses the risk level on the basis of an analysis of specific cases.

In addition, trade receivables are written down applying the simplified model of expected credit losses for receivables in accordance with IFRS 9.

Changes in valuation allowances to trade receivables

kEUR	2022	2021
Balance at 1 January	146	162
Consumption	14	30
Release	68	13
Addition	44	27
Balance at 31 December	108	146

A total of kEUR 70 (previous year: kEUR 43) of the impairment losses presented are impairment losses on receivables that are attributable to individual circumstances (see notes 7.1.3, 7.1.6 and 7.6). Lifetime expected credit losses (see notes 7.1.3 and 7.6) on trade receivables amounted to kEUR 38 as of the balance sheet date (previous year: kEUR 103).

va-Q-tec also sold trade receivables with a carrying amount of kEUR 6,872 (previous year: kEUR 6,996) to third parties on the basis of factoring agreements as part of the factoring program of the German parent company and the UK subsidiary as of 31 December 2022, for which no significant opportunities and risks remain for the Group. These receivables were consequently derecognized in accordance with IFRS 9.3.2.6 (a). Temporary security deposits and pledged bank accounts are reported uniformly as other current financial assets as of 31 December 2022 in the amount of kEUR 2,365 (previous year: kEUR 1,606). Due to the short-term nature of the trade receivables sold, their fair value approximates to their carrying amount.

For further information about the trade receivables, please refer to the remarks concerning financial instruments (section 7.4 of the notes to the financial statements) and risk management (section 7.6 of the notes to the financial statements).

7.2.1.8 Contract assets

In the financial year under review, the company recognized contract assets as follows in addition to trade receivables for contract costs (contract fulfillment costs):

Contract assets

in kEUR	31/12/2022	31/12/2021
Contract assets	48	38

Depreciation relating to contract assets amounted to kEUR 5 in the reporting period (previous year: kEUR 62). No indications existed of impairment to the capitalized assets on the balance sheet date. Due to the small number of individual circumstances, no value adjustment had to be made due to significant expected credit losses.

7.2.1.9 Cash and cash equivalents

The cash and cash equivalents comprise cash balances as well as cash accounts and short-term deposits at banks that had a remaining term of up to three months on addition.

Cash and cash equivalents

kEUR	31/12/2022	31/12/2021
Group, total	9,381	9,810

7.2.1.10 Non-current assets held for sale

In November 2021, the sale of part of the “investment property” (land) was notarized for a total price of kEUR 759. Due to the still missing prerequisites for the transfer of ownership, the sale did not take place economically until February 2022. As a consequence, this portion of the land, which is included in the va-Q-tec AG segment, was reported as “Non-current assets held for sale” under current assets as of the 31 December 2021 reporting date, which was recognized as a disposal, as planned, due to the sale realized in the 2022 financial year. va-Q-tec generated a disposal gain of kEUR 97 from the partial sale.

7.2.2 Equity and liabilities**7.2.2.1 Equity**

The consolidated statement of changes in equity provides a separate presentation of the changes in equity and comprehensive income. The components of comprehensive income are presented on an aggregated basis in the statement of comprehensive income.

Issued share capital

The share capital of the parent entity va-Q-tec AG is reported as the issued share capital in the consolidated financial statements. The share capital of va-Q-tec AG amounts to kEUR 13,415, and is divided into 13,415,000 no-par-value registered bearer shares. The share capital is fully paid in. The shares are listed in the Prime Standard stock market segment of the Frankfurt Stock Exchange. All of the shares carry the same rights and obligations. Each share grants one vote at the general meeting of shareholders. Exceptions to this are shares that the company itself holds (treasury shares), from which no rights accrue to va-Q-tec AG, such as the right to vote at the general meeting of shareholders. As of the balance sheet date, va-Q-tec AG held 13,566 treasury shares. For this reason, the company’s issued capital amounts to 13,401,434 shares as of the balance sheet date.

in kEUR	Number of shares	Nominal value
Ordinary shares	13,415,000	13,415
Balance on 31/12/2022	13,415,000	13,415
Ordinary shares	13,415,000	13,415
Balance on 31/12/2021	13,415,000	13,415

Approved share capital

The Management Board is authorized by resolution of the Annual General Meeting on 2 June 2022 to increase the company’s share capital, with the approval of the Supervisory Board, on one or more occasions on or before 1 June 2027 by a total of up to EUR 6,707,500 in return for cash and/or non-cash capital contributions, whereby the subscription right may be excluded (Approved Capital 2022/1).

Contingent capital

Pursuant to Section 6.5 of the company’s bylaws, the share capital is conditionally increased by EUR 6,500,000 through issuing up to 6,500,000 new ordinary registered shares (Contingent Capital 2020/1). Contingent Capital 2020/1 increase serves exclusively to grant shares for the exercise of conversion and warrant rights, or upon fulfillment of conversion obligations, to the holders or creditors of convertible bonds, bonds with warrants and/or participating bonds (or combinations of such instruments) (collectively “bonds”) issued on the basis of the authorization resolution of the Annual General Meeting of 14 August 2020 under agenda item 7 letter b).

Treasury shares

No changes occurred to treasury shares in 2022 and the number remains at 13,566 shares.

Additional paid-in capital

Additional paid-in capital mainly comprises shareholders' cash and non-cash capital contributions. Additional paid-in capital amounted to kEUR 54,020 as of the balance sheet date (previous year: kEUR 54,020).

Consolidated total other comprehensive income

Consolidated total other comprehensive income includes the reserve arising from the foreign currency

translation of the foreign subsidiaries' financial statements.

Furthermore, the effective portions of hedging relationships and the corresponding deferred taxes are recognized in other comprehensive income in the context of cash flow hedge accounting.

Retained earnings

Retained earnings mainly comprise cumulative profits carried forward, differential amounts arising from the first-time application of IFRS, and the share of periodic consolidated earnings that is attributable to the owners of va-Q-tec AG.

7.2.2.2 Non-current and current provisions**Provisions**

in kEUR	Warranties	Archiving	Litigation costs	Other	Total
Balance on 01/01/2022	17	17	153	249	436
Addition	59	–	85	3,079	3,223
Utilisation	1	–	88	34	123
Release	–	–	–	140	140
Balance on 31/12/2022	75	17	150	3,154	3,396
Non-current	75	17	–	116	208
Current	–	–	150	3,038	3,188

Provisions

in kEUR	Warranties	Archiving	Litigation costs	Other	Total
Balance on 01/01/2021	20	17	182	67	286
Addition	13	–	133	193	339
Utilisation	16	–	6	10	32
Release	–	–	156	–	156
Balance on 31/12/2021	17	17	153	249	436
Non-current	17	17	–	155	189
Current	–	–	153	94	247

Other provisions include a performance-related consulting fee of kEUR 3,021 in connection with the takeover offer by EQT Private Equity, which will only become due upon completion of the takeover.

Provisions for litigation costs include the expected costs from both current and pending litigation. The other provisions are mainly provisions for pending losses arising from sales of products to customers where such sales have failed to cover their costs, and provisions for open services by suppliers. The company refrained from discounting non-current provisions for reasons of materiality.

7.2.2.3 Non-current and current liabilities from bonds issued

In November 2020, va-Q-tec issued a bond with a nominal volume of CHF 25 million. The bond carries a coupon of 3.75 % p.a. and has a term of five years. The company recognized the bond at its fair value less directly attributable transaction costs on the trade date. Subsequent measurement is at amortized cost applying the effective interest method. The bond is translated at the closing rate.

va-Q-tec has hedged the currency risks with derivative hedging transactions (cross-currency swaps/CCS) for the portion of CHF 24 million over the term of the bond. The CCS thereby eliminate the EUR-CHF currency risk arising from the interest and redemption payments for the entire term of the bond for the secured portion. The company applies hedge accounting in accordance with IFRS 9 for these hedging transactions.

The main parameters of the currency swaps are as follows:

in kEUR	Nominal amount kCHF	Nominal amount kEUR	Start of term	Maturity date	Coupon CHF	Coupon EUR	Hedging rate CHF/EUR
Basic transaction	24,000	22,218	30/11/2020	30/11/2025	3,75 %		
CCS 1	12,000	11,059	01/12/2020	30/11/2025		4,06 %	1,08505
CCS 2	12,000	11,074	01/12/2020	30/11/2025		4,07 %	1,08360

The agreed CCSs are based directly on the underlying transaction. The term, interest payment dates and nominal volume match.

The bond serves further investments in the container and box fleets, the scheduled refinancing of existing financial liabilities and general financing purposes.

