

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	Mio.€	%	Mio.€	%	J/N	J/N	J/N
3.5 Manufacturing of energy-efficient equipment for buildings	22,297	19,9		100	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.