

Interim report | H1 2021 (IFRS)



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Gender reference

For the reason of better readability, we consistently avoid gender-differentiating formulations (e.g. "his/her" or "he/she"). The corresponding terms apply to all genders for the purposes of equal rights. This is done solely for editorial purposes and does not imply a judgment of any kind.

1 INTRODUCTION: ABOUT VA-Q-TEC

va-Q-tec is a pioneer in highly efficient products and solutions in the area of thermal insulation and TempChain logistics. The company develops, produces and markets vacuum insulation panels (VIPs) as well as phase change materials (PCMs) for reliable and energy-efficient temperature controlling. In addition, va-Q-tec produces passive thermal packaging systems (containers and boxes) through optimally integrating VIPs and PCMs – these maintain constant inner temperatures, depending on external conditions, for up to 200 hours without external energy input, irrespective of surrounding temperatures, whether extremely low, or high. In order to implement temperature-sensitive logistics chains, va-Q-tec – within a global partner network – operates a fleet of rental containers and boxes meeting high thermal protection standards, such as in the case of constant-temperature transports in the pharmaceuticals industry. Along with Healthcare & Logistics as the main market, va-Q-tec addresses the following further markets: Appliances & Food, Technics & Industry, Building, and Mobility. The high-growth company, which was founded in 2001, is based in Würzburg, Germany.

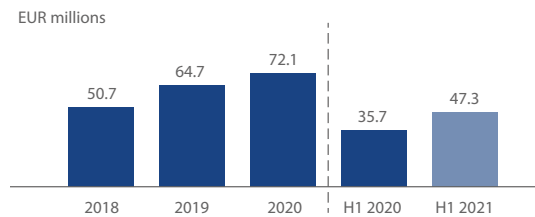
Further information: www.va-q-tec.com

2 SIGNIFICANT EVENTS IN H1 2021

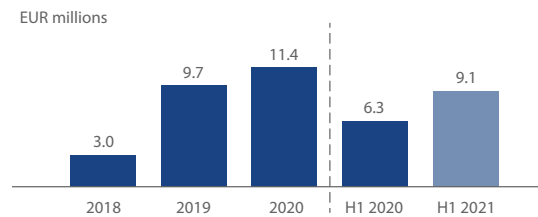
- Revenue growth of 33% in H1 2021 to EUR 47.3 million driven by healthcare industry, COVID-19 vaccine distribution and cross-industry energy efficiency megatrend
- Strong growth in all divisions: Products +61%; Systems +37%; Services +19%
- Continued high revenue share from healthcare sector at 74% (previous year: 78%), contribution to revenue from COVID-19 vaccine distribution amounts to 13%.
- EBITDA H1 2021 grows disproportionately by 45% to EUR 9.1 million; revenue-based EBITDA margin improves to 19% (previous year: 18%)
- Specification of FY 2021 guidance: Upper end of revenue range between EUR 90 million and EUR 100 million targeted with a further increase in EBITDA margin