As part of the bond, va-Q-tec has undertaken to maintain a minimum equity ratio of 30 %. As of the balance sheet date, the covenant is not met due to the costs incurred in the amount of kEUR 6,657 in connection with the public takeover offer by EQT Private Equity, which are not attributable to the operating business. The lead manager of the bond

has assured va-Q-tec, on the basis of the existing information, that a calling of the bond and the convening of a creditors' meeting is waived. The commitment of the lead manager of the bond is subject to the condition that the capital increase is realized immediately after the closing of the takeover transaction (which is contractually secured by the merger agreement, see section 8.5 of the notes to the consolidated financial statements) and that no new circumstances require a reassessment of the facts. For this reason, the Management Board of va-Q-tec assumes that no change will be applied to the term of the bond or the payment dates for interest and repayment. In this respect, no change in the valuation of the bond and no adjustment of the expected

outgoing payments is required. The bond, which is recognized at a carrying amount of kEUR 24,821 as of 31 December 2022 balance sheet date, was reclassified in the balance sheet from the item non-current liabilities from the bond issued to the item current liabilities from the bond issued for the reasons stated above.

7.2.2.4 Non-current and current bank borrowings

The bank borrowings consist of long-term investment loans to finance land, buildings and plants, and short-term current account overdrafts to finance current assets.

Non-current investment loans are secured through land charges and the collateral assignment of machinery and fixtures. Most of the long-term loans have terms of between 15 and 20 years with fixed interest rates. The risk arising from variable-interest loans was partly hedged through interest-rate swaps. Hedge accounting according to IFRS 9 is not applied in this context.

The multi-bank agreement of va-Q-tec AG with three principal banks was terminated early as of 30 June 2022 and replaced by bilateral credit line agreements with several banks under improved conditions. These are currently open-ended and amount to a total financing facility of kEUR 24,500 and cover credit lines of the parent company. For further information, please refer to the explanations on credit risks in the section concerning risk management (section 7.6 of the notes to the consolidated financial statements).

The inventories of va-Q-tec AG no longer serve as collateral for the credit lines. The company has remained committed to maintaining a minimum equity ratio of 30 % under the bilateral credit line agreements.

As of the balance sheet date, the covenant is not met due to the costs incurred in the amount of kEUR 6,657 in connection with the public takeover offer by EQT Private Equity (see section 8.5 of the notes to the consolidated financial statements), which are not attributable to the operating business. In principle, non-compliance with the covenants leads to the possibility of the short-term loans being called in by the banks. However, the banks have waived compliance with the minimum equity ratio as of the 31 December

2022 balance sheet date, and the calling in of the short-term loans. The portion of the financing facility of kEUR 18,500 that is subject to the covenant referred to here had been drawn down in the amount of kEUR 5,405 as of the 31 December 2022 balance sheet date, and was included in current bank borrowings.

7.2.2.5 Other non-current and current financial liabilities

Financial liabilities

kEUR	Non-current	Current	Balance on 31/12/2022
Lease liabilities	4,982	2,304	7,286
Deferred liabilities for outstanding invoices	–	8,127	8,127
Accrued liability for financial auditors	–	382	382
Debtors with credit balance	–	693	693
Miscellaneous	325	226	551
Group, total	5,307	11,732	17,039

Financial liabilities

kEUR	Non-current	Current	Balance on 31/12/2021
Lease liabilities	4,341	2,698	7,039
Derivative financial instruments	1	–	1
Deferred liabilities for outstanding invoices	–	4,725	4,725
Accrued liability for financial auditors	–	137	137
Debtors with credit balance	–	472	472
Miscellaneous	353	258	611
Group, total	4,695	8,290	12,985

The leasing liabilities arise mainly from leases to finance the UK subsidiary's container fleet assets, which until the end of 2018 were financed chiefly through sale-and-finance-leaseback transactions, as well as production plants at the locations in Kölleda and Würzburg. Also included are liabilities from leasing agreements for office and warehouse space and for company and service vehicles. The leased assets are reported as rights of use assets under non-current

assets (see note 7.2.1.2). Further information about expenses and payments arising from leases is provided in notes 7.1.4, 7.1.6, 7.1.9 and 7.3.

The derivative financial instruments, which in the previous year had negative fair values from interest rate swaps used to hedge variable-rate non-current liabilities to banks, expired on 30 June 2022 with the repayment of the hedged loans (previous year: kEUR 1).

7.2.2.6 Other non-current and current non-financial liabilities

Non-financial liabilities

kEUR	Non-current	Current	Balance on 31/12/2022
Special items for grants	4,753	789	5,542
Special items for deferred container profits	–	183	183
Employee bonuses	–	1,342	1,342
Liabilities for unutilised vacation	–	410	410
Prepayments received for orders	–	498	498
Liabilities from other taxes	–	389	389
VAT liabilities	–	3,194	3,194
Miscellaneous other non-financial liabilities	–	1,334	1,334
<i>Other personnel liabilities</i>	–	368	368
<i>Liabilities for social insurances</i>	–	192	192
<i>Miscellaneous</i>	–	774	774
Group, total	4,753	8,139	12,892

kEUR	Non-current	Current	Balance on 31/12/2021*
Special items for grants	4,388	463	4,851
Special items for deferred container profits	213	949	1,162
Employee bonuses	–	1,319	1,319
Liabilities for unutilised vacation	–	294	294
Prepayments received for orders	–	543	543
Liabilities from other taxes	–	445	445
VAT liabilities	2,162	789	2,951
Miscellaneous other non-financial liabilities	27	1,074	1,101
<i>Other personnel liabilities</i>	–	428	428
<i>Liabilities for social insurances</i>	–	139	139
<i>Miscellaneous</i>	27	507	534
Group, total	6,790	5,876	12,666

* The comparative figures have been adjusted due to error corrections (see note 6.3)

Government grants

Between 2017 and 2021, the company received investment grants from the government of Lower Franconia for investments in the new location in Würzburg. The investment grants served the construction investments, machinery and facilities as well as the overall investment for the building in Würzburg. In addition, the company received investment grants from Thüringische Aufbaubank between 2008 and 2022 for the various construction phases, machinery and equipment at the Kölleda site. These grants do not need to be repaid as long as the conditions are complied with, as expected.

Special item for grants

in kEUR	2022	2021
Balance at 1 January	4,851	4,570
Addition	1,294	694
Release	603	413
Balance at 31 December	5,542	4,851
– of which non-current	4,753	4,388
– of which current	789	463

Deferred income from sale-and-finance-leaseback transactions

Until 31 December 2018, containers used in the container fleet were sold by means of sale-and-finance-leaseback transactions. Profit margins in excess of manufacturing costs arising from the sale of containers were recognized as deferred income under liabilities (special item for deferred container profits). Until the end of 2023, all of this deferred income will be released to other operating income over the containers' respective five-year useful life. With the application of the IFRS 16 standard on accounting for leases, from 1 January 2019 no new profits have arisen that are recognized as deferred income.

7.2.2.7 Liabilities from contracts with customers

In the financial year under review, the company accounted for obligations arising from contracts with customers as follows:

Liabilities from contracts with customers

in kEUR	31/12/2022	31/12/2021
Liabilities from contracts with customers	65	189

Contract liabilities include in particular obligations from advance payments received and provisions for customer bonuses. Revenues include kEUR 189 (previous year: kEUR 40) of revenues that were included in the net balance of contractual liabilities at the start of the reporting period.

7.2.2.8 Trade receivables

Trade payables are recognized at amortized cost. Their balance sheet values essentially correspond to their market values. They are due within one year.

7.3 CONSOLIDATED STATEMENT OF CASH FLOWS

The cash flow statement shows how the cash position has changed at va-Q-tec over the course of the reporting year due to cash inflows and outflows. Pursuant to IAS 7 (Statement of Cash Flows), a distinction is drawn between cash flows from operating, investing and financing activities. The change in liquid assets due to changes in exchange rates is presented separately.

The cash and cash equivalents in the cash flow statement comprise all cash positions reported on the statement of financial position, as well as cash accounts and short-term deposits at banks that have a remaining term of up to three months on addition, are subject to only minor value fluctuations, and their availability is not restricted.

The cash inflows and outflows from investing and financing activities are presented in accordance with the direct method. The cash inflows and outflows from investing activities comprise additions to intangible assets as well as disposals of, or additions to, property, plant and equipment. Financing activities include cash inflows from real estate and plant financing, cash outflows from the repayment of bank borrowings, as well as ingoing and outgoing payments for leases. Payments made under leases included in the cash flow statement amounted to kEUR 3,461 in the reporting period (previous year: kEUR 3,175). Further information about liabilities arising from leases and expenses from leases is provided in notes 7.1.4, 7.1.6, 7.1.9 and 7.2.2.5 to the consolidated financial statements. As in the previous year, cash inflows from sale-and-finance-leaseback transactions as well as investment allowances and grants received are

shown within separate items within cash flows from financing activities.

By contrast, cash inflows and cash outflows from operating activities are derived indirectly, starting from the consolidated net profit. To this end, the consolidated net profit is adjusted to reflect non-cash expenses and income, primarily depreciation, amortization, impairment losses, deferred tax, the release of special items, the measurement of financial instruments, and changes in provisions. These adjustments are supplemented by changes in other assets and liabilities, as well as working capital.

Investing and financing processes that have not resulted in a change in cash and cash equivalents are not reflected in the cash flow statement.

Reconciliation statement of financial liabilities from financing activities (IAS 7)

in kEUR	Carrying amount 31/12/2021	cash transactions	non-cash transactions			Carrying amount 31/12/2022
			currency translation	change in valuation	other	
Bonds	23,362	–	1,189	–	270	24,821
Bank borrowings	37,192	250	–	–	57	37,499
Leases	7,039	–3,100	137	–	3,210	7,286
Financial liabilities	67,593	–2,850	1,326	–	3,537	69,606

Reconciliation statement of financial liabilities from financing activities (IAS 7)

in kEUR	Carrying amount 31/12/2020	cash transactions	non-cash transactions			Carrying amount 31/12/2021
			currency translation	change in valuation	other	
Bonds	22,064	–	1,055	–	243	23,362
Bank borrowings	29,089	8,035	–	–	68	37,192
Leases	6,045	–2,946	115	–	3,825	7,039
Financial liabilities	57,198	5,089	1,170	–	4,136	67,593

7.4 FINANCIAL INSTRUMENTS

The following table presents financial instruments with their carrying amounts and fair values, analyzed

by IFRS 9 measurement categories. All of the fair values are allocated to one of the measurement levels of the fair value hierarchy. Where no corresponding allocation has occurred, it is assumed that the

carrying amount corresponds to fair value. This relates mainly to trade receivables, cash and cash equivalents, miscellaneous current financial assets, trade payables and miscellaneous current financial liabilities, all of which have short remaining terms.

Section 4.2 “Basis of preparation of the financial statements” provides a definition of the fair value

hierarchy levels. All allocations to levels are reviewed at the end of the reporting period. No reclassifications between levels occurred in either the reporting year or the previous year.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Values by measurement categories 2022

in kEUR	Measurement category as per IFRS 9	Carrying amount		Fair value	of which: fair value		
		Aquisition cost 31/12/2022	Fair value 31/12/2022	31/12/2022	Level 1	Level 2	Level 3
Financial Assets							
Investments	FVtPL	–	4,130	4,130	–	4,130	–
Trade accounts receivables	AC	3,987	–	3,987	–	–	–
Trade accounts receivables	FVtPL	–	3,746	3,746	–	3,746	–
Other financial assets	–	–	–	–	–	–	–
of which: derivative financial instruments with hedging relationship	–	–	3,044	3,044	–	3,044	–
of which: miscellaneous other financial liabilities	AC	7,312	–	7,312	–	–	–
Cash and cash equivalents	AC	9,381	–	9,381	–	–	–
Total		20,680	10,920	31,600	–	–	–
Financial liabilities							
Bonds	AC	24,821	–	25,150	25,150	–	–
Bank borrowings	AC	37,499	–	34,405	–	34,405	–
Trade payables	AC	7,130	–	7,130	–	–	–
Other financial liabilities	AC	9,752	–	9,710	–	9,710	–
Total	–	79,202	–	76,395	–	–	–

Of which aggregated by measurement category as per IFRS 9

in kEUR		Carrying amount	Fair value
Amortised Cost (asset)	AC	20,680	20,680
At fair value through P&L (asset)	FVtPL	7,876	7,876
Amortised Cost (liability)	AC	79,202	76,395

Values by measurement categories 2021

in kEUR	Measurement category as per IFRS 9	Carrying amount		Fair value 31/12/2021	of which: fair value		
		Aquisition cost 31/12/2021	Fair value 31/12/2021		Level 1	Level 2	Level 3
Financial Assets							
Investments	FVtPL	–	3,300	3,300	–	3,300	–
Trade accounts receivables	AC	5,715	–	5,715	–	–	–
Trade accounts receivables	FVtPL	–	6,717	6,717	–	6,717	–
Other financial assets		–	–	–	–	–	–
of which: derivative financial instruments with hedging relationship	FVtOCI	–	1,150	1,150	–	1,150	–
of which: miscellaneous other financial liabilities	AC	2,902	–	2,902	–	–	–
Cash and cash equivalents	AC	9,810	–	9,810	–	–	–
Total		18,427	11,167	29,594	–	–	–
Financial liabilities							
Bonds	AC	23,362	–	24,731	24,731	–	–
Bank borrowings	AC	37,192	–	37,870	–	37,870	–
Trade payables	AC	8,628	–	8,628	–	–	–
Other financial liabilities		–	–	–	–	–	–
of which: derivative financial instruments without hedging relationship	FVtPL	–	1	1	–	1	–
of which: miscellaneous other financial liabilities	AC	5,944	–	5,938	–	5,938	–
Total		75,126	1	77,167	–	–	–

Of which aggregated by measurement category as per IFRS 9

in kEUR		Carrying amount	Fair value
Amortised Cost (asset)	AC	18,427	18,427
At fair value through P&L (asset)	FVtOCI	10,017	10,017
Amortised Cost (liability)	FVtPL	75,126	77,166
At fair value through P&L (liability)	FVtPL	1	1

The fair value of Level 2 interest-bearing bank borrowings is derived as the present value of the expected future cash flows. They are discounted at market interest rates on the balance sheet date. In the case of variable interest liabilities, the carrying amounts generally correspond to fair values. The fair value measurement of the investments in SUMTEQ GmbH and ING3D GmbH as of 31 December 2022 was based on close-dated transactions and on capital measures of these companies that are under negotiation, and thereby on observable market prices (measurement level 2).

The fair value of Level 2 interest-rate swaps is calculated by discounting expected future cash flows on the basis of market interest rates valid on the respective reporting date for the contracts' remaining terms. The fair value of the cross-currency swaps assigned to measurement Level 2 is determined on the basis of the current reference rates of the European Central Bank applicable on the balance sheet date. This is realized by taking into account forward premiums and discounts for the respective remaining term of the contracts compared to the contracting foreign exchange rate.

7.5 NET RESULT FROM FINANCIAL INSTRUMENTS

The net result relating to financial instruments as presented in the consolidated income statement is composed as follows:

2022 net results from

Measurement category as IFRS 9 / IFRS 16 in kEUR	Interest income	Interest expense	Impairment losses	Reversals of impairment losses	Subsequent measurement at fair value	Currency translation
Amortised Cost (asset)	5	–	–44	68	–	1,028
At fair value through P&L (assets)	–	–	–	–	530	–
Amortised Cost (liability)	–	–2,481	–	–	–	–103
At fair value through P&L (liability)	–	–	–	–	1	–
Total	5	–2,481	–44	68	531	925

2021 net results from

Measurement category as IFRS 9 / IFRS 16 in kEUR	Interest income	Interest expense	Impairment losses	Reversals of impairment losses	Subsequent measurement at fair value	Currency translation
Amortised Cost (asset)	–	–	–18	–	–	769
At fair value through P&L (assets)	–	–	–	–	–	–
Amortised Cost (liability)	–	–1,989	–	–	–	–40
At fair value through P&L (liability)	–	–	–	–	6	–
Total	–	–1,989	–18	–	6	729

7.6 RISK MANAGEMENT

As an internationally active company, va-Q-tec is exposed to various risks during the course of its ordinary business activities, including credit, liquidity, and market risks. Market risks particularly result from changes to exchange rates and interest rates. Financial risk management measures are designed to manage and limit these market risks within the scope of operating and financial activities. Depending on the risk assessment, derivative hedging instruments are deployed, although generally only cash flow risks are hedged. Derivative financial instruments are used for operational hedging purposes, and are consequently not held for trading. To reduce default risk, hedging transactions are entered into only with financial institutions with excellent credit ratings. In individual cases, hedge accounting in accordance with IFRS 9 is applied in order to avoid fluctuations in earnings from changes in the market value of derivative financial instruments.

The basic principles of the financial policy are regularly controlled by the Management Board and monitored by the Supervisory Board.

Credit risks

Credit risk is the risk that business partners will not be able to meet their contractual obligations, and that the va-Q-tec Group will incur a financial loss as

The application of the simplified procedure results in the following default risk classifications for the financial assets:

Credit risk exposure of financial assets 2022

in kEUR	Trade receivables	Contract assets	Other financial assets	Cash and cash equivalents
credit risk rating grade 1	–	–	6,734	9,381
credit risk rating grade 2	7,783	48	3,622	–
credit risk rating grade 3	58	–	–	–
Total	7,841	48	10,356	9,381

a consequence. In the course of its operating activities, the Group is exposed to default risk, especially in the case of trade receivables, as well as risks as part of its financing activities, including its derivative financial instruments.

The credit risk from trade receivables is managed at the company level (i.e. locally), and monitored constantly. Identifiable default risks applying to financial assets are reflected through impairment losses.

In accordance with IFRS 9, valuation allowances for expected credit losses (“expected loss model”) are recognized for all financial assets measured at amortized cost and for debt instruments measured at fair value through equity.