3 GROUP KEY INDICATORS

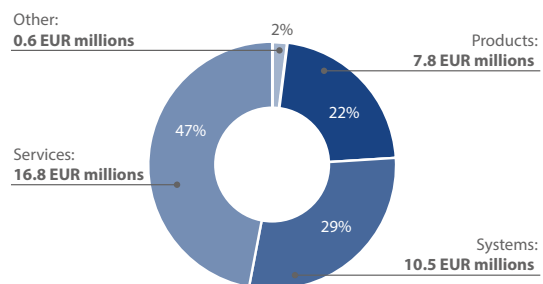
Revenue 2018 – H1 2021



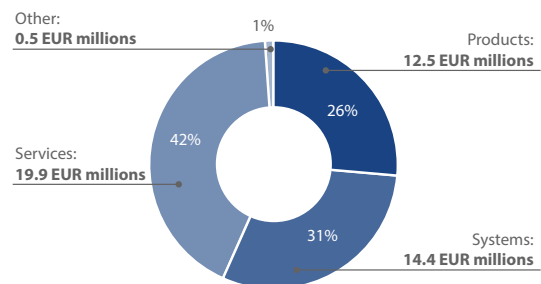
EBITDA 2018 – H1 2021



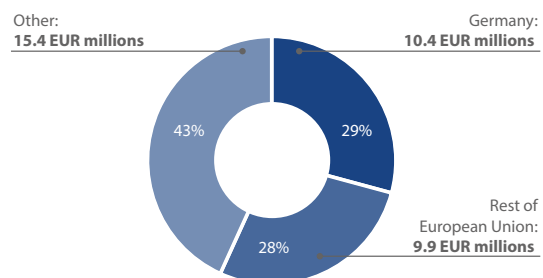
Revenue by Segments H1 2020



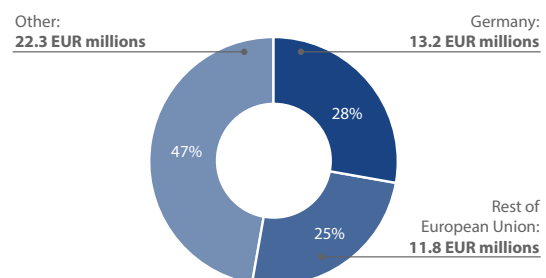
Revenue by Segments H1 2021



Revenue by Regions H1 2020



Revenue by Regions H1 2021



4 INTERIM GROUP MANAGEMENT REPORT

4.1 BUSINESS REPORT

4.1.1 Macroeconomic environment and Group-specific conditions

The outbreak of coronavirus combined with restrictive measures to contain the pandemic led to a marked economic downturn worldwide in 2020. With vaccination campaigns gaining momentum in many Western economies in the first half of 2021, the outlook has now improved significantly. However, the renewed rise in the number of infections, the risk of a “fourth wave” and the continuing tense situation with relatively low vaccination rates in Asia and Africa, for example, continue to cloud the economic outlook.

Nonetheless, the International Monetary Fund (IMF) expects the global economy to report a strong rate of expansion of 6% in 2021. Given these different market perspectives, va-Q-tec, as a globally active group, is exposed to both macroeconomic opportunities and macroeconomic risks.

Sales of vacuum insulation panels (the “Products” division) recorded particularly dynamic growth in the first half of 2021 against the backdrop of rising energy efficiency requirements. Reporting particularly strong momentum in the first half of 2021, the “Technics and Industry” area gained a significant share of revenues. This ratio amounts to 11% in H1 2021, up from 7% in H1 2020. With a share of 74%, temperature-controlled logistics in the Healthcare & Logistics end market accounted for the largest revenue share in the first half of 2021.

The market for temperature-controlled packaging systems in the pharmaceutical sector is influenced worldwide by sustainable trends, which will hardly be affected by the COVID-19 pandemic, or will tend to accelerate further. More and more drugs 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 Technavio takes an optimistic view of market growth over the coming years: in the period from 2021 to 2025, Technavio expects an average annual growth rate of more than 9%, including in the context of additional demand related to mRNA. va-Q-tec assumes that the relevant sub-segments of the market (high-performance packaging systems) will grow even faster.

Finally, 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. Of the top 100 drugs in the world, around 70% are temperature-sensitive.

More than half of the temperature-sensitive drugs are biopharmaceuticals – drugs that the manufacturer produces from biological sources. Industry specialist Pharmaceutical Commerce expects temperature-sensitive biopharmaceuticals to register an above-average annual growth rate of around 8% between 2017 and 2023. va-Q-tec’s growth potential is also bolstered by the fact that pharmaceutical markets in emerging markets are growing more strongly, resulting in more shipments through different and more extreme climatic zones. This makes good temperature control during shipments increasingly important.