In principle, IFRS 9 provides for a three-stage procedure for this purpose. Risk provisions are formed either on the basis of the expected 12-month credit losses (stage 1) or on the basis of the expected credit losses over the term if the credit risk has increased significantly since initial recognition (stage 2) or if an impaired credit quality is determined (stage 3). For the majority of financial assets, including trade receivables that do not contain a significant financing component, the simplified procedure is applied. In this context, expected credit losses are always determined over the entire term of the financial instruments.

Credit risk exposure of financial assets 2021

in kEUR	Trade receivables	Contract assets	Other financial assets	Cash and cash equivalents
credit risk rating grade 1	–	–	2,380	9,810
credit risk rating grade 2	12,535	38	1,671	–
credit risk rating grade 3	43	–	–	–
Total	12,578	38	4,051	9,810

Individual value adjustments are made in the event of corresponding individual circumstances and risk indications. Both historical data, such as historical default rates, and forward-looking information, such as individual and macroeconomic conditions, are included in determining the amount of valuation allowances. Default rates are determined on the basis of an allowance matrix with reference to historical defaults and an analysis of further factors.

The default of a counterparty results in the value adjustment of all open positions with the counterparty. In this context, the default is determined on the basis of an individual assessment, for example in the event of conspicuous changes in payment behaviour or insolvency filing. A financial instrument is derecognized when a reasonable evaluation cannot assume that a financial asset will be recoverable in whole or in part, for example after insolvency proceedings have ended or subject to other local conditions.

For the unimpaired trade receivables, value adjustments were made in accordance with IFRS 9 in the amount of the expected credit losses of kEUR 38 (previous year: kEUR 103) (see note 7.1.3). The recoverability of receivables that are not overdue is regarded as very high. This assessment is due, above all, to the long-standing business relationships with most buyers, and our customers' credit ratings. The other financial assets are neither overdue nor impaired.

Liquidity risks

Liquidity risk i.e. the risk that va-Q-tec is unable to meet its financial obligations, is limited through the creation of the requisite financial flexibility, and through an effective cash management system. To manage its future liquidity position, va-Q-tec employs corresponding liquidity planning instruments.

Based on the confirmations received from the lead manager of the bond as well as from the banks regarding the waiver of a calling in of the bond and the short-term loans in connection with the shortfall of the agreed minimum equity ratio as of the reporting date, va-Q-tec AG has bank balances plus open credit lines in the amount of approximately EUR 28 million as of 31 December 2022, and consequently a comfortable financial position. Nevertheless, the bond is reclassified from non-current to current liabilities and provisions in the balance sheet for the reasons stated above. Taking the current takeover offer into consideration, the alternative scenario and moderate debt overall, the Management and Supervisory boards do not identify any specific reasons that undermine a going concern assumption (see note 4.2).

Specific liquidity risks for the Group arise from the relatively high proportion of individual major customers with which no long-term contracts exist, and such customers' theoretical default risks or risks of departure, as well as from potential repayment obligations to banks given non-compliance with covenants, and in relation to development agencies, given non-compliance with subsidy terms. The management steers these potential liquidity risks through targeted commercial, financial and organizational measures.

The following lists show the contractually agreed, undiscounted interest and principal payments for the non-derivative and derivative financial liabilities as per IFRS 7. If the maturity date is not fixed, the liability is related to the earliest due date. Interest payments with variable interest yield are taken into account according to the terms applicable as of the reporting date. We mainly assume that the cash outflows will not occur earlier than shown.

The following table includes the repayment amount (including assumed future interest payments to be rendered) at the respective stated maturity date:

2022 | Repayment amounts on respective due date

in kEUR	Bonds	Bank borrowings	Other financial liabilities			Trade payables	Total
			Lease liabilities	Miscellaneous other financial liabilities			
2023	868	12,734	2,534	9,426	7,127	32,689	
2024	868	6,167	1,779	120	–	8,934	
2025	24,017	4,208	1,486	–	–	29,711	
2026	–	3,314	1,014	205	–	4,533	
2027	–	2,352	786	–	–	3,138	
2028 and after	–	12,768	304	–	–	13,072	
Total 31/12/2022	25,753	41,543	7,903	9,751	7,127	92,077	

2021 | Repayment amounts on respective due date

in kEUR	Bonds	Bank borrowings	Other financial liabilities			Trade payables	Total
			Lease liabilities	Miscellaneous other financial liabilities			
2023	866	8,658	2,880	5,944	8,628	26,976	
2024	866	9,910	1,728	–	–	12,504	
2025	866	4,454	823	–	–	6,143	
2026	23,968	2,545	696	–	–	27,209	
2027	–	1,684	540	–	–	2,224	
2028 and after	–	13,356	669	–	–	14,025	
Total 31/12/2021	26,566	40,607	7,336	5,944	8,628	89,081	

Collateral in the form of land charges on land and buildings at the Kölleda site and at the headquarters in Würzburg, collateral assignments of machinery and installation items, as well as collateral for finance leases in the form of production plants exist for va-Q-tec loans and bank overdrafts utilized as of the reporting date. Above and beyond this, the UK

subsidiary's containers, which are leased as part of the container fleet, are assigned as collateral for finance leases. The current account lines used under the multi-bank agreement are collateralized by inventories as of the balance sheet date. Furthermore, va-Q-tec AG has committed itself to maintaining a minimum equity ratio as well as minimum EBITDA

metrics. As part of the bond issued in 2020, va-Q-tec AG has also committed to maintaining a minimum equity ratio.

Currency risks

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. va-Q-tec is exposed to this risk primarily from its business activities (when revenues and/or expenses are denominated in a currency other than the functional currency of the respective Group company). Where financially feasible, va-Q-tec hedges its significant exchange rate risks by employing forward currency transactions. The hedging of value fluctuations of future cash flows from expected transactions involves planned costs denominated in foreign currency. Differences caused by exchange rates when financial statements are translated into the Group currency are not taken into consideration.

The following currency scenarios arise:

2022 | Change in equity effectivities

in kEUR	USD	GBP	CHF	KRW	SGD	Summe
+100 basis points	303	-15	7	89	81	465
-100 basis points	-370	19	-9	-109	-99	-568

2021 | Change in equity effectivities

in kEUR	USD	GBP	CHF	KRW	SGD	Summe
+100 basis points	542	0	-9	65	89	687
-100 basis points	-662	0	11	-80	-109	-840

Based on the valuation as of 31 December 2022, a sensitivity analysis was performed to determine the change in equity in the event of a parallel shift in the foreign currency valuation of the Swiss franc by 100 basis points for each of the secured portion of the bond and the related hedges. An appreciation of the CHF against the EUR by 100 basis points as of the balance sheet date would reduce other comprehensive income by kEUR 4,964 without taking hedging transactions into account (previous year: kEUR 3,691). A depreciation of the CHF against the EUR would reduce other comprehensive income in equity by kEUR 24 without affecting profit or loss (previous year: a depreciation of the CHF against the EUR would

For the disclosure of market risks, IFRS 7 requires sensitivity analyses that show how changes to relevant risk variables (e.g. exchange rates, interest rates) might affect earnings and equity. To measure periodic effects, a potential change in the risk variables is applied to the financial instruments position on the reporting date. This approach assumes that this year-end position is a representative for the financial year concerned.

The following sensitivity analysis is based on USD, GBP, CHF, SGD and KRW as the significant foreign currencies for the va-Q-tec Group. The analysis is based on the status as of 31 December 2021 of the positions of receivables, liquid assets and liabilities denominated in USD, GBP, CHF, SGD and KRW. Effects on consolidated results and equity were calculated that are derived from the simulated USD-Exchange rate USD, GBP, CHF, SGD and KRW exchange rates as of the reporting date.

have increased other comprehensive income by kEUR 1,018).

Interest rate risks

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in market interest rates. The risk of fluctuations in market interest rates to which the Group is exposed results primarily from variable rate loans and overdrafts. To a minor extent, the Group manages its interest rate risk in relation to financial liabilities through employing interest rate derivatives in the form of interest rate swaps for long-term loans, whereby no hedge accounting is applied.

Interest rate risks according to IFRS 7 are calculated by means of a sensitivity analysis. The following sensitivity analysis includes both the effects on the net interest result due to variable interest financial instruments existing on the respective reporting date, and the value changes of the interest-rate swaps that have been concluded. The effects of variable market interest rates on consolidated results in equity were calculated.

If the market interest-rate level as of the reporting date had been 100 basis points higher, the consolidated profit/loss would have been kEUR 63 lower (previous year: kEUR 47 lower), and consolidated equity would have been kEUR 63 lower (previous year: kEUR 47 lower). If the market interest-rate level as of the reporting date had been 100 basis points lower, the consolidated profit/loss would have been kEUR 63 higher (previous year: kEUR 45 higher), and consolidated equity would have been kEUR 63 higher (previous year: kEUR 45 higher).

Capital management

The primary objective of capital management at va-Q-tec is the continuous and long-term enhancement and growth of the company's value, and the securing of its liquidity. A high credit rating and a good equity ratio represent important building blocks to this end. The Group manages its capital structure and implements adjustments while taking changes in economic conditions into account.

va-Q-tec regularly monitors its capital on the basis of various key figures. The equity ratio represents an important key indicator in this context. The Management Board has defined a range for the equity ratio of between 35 and 40 % as the medium-term target. The equity ratio decreased to 32 % in the 2022 financial year (previous year: 36 %). As a consequence, it failed to meet the target set by the Management Board at the end of 2022. As part of the COOL project, the Bidder has undertaken to subscribe for a capital increase of 10 % of the company's existing share capital at EUR 26 per share immediately following the closing of the transaction, and thereby excluding subscription rights for existing shareholders. In the event of a successful closing, which is currently expected, the company will receive almost EUR 35 million in additional equity, which will increase the equity ratio to well over 40 %.

As of 31 December 2022, financial liabilities of the parent company va-Q-tec AG in the amount of kEUR 0 (previous year: kEUR 174) were subject to financial covenants relating to the separate and consolidated financial statements of va-Q-tec AG. As part of the bilateral credit line agreements, va-Q-tec has entered into a commitment to the banks to maintain a minimum equity ratio of 30 % (see notes 7.2.2.4 and 8.5). Financial liabilities of va-Q-tec Ltd. (UK) from finance leases and loans of kEUR 5,098 as of 31 December 2022 (previous year: kEUR 5,396) are subject to a covenant based on the separate financial statements of va-Q-tec Ltd. (UK). This covenant requires equity as recognized on the balance sheet of at least kEUR 2,500 as of the balance sheet date. This covenant was met as of the balance sheet date, as in the previous year. In addition, the company has undertaken not to fall below a liquidity level of kEUR 5,000 for the term of the bond. As of the balance sheet date, the liquidity available at short notice, taking unutilized current account lines into account, amounts to kEUR 27,573 (previous year: kEUR 15,258), thereby fulfilling the commitment that has been entered into.

8 OTHER DISCLOSURES

8.1 SEGMENT INFORMATION

For the purpose of segment reporting, the activities of the va-Q-tec Group are separated by operating segments based on the regulations of IFRS 8 (Operating Segments). The structure is based on internal management and reporting on the basis of legal entities. The va-Q-tec Group operates in the three reporting segments of “va-Q-tec AG”, “va-Q-tec Ltd. (UK)” and “Other”.

The activities of the German and UK reporting segments are unchanged compared with the previous year. A fulfillment centre (conditioning and cleaning of rental boxes) is operated in Switzerland. In addition to purchasing and sales services, the Korean subsidiary also generates independent third-party sales for the Group. In addition to sales services, the subsidiaries in the USA, Uruguay, Singapore and Japan generate independent third-party sales. The newly founded subsidiaries in Brazil and India have not yet contributed any significant business activities during the past financial year.

The reporting and reporting management of the individual segments at va-Q-tec is directly according to IFRS. Insofar they are material, the supply and service relationships between the reporting segments are presented on a consolidated basis.

Starting from the total sum of the reporting segments, intragroup transactions are eliminated in the “Consolidation” column, particularly taking into account effects from the sale-and-finance-leaseback transactions.

Segment reporting FY 2022

	va-Q-tec AG	va-Q-tec Ltd. (UK)	Other	Operating divisions, total	Consolidation	Group
kEUR	IFRS	IFRS	IFRS			
External revenue	48,762	44,088	18,983	111,833	–	111,833
Internal revenue	23,516	1,019	3,510	28,045	–28,045	–
Total sales revenue	72,278	45,107	22,493	139,878	–28,045	111,833
At a point in time	65,766	–	17,347	83,113	–23,369	59,744
Over time	6,512	45,107	5,146	56,765	–4,675	52,090
Total income	76,981	46,818	22,654	146,453	–23,650	122,803
Cost of materials and services	–31,182	–18,991	–12,771	–62,944	16,243	–46,701
Personnel expenses	–29,568	–4,182	–4,812	–38,562	975	–37,587
Other operating expenses	–26,595	–8,124	–5,020	–39,739	8,960	–30,779
EBITDA	–10,364	15,521	51	5,208	2,528	7,736
Depreciation, amortisation and impairment losses	–7,790	–8,829	–1,410	–18,029	3,029	–15,000
EBIT	–18,154	6,692	–1,359	–12,821	5,557	–7,264
Result from fair value valuation of investments	–472	–	–	–472	1,002	530
Financial income	406	6	4	416	–410	6
Financial expenses	–2,292	–584	–142	–3,018	410	–2,608
EBT	–20,512	6,114	–1,497	–15,895	6,559	–9,336
H1 2022 investments	7,910	6,852	3,192	17,954	–2,032	15,922
Assets 30.06.2022	132,392	44,388	24,241	201,021	–58,507	142,514
Non-current assets* 30.06.2022	67,861	21,805	5,728	95,394	–8,713	86,681
Liabilities 30.06.2022	92,950	28,842	26,884	148,676	–44,861	103,815
H1 2022 employees**	534	54	61	649	–	649

* The comparative figures have been adjusted due to error corrections (see note 6.3).

** Non-current assets relate exclusively to property, plant and equipment and intangible assets.

Segment reporting FY 2021*

	va-Q-tec AG	va-Q-tec Ltd. (UK)	Other	Operating divisions, total	Consolidation	Group
kEUR	IFRS	IFRS	IFRS			
External revenue	48,457	36,079	19,527	104,063	–	104,063
Internal revenue	26,812	1,518	1,446	29,776	–29,776	–
Total sales revenue	75,269	37,597	20,973	133,839	–29,776	104,063
At a point in time	70,598	–	16,105	86,703	–26,730	59,973
Over time	4,671	37,597	4,868	47,136	–3,046	44,090
Total income	87,399	38,289	21,061	146,749	–24,218	122,531
Cost of materials and services	–38,171	–14,679	–13,399	–66,249	15,767	–50,482
Personnel expenses	–27,545	–3,798	–2,909	–34,252	1,061	–33,191
Other operating expenses	–14,978	–5,281	–3,666	–23,925	2,861	–21,064
EBITDA	6,705	14,531	1,087	22,323	–4,529	17,794
Depreciation, amortisation and impairment losses	–6,338	–8,788	–920	–16,046	2,391	–13,655
EBIT	367	5,743	167	6,277	–2,138	4,139
Financial income	392	–	–	392	–386	6
Financial expenses	–1,990	–559	–89	–2,638	386	–2,252
EBT	–1,231	5,184	78	4,031	–2,138	1,893
H1 2022 investments	17,364	14,226	3,372	34,962	–5,972	28,990
Assets 30.06.2022	133,584	38,741	16,280	188,605	–43,440	145,165
Non-current assets** 30.06.2021	68,700	23,967	4,037	96,704	–9,782	86,922
Liabilities 30.06.2021	73,751	26,613	17,370	117,734	–24,216	93,518
H1 2021 employees***	528	58	39	625	–	625

* The comparative figures have been adjusted due to error corrections (see note 6.3).

** Non-current assets relate exclusively to property, plant and equipment and intangible assets.

*** The number of employees includes Management Board members, Managing Directors, trainees and interns (2022: 33; previous year: 34)

As in the previous year, in the 2022 financial year va-Q-tec AG did not have any customers accounting for more than 10 % of total consolidated revenues.

The revenues are distributed geographically as follows:

in kEUR	2022	2021
Germany	25,569	23,768
Rest of European Union	26,425	24,892
Other	59,839	55,403
Group, total	111,833	104,063

The category "Other" includes revenues of kEUR 22,180 in North America (previous year: kEUR 21,908). The allocation of revenues with external customers to a geographic region is based on the customer's location. The geographic allocation of non-current assets is based on the domicile of the asset's owner, and is shown in the segment reporting according to legal entities presented above.

The allocation of revenues to Products, Systems and Services is as follows: revenues of kEUR 22,297 (previous year: kEUR 22,032) were generated with Products (vacuum insulation panels and individually sold heating storage components) in the financial year under review. The Group generated kEUR 35,046 of revenues with Systems (thermal packaging and related components) in the reporting year (previous year: kEUR 36,379). Revenues of kEUR 52,090 were generated from Services in the financial year under review (previous year: kEUR 44,090). Other revenues amounted to kEUR 2,400 in the financial year (previous year: kEUR 1,562).

8.2 CONTINGENCIES AND OTHER FINANCIAL OBLIGATIONS

Other financial obligations exist that mainly arise from purchase commitments and marketing costs.

The due dates of the other financial obligations are as follows:

Other financial obligations (contingent liabilities)

in kEUR	31/12/2022	31/12/2021
Group, total	9,574	13,506
due within one year	8,243	12,208
due between one and five years	1,331	1,298
due after five years	–	–

Other financial obligations as of the 31 December 2022 balance sheet date include purchase commitments for investments in non-current intangible assets of kEUR 285 (previous year: kEUR 548) and for investments in non-current tangible assets of kEUR 771 (previous year: kEUR 3,822).

Moreover, a bill guarantee line in an amount of kEUR 24 (previous year: kEUR 24) exists with Commerzbank AG, under which va-Q-tec AG is liable for lending to third parties.

va-Q-tec is regularly involved in patent disputes both as plaintiff and defendant. Since 2021, a patent dispute has been pending in Germany concerning the alleged infringement of a patent by va-Q-tec AG. In February 2022, the action was granted at first instance. va-Q-tec AG immediately filed an appeal against the first-instance ruling. Previously, va-Q-tec AG had already filed a nullity suit against the patent in question, which expires at the beginning of 2023.

Given both the already pending appeal against the court's first-instance decision and the nullity action against the patent, va-Q-tec AG is of the opinion that the allegedly patent-infringing technology does not infringe any valid patent claims. For this reason, va-Q-tec AG has not formed a provision in its financial statements in relation to this matter and ascribed no value level to the risk, but will review and,

if necessary, adjust its assessment at regular intervals and depending on further developments in the legal proceedings.

The stock option program for va-Q-tec staff introduced in December 2017, which includes the rendering of part of the price paid for demonstrably purchased va-Q-tec shares, led to outgoing payments of kEUR 14 in 2022 (previous year: kEUR 16). The program was extended until 31 December 2022, which also leads to a minor scope of contingent liabilities in 2022. The “va-Q-share” share purchase program of va-Q-tec AG forms part of the additional benefits for company employees aimed at the company’s sustained a positive development and growth with individual contractual target agreements. The va-Q-share Plus program creates a long-term incentive for participants to commit themselves to the company’s performance and success. For this purpose, program participants are granted a monetary subsidy for them to independently purchase the company’s shares in the market. The program has no material effects or payment obligations. In connection with EQT’s takeover offer, the Management and Supervisory boards decided to suspend the minimum holding period stipulated in the share purchase programs in order to give employees the opportunity to tender their shares to the Bidder. Due to the takeover offer and the planned delisting, the share purchase programs for 2023 were not extended.

8.3 SHARE-BASED PAYMENT

va-Q-tec currently has no arrangements for equity-settled share-based payment transactions with employees.

8.4 RELATED PARTIES

IAS 24 requires the disclosure of the existence of related companies, and transactions with, and outstanding balances in relation to, related companies, if they are not already included as consolidated companies in the consolidated financial statements, as well as related individuals. va-Q-tec AG is the Group’s ultimate parent entity. va-Q-tec AG is the ultimate parent company of the Group.

As a matter of principle, key management personnel and their close relatives are regarded as related individuals at the va-Q-tec Group. Key management personnel comprised the members of the Management

and Supervisory Boards of va-Q-tec AG, as well as the managing directors of the foreign subsidiaries in Korea and the UK.

Related companies within the va-Q-tec Group are regarded as those companies or groups of shareholders over which va-Q-tec AG, the Management and Supervisory Board members and their close family relatives, can at least exercise significant influence, or which, for their part, can exert significant influence over va-Q-tec.

Key management personnel of the va-Q-tec Group

Management Board

Dr. Joachim Kuhn	since 01.04.2001
Stefan Döhmen	since 01.07.2017

Supervisory Board

Dr. Gerald Hommel Vorsitzender	since 27.06.2014
Dr. Barbara Ooms-Gnauck Stellv. Vorsitzende	since 27.06.2014
Winfried Klar	since 20.03.2013
Uwe Krämer	since 01.10.2015
Dr. Eberhard Kroth	since 20.03.2013
Dr. Burkhard Wichert	since 21.05.2021

Managing Directors of the subsidiaries in the UK, Korea and Japan

Insook Yoo – va-Q-tec Ltd. (Korea)	since 07.07.2011
Insook Yoo – va-Q-tec G.K. (Japan)	since 05.04.2017
Sven Larsen – va-Q-tec Ltd. (UK)	since 01.01.2017
Steve Healy – va-Q-tec Ltd. (UK))	since 03.03.2022

Shareholders with significant influence over va-Q-tec AG

Share pool of the families of Dr. Joachim Kuhn and Dr. Roland Caps	Interest in the share capital: 25.8 %
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Total compensation of key management members of the va-Q-tec Group

kEUR	2022	2021
short-term benefits	1,549	1,616
Post-employment benefits	33	25
Total remuneration of key management personnel of the va-Q-tec Group	1,582	1,641

Management Board compensation

kEUR	2022	2021
short-term benefits	628	652
Post-employment benefits	17	17
Total remuneration of the management board	645	669

Compensation totalling kEUR 645 was paid to the Management Board in 2022 (previous year: kEUR 669). This compensation consisted of basic compensation of kEUR 567 (previous year: kEUR 523), performance-based one-year compensation of kEUR 51 (previous year: kEUR 130), multi-year variable compensation of kEUR 0 (previous year: kEUR 0) and contributions to the company's pension scheme. Defined contribution pension commitments have existed for the Management Board members since 2014. To this end, kEUR 17 (previous year: kEUR 17) was paid into an external reinsured pension fund in the year under review. For further information concerning Management Board compensation, please refer to the Compensation Report in the Corporate Governance section on the Investor Relations website.

As in the previous year, no advances or loans were extended to Management Board members in the year under review.

Supervisory Board compensation

Compensation of kEUR 287 was granted to the Supervisory Board members for the 2022 financial year (previous year: kEUR 220). In both the previous year and in the year under review, compensation included only a short-term component, and consists of compensation for normal Supervisory Board

activity and expenses. In addition, consultancy services in an amount of kEUR 56 (previous year: kEUR 35) were compensated, commissioned and rendered especially as part of the Power 20+ program and in connection with the financing of va-Q-tec AG.

As of 31 December 2022, this Supervisory Board compensation generates kEUR 123 of payment obligations for the company (as of 31 December 2021: kEUR 156).

As in the previous year, no advances or loans were extended to Supervisory Board members in the year under review.

Interests held by the Management and Supervisory boards

As of the end of the 2022 financial year, the members of the Management Board, founders and members of the Supervisory Board held the following direct interests in the share capital of va-Q-tec AG:

Shareholder	Number of shares 2022	Number of shares 2021
CEO and founding families	3,464,635	3,355,433
CFO and Supervisory Board	62,960	58,281

Other transactions with related parties

Only a small number of transactions were conducted with related parties in the 2022 financial year. Revenues with Dr. Roland Caps amounted to kEUR 4 for consulting services (previous year: kEUR 0).

8.5 EVENTS AFTER THE REPORTING DATE

In December 2022, the Management Board of va-Q-tec AG entered into a Business Combination Agreement (the "Business Combination Agreement") with Fahrenheit AcquiCo GmbH ("Bidder") and its sole shareholder, each controlled by EQT X Fund (hereinafter together with the Bidder "EQT Private Equity"), relating to a voluntary public takeover offer by EQT Private Equity and the terms and conditions of a strategic partnership. EQT Private Equity has subsequently announced that it intends, with the support of coinvestors Mubadala Investment Company ("Mubadala") and the Sixth Cinven Funds

("Cinven"), to launch a voluntary public tender offer to the shareholders of va-Q-tec to acquire all of the no-par-value registered shares of va-Q-tec AG against payment of a cash consideration of EUR 26.00 per va-Q-tec share. Under the terms of the Business Combination Agreement, va-Q-tec and EQT Private Equity also agreed on the key elements of the transaction and their common understanding regarding the future development of va-Q-tec in the event of a successful completion of the takeover offer. This includes, in particular, the subscription to a 10 % capital increase of va-Q-tec AG also at a price of EUR 26.00 per share, which would provide the company with kEUR 34,879 of additional equity immediately after the successful completion of the takeover process. The Bidder has also stated that it intends to conclude a domination and profit and loss transfer agreement with va-Q-tec following the successful completion of the takeover offer and is seeking a possible delisting of va-Q-tec AG.

The Business Combination Agreement provides for the combination of parts of va-Q-tec's service and systems business focused on the pharmaceutical industry with Envirotainer AB ("Envirotainer"), in which EQT Private Equity already holds an indirect majority interest, if the takeover offer is successful. Envirotainer is a provider of active temperature control containers and a global leader in air transport solutions for temperature-sensitive pharmaceuticals, while va-Q-tec is a pioneer and leader in the complementary market segment for passive temperature chains. The merger is intended to combine the strengths of the two companies and create a more diverse and balanced portfolio. At the same time, with strategic and financial support from EQT Private Equity, va-Q-tec's business in the area of thermal energy efficiency ("Product Business") and thermal boxes for non-pharmaceutical applications is to be further developed in the long term within an independent, new company ("va-Q-tec 2.0") following the spin-off from the previous company, and is to be expanded to include new application possibilities for vacuum insulation technology. At present, however, no specific plans exist for the intentions declared for the period following the conclusion of the aforementioned steps.

On 16 January 2023, the Bidder's offer was published as announced. According to the offer document, the offer was subject to the achievement of a minimum acceptance threshold of 62.5 %, merger regulatory approvals and further standard market conditions.

After the expiry of the acceptance period on 16 February 2023, the Bidder notified the company on 17 February 2023 that the condition of reaching the minimum acceptance threshold had been met. Furthermore, the Bidder notified on 10 March 2023 that, after the expiry of the further acceptance period on 7 March 2023, including the shares of the participating shareholders of the founding families, it holds a total of 85.75 % of the va-Q-tec shares or of the existing voting rights of va-Q-tec AG and that several offer conditions have been fulfilled, but that the condition of the merger regulatory clearances has not yet been fulfilled. Accordingly, the takeover offer is expected to be completed in the second or third quarters of 2023. In particular, due to the non-recurring and extraordinary costs of kEUR 6,657 (which, from the company's perspective, were mainly incurred in connection with the improvement of financial security and the improvement of the equity ratio), the minimum equity ratio agreed with banks as part of the bond issued and some loan agreements was not met as of the 31 December 2022 reporting date. This gave the lead manager of the bond and the banks the right, but not the obligation, to call the bond or the loans early. Subsequently, at the request of va-Q-tec AG, both the lead manager of the bond confirmed that it waives the right to call the bond and convene a creditors' meeting, and the other banks declared their waiver of compliance with the equity ratio as of 31 December 2022. Based on the confirmations received from the banks, va-Q-tec AG has bank balances plus open credit lines of approximately EUR 28 million as of 31 December 2022 and thereby a comfortable financial position.

On 26 January 2023, the shareholders' meeting of ING3D approved a capital increase, with an investment of kEUR 420 each, subscribed 50 % by va-Q-tec AG and 50 % by a further financial investor. As a consequence, the interest of va-Q-tec AG in ING3D increased from 15.0 % to 20.0 %.

On 23 March 2023, the shareholders' meeting of SUMTEQ GmbH, in which va-Q-tec AG held a 15 % interest, approved a capital increase of kEUR 1,500. va-Q-tec AG did not participate in this capital increase, as a consequence of which its interest in the company was reduced slightly to 14 %.

8.6 AUDITOR'S FEES

The fee for the services of the auditor Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Nuremberg, of kEUR 461 (previous year: kEUR 189) comprises the following amounts:

kEUR	2022	2021
Financial statements audit (thereof previous years: 66)	443	134
Other certification services	15	32
Tax advisory services (thereof previous years: 0)	3	23
Group, total	461	189

8.7 STATEMENT OF CONFORMITY TO THE GERMAN CORPORATE GOVERNANCE CODE

The Management and Supervisory boards of va-Q-tec AG issued the declaration of conformity with the German Corporate Governance Code pursuant to Section 161 AktG. The declaration is permanently available on the website www.va-Q-tec.com in the Investor Relations section under:

https://ir.va-Q-tec.com/download/companies/vaqtec/CorporateGovernance/vaQtec_Entsprechenserklaerung_2023.pdf

Würzburg, 26 April 2023

va-Q-tec AG

The Management Board



Dr. Joachim Kuhn
Management Board
Chairman, CEO



Stefan Döhmen
Management Board
Chairman, CFO

RESPONSIBILITY STATEMENT

We assure to the best of our knowledge that, pursuant to the applicable generally accepted financial accounting principles, the consolidated financial statements convey a true and fair view of the Group's financial position and performance, that the progress of business, including the business results and the Group's position are presented in the combined Group management report so as to convey a true and fair view, and that the significant opportunities and risks pertaining to the Group's prospective development are described.

Würzburg, 26 April 2023



Dr. Joachim Kuhn
Management Board
Chairman, CEO



Stefan Döhmen
Management Board
Chairman, CFO

INDEPENDENT AUDITOR'S REPORT

To va-Q-tec AG, Würzburg

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND COMBINED MANAGEMENT RPEORT

Audit opinions

We have audited the consolidated financial statements of va-Q-tec AG, Würzburg, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January 2022 to 31 December 2022, and the notes to the consolidated financial statements, including a summary of significant accounting policies. We have also audited the combined management report of the va-Q-tec Group and of va-Q-tec AG, Würzburg, (in short: combined management report) for the financial year from 1 January 2022 to 31 December 2022. In accordance with German legal requirements, we have not audited the content of the section "Corporate governance statement" and the non-financial Group statement contained in the section "Non-financial statement" of the combined management.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB) and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of 31 December 2022, and of its financial performance for the financial year from 1 January 2022 to 31 December 2022, and
- the accompanying combined management report as a whole conveys a true and fair view of the Group's position. In all material aspects, this combined management report is consistent with

the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks entailed in future development. Our audit opinion on the combined management report does not cover the contents of the aforementioned parts of the combined management report not included within the scope of our audit.

Pursuant to Section 322 (3) Clause 1 HGB, we declare that our audit has not led to any reservations concerning the legal compliance of the consolidated financial statements and the combined management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014, referred to hereinafter as the "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits as promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report" section of our auditor's report. We are independent of the Group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January 2022 to 31 December 2022. These matters were addressed in the

context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon we do not provide a separate audit opinion on these matters.

Revenue recognition

- Reasons for designation as a particularly important audit subject

In the financial year under review, the va-Q-tec Group realized revenues of EUR 112 million (previous year: EUR 104 million). This corresponds to an increase of 8% at Group level. The revenues of the va-Q-tec Group are heterogeneous and comprise the sale of thermal transport containers (systems), vacuum insulation panels and thermal energy storage components (products) as well as the shortterm rental from a large number of network stations distributed worldwide of transport containers preset to orderspecific temperatures (services). This is complemented by consulting and other services, which also form part of the sales and rental business. Given the volume growth as well as the heterogeneity and complexity of the business transactions, appropriately designed processes and controls that are implemented within them are necessary for the recognition of revenue on an accrual basis, and require special consideration in the audit..

In our view, the recognition of revenue on an accrual basis was of particular importance in the context of our audit.

- Our approach in the audit

We have analyzed the processes implemented for the sales and rental business throughout the Group. In doing so, we identified Groupwide control mechanisms for the accrualbased recognition of revenue in the sales process, assessed their appropriateness on a riskoriented basis, and performed functional tests. Furthermore, we conducted analytical audit procedures and examined a selection of sales revenue transactions both during the year and shortly before and after the balance sheet date in order to determine whether they had been properly recognized. In order to evidence the existence of trade receivables and thereby the recognition of sales revenues, we obtained balance confirmations for a selection of customers, or assessed corresponding incoming payments or further documents. The determination of our selection

was riskoriented and based on qualitative and quantitative characteristics. Furthermore, we verified compliance with the reporting requirements of IFRS 15 in the notes to the consolidated financial statements.

- Reference to related information

For details, please refer to the section “Summary of significant accounting policies” in the notes to the consolidated financial statements. Information on sales revenues and receivables is provided in the sections “Revenues” and “Trade receivables” in the notes to the consolidated financial statements.

Recognition of the corporate transaction

- Reasons for designation as a particularly important audit subject

With an announcement on 16 January 2023, a public takeover offer was made to acquire shares in va-Q-tec AG. Already in December 2022, va-Q-tec signed a Business Combination Agreement (BCA) with the Bidder. The public takeover offer provides for a minimum acceptance level, which has been reached, and is subject to the approval of antitrust authorities. This has not yet been issued.

This transaction situation has resulted in accounting decisions that require special consideration in the audit due to the complexity of the transaction and the associated significant risk of material misstatement, the estimation uncertainties and scope for discretion in the valuations made, and the overall material impact on the Group’s financial position and performance.

- Our approach in the audit

As part of our audit of the financial statements, we examined the accounting decisions made by the Company and critically evaluated the justifications provided by Management Board. In addition, we have assessed the further documents relating to the business transaction and the contractual arrangements and are satisfied that the presentation of the transaction and, in particular, the related costs are accurately reflected in the consolidated financial statements. As part of the BCA, a spinoff and divestment of the “nonpharmaceutical” business is planned, among other measures.

We first evaluated the management's assessment of non-compliance with the criteria set out in IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) of a classification as held for sale and as discontinued operations as of 31 December 2022. To this end, we gained an understanding of the proposed contractual arrangements and addressed the likelihood of share tender, antitrust approval and the progress of the divestments of the "non-pharmaceutical" business.

We also assessed the definition of the business activities falling within the scope of IFRS 5. The Management Board considers the business area in question to be unavailable for immediate sale in its current state, as both legal separations and operational splits of the existing Group structure are not possible and have not been planned. No specific decisions have been made either at the Bidder or within the Company regarding the distribution of, for example, assets, business relationships or employee affiliations.

In addition, we assessed the completeness of the presentation of the transaction costs, in particular against the background of the performance-related remuneration components of a participating financial advisor. We have assessed the contractual arrangement, the actual circumstances over time and the Company's inability to withdraw from these remuneration awards with respect to the recognition criteria of a provision and have understood the Management Board's accounting decisions.

- Reference to related information

For details, please refer to the section "Events after the balance sheet date" in the notes to the consolidated financial statements, as well as the sections "Strategic orientation" and "Business trends" in the combined management report.

Other information

The Management and Supervisory boards are responsible for the other information. The other information comprises:

- the Supervisory Board's report,
- the statement on corporate governance in

accordance with Section 289f HGB in conjunction with Section 315d HGB, to which reference is made in the "Corporate governance statement" section in the combined management report,

- the non-financial Group statement contained in the section "Non-financial statement" in the combined management report,
- the confirmation pursuant to Section 297 (2) Clause 4 HGB regarding the consolidated financial statements and the confirmation pursuant to Section 315 (1) Clause 5 HGB regarding the combined management report,
- the remaining parts of the annual report, with the exception of the audited consolidated financial statements and combined management report, which has been audited in relation to its contents, and our auditor's report.

The Supervisory Board is responsible for the report of the Supervisory Board. The Management and Supervisory boards are responsible for the statement pursuant to Section 161 of the German Stock Corporation Act (AktG) on the German Corporate Governance Code (DCGK), to which reference is made in the combined management report as part of the corporate governance statement. In all other respects, the management is responsible for the other information.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the aforementioned other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with disclosures in the combined management report whose content has been audited, or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on our work, we conclude that there has been a material misstatement of such other information, we are required to report that fact. We have nothing to report in this regard.

Management and Supervisory boards' responsibility for the consolidated financial statements and the combined management report

The management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and for ensuring that the consolidated financial statements, in compliance with such requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. Furthermore, the management is responsible for such internal controls as they determine necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., accounting manipulations and misstatements of assets) or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern. It also bears the responsibility for disclosing, as applicable, matters related to the Company as a going concern. In addition, the management is responsible for preparing the accounts on a going concern basis unless an intention exists to liquidate the Group, or to cease operations, or no realistic alternative exists.

Furthermore, the management is responsible for the preparation of the combined management report which, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the management is responsible for such arrangements and measures (systems) it has deemed necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's responsibility for the audit of the consolidated financial statements and the combined management report

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides a suitable view of the Group's position and is consistent, in all material respects, with the consolidated financial statements and the audit findings, complies with German legal requirements, and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinions on the consolidated financial statements and the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee, that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits as promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and combined management report.

We exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the combined management report due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk that material misstatements resulting from fraudulent activities will not be detected is higher than the risk that material misstatements resulting from errors will not be detected, as fraudulent activities may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls.

- Obtain an understanding of the internal control system relevant to the audit of the consolidated financial statements, and of arrangements and measures (systems) relevant to the audit of the combined management report, in order to design audit procedures that are appropriate in the circumstances, albeit not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies applied by the management and the reasonableness of estimates made by the management as well as related disclosures.
- Conclude on the appropriateness of the management's application of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- We assess the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in such a manner that the consolidated financial statements give a true and fair view of the Group's financial position and financial performance in accordance with IFRSs as adopted by the EU, and the additional requirements of German law pursuant to § 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group in order to be able to express audit opinions on the consolidated financial statements and on the

combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions applied by the management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. A substantial unavoidable risk exists that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We make a declaration to those charged with governance that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that may reasonably be thought to bear on our independence and, where relevant, the actions taken or safeguards implemented to address threats to such independence.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and therefore comprise the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER STATUTORY AND OTHER LEGAL REQUIREMENTS

Report on the audit of the electronic reproductions of the consolidated financial statements and the combined management report to be prepared for the purpose of disclosure in accordance with Section 317 (3a) HGB

Audit opinion

In accordance with Section 317 (3a), we were engaged to perform a reasonable assurance engagement to determine whether the reproductions of the consolidated financial statements and the combined management report contained in the file "529900MHYOTHX71DO39-2022-12-31-de.zip" (hash value: 576fd5c12ed-9f927405787f26e52957db9d222c819c022880e-6aa9152a6ffdf6) prepared for disclosure purposes (hereinafter also referred to as "ESEF documents") comply in all material respects with the requirements of Section 328 (1) HGB regarding the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and for this reason neither to the information contained in these reproductions nor to any other information contained in the aforementioned file. In our opinion, the reproductions of the consolidated financial statements and the combined management report contained in the aforementioned file and prepared for the purpose of disclosure comply in all material respects with the requirements of Section 328 (1) HGB regarding the electronic reporting format. Other than this opinion and our opinions concerning the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 January to 31 December 2022 included in the "Report on the audit of the consolidated financial statements and combined management report" above, we do not express any opinion on the information given in these reproductions or on the other information included in the aforementioned file.

Basis for the audit opinion

We conducted our audit of the reproductions of the consolidated financial statements and the combined management report contained in the aforementioned file in accordance with Section 317 (3a) HGB and the IDW Auditing Standard: Audit of electronic reproductions of financial statements and management reports prepared for disclosure purposes in accordance with Section 317 (3a) HGB (IDW PS 410 (06.2022)). Our responsibility in accordance with this standard is further described in the section "Auditor's responsibility for the audit of the ESEF documents". Our auditing practice has applied the quality assurance system requirements of the IDW Quality Assurance Standard: Requirements for quality assurance in auditing practice (IDW QS 1).

Management and Supervisory boards' responsibility for the ESEF documents

The Company's management is responsible for the preparation of the ESEF documents containing the electronic reproductions of the consolidated financial statements and the combined management report in accordance with Section 328 (1) Sentence 4 No. 1 HGB and for the markups of the consolidated financial statements in accordance with Section 328 (1) Sentence 4 No. 2 HGB.

Furthermore, the Company's management is responsible for such internal controls as they deem necessary in order to enable the preparation of ESEF documents that are free from material non-compliance, whether due to fraud or error, with the electronic reporting format requirements of Section 328 (1) HGB.

The Supervisory Board is responsible for overseeing the process of the preparation of the ESEF documents as part of the financial reporting process.

Auditor's responsibility for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documentation is free from material non-compliance, whether due to fraud or error, with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional skepticism throughout the audit. We also: professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material non-compliance with the requirements of Section 328 (1) HGB, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- obtain an understanding of internal controls relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, albeit not for the purpose of expressing an opinion on the effectiveness of those controls.
- we assess the technical validity of the ESEF documentation, in other words, whether the file provided containing the ESEF documentation complies with the requirements of Delegated Regulation (EU) 2019/815 as amended as of the reporting date for the technical specification for that file.
- we assess whether the ESEF documentation provides a consistent XHTML representation of the audited consolidated financial statements and of the audited combined management report.
- assess whether the markup of the ESEF documents with inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815, as applicable as of the reporting date, provides an adequate and complete machinereadable XBRL copy of the XHTML rendition.

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as Group auditor by the Annual General Meeting on 2 June 2022. We were engaged by the Supervisory Board on 16 December 2022. We have served as auditors of the consolidated financial statements of va-Q-tec AG, Würzburg, Germany, without interruption since the 2014 financial year, during seven of which financial years the Company continuously met the definition of a public interest entity as defined in Section 316a Sentence 1 of the German Commercial Code (HGB).

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (longform audit report).

OTHER MATTERS – USE OF THE AUDIT OPINION

Our audit opinion should always be read in conjunction with the audited consolidated financial statements and the audited combined management report as well as the audited ESEF documents. The consolidated financial statements and combined management report converted into the ESEF format – including the versions to be entered in the company register – are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not replace them. In particular, the ESEF note and our audit opinion contained therein can only be used in conjunction with the audited ESEF documentation provided in electronic form.

NOTE ON THE SUPPLEMENTARY AUDIT

We express this opinion on the consolidated financial statements and the combined management report as well as on the electronic reproductions of the consolidated financial statements and the combined management report contained in the file [529900MHY0HTHX71DO39-2022-12-31-de.zip] submitted for audit for the first time and prepared for disclosure purposes based on our audit in accordance with our professional duties completed on 27 April 2023 and our supplementary audit completed on 20 June 2023, which related to the ESEF documentation submitted for the first time.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Mr. Felix Fehlauer.

Berlin, 27 April 2023 / limited to the audit of the ESEF documents mentioned in the note on the supplementary audit: 20 June 2023

Rödl & Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

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German Public Auditor	German Public Auditor

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PICTURE CREDITS

va-Q-tec AG

FINANCIAL CALENDAR

23/05/2023	Publication quarterly financial report (call-date Q1)
06/2023	Annual General Meeting
10/08/2023	Publication half-yearly financial report
09/11/2023	Publication quarterly financial report (call-date Q3)