In the context of the coronavirus crisis, vaccines (e.g. vector-based and mRNA vaccines), how such vaccines work, and the challenges for temperature-controlled transport, have come into public focus. Reliable, secure shipment of the raw materials required for vaccine production is already necessary during the manufacturing process. In many cases, these have to be transported at a constant temperature, e.g. as low as -70°C – and often for several days.

va-Q-tec is convinced that it can outpace the rate of market growth both with its high-quality system solutions in terms of sales as well as with its 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.

After the healthcare industry, manufacturers of refrigeration and freezing equipment are the second most important customer, accounting for a 13% revenue share in H1 2021. According to an estimate by ResearchAndMarkets, the market for vacuum insulation panels will grow by 20% annually between 2019 and 2026.

Overall, va-Q-tec addresses growing markets in its product business with 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). With a worldwide increase in primary energy prices for consumers, greater awareness among customers about energy savings, and more stringent statutory regulation, the economic and political incentive is increasing to invest in energy efficiency. The economic stimulus packages implemented to tackle the coronavirus crisis are also strongly geared towards sustainability and energy efficiency, which should create fiscal incentives for investment in these two areas. This is leading to very interesting business opportunities for va-Q-tec products.

4.1.2 Business trends

va-Q-tec’s thermal boxes and containers are deployed along the entire drug and vaccine value chain, from raw material transport through to the vaccination center. In many countries in the Western Hemisphere, vaccination campaigns are already well underway. However, in the climatically challenging countries of Asia and Africa, for example, comparatively few people have yet been vaccinated. With possible booster vaccinations and adjustments of vaccines to address mutated virus variants, the business with related thermal transport containers and boxes should consequently stabilize in the following years and accelerate growth on a sustainable basis.

With the start of the global coronavirus vaccination campaign in December 2020, the importance of stable and secure temperature chain logistics (“TempChains”) has come into sharp public focus worldwide. Vaccines, like many drugs, require permanently stable temperatures during transport and storage in order to ensure their effectiveness. With solutions for secure and energy-efficient temperature-controlled transport, va-Q-tec can make an active contribution to the fight against COVID-19. The company already impressively demonstrated its expertise in the TempChain area in 2020. As a consequence, it is also playing an important role in the worldwide distribution of most vaccines. After va-Q-tec had already 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, in January 2021 the final contract was signed for the provision over several years of high-tech transport containers for several thousand pallet deliveries per year. These are handled both in the thermal containers, which move within a global rental network, and with the help of a container variant available for purchase. In addition to this partnership agreement, a further vaccine manufacturer is preferring to ship its vital products using va-Q-tec’s proven, secure thermal containers. Primarily, destinations within the EU are being supplied. Furthermore, va-Q-tec is involved in a large number of projects at both national and international level with almost all vaccine manufacturers. Thanks to the early ramp-up of production and the approval of further vaccines, the volume of vaccines to be distributed with va-Q-tec solutions increased significantly in the course of the first half of the year. Looking ahead, va-Q-tec had consequently already significantly expanded its capacities at the end of last year in order to be able to meet the anticipated higher demand globally at any time. For example, many logistics companies both in Germany and abroad are deploying va-Q-tec products in order to supply

vaccination centers on the so-called "last mile". Almost 60% of Germany's population is being supplied with vaccines that are transported in va-Q-tec boxes. Internationally, for example, the Uruguayan government is relying on va-Q-tec solutions and services for its national vaccine distribution – which is posing a particular challenge due to climatic conditions in Latin America. Other countries have followed suit.

However, it was not only in the area of TempChain logistics that business performed very well in H1 2021: va-Q-tec's high-tech vacuum insulation panels offer crucial advantages, especially 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 in Technics & Industry (e.g. insulation of pipelines), in the Building sector (building insulation), as well as in the Mobility area (e.g. high-tech insulation of electric vehicles). This is underscored, for example, by the strategic partnerships with Hutchinson announced in the first half of the year for thermal management in the mobility sector, and with Uponor in the area of highly energy-efficient and form-flexible pipe insulation. Further possible applications arise, for example, in the areas of both very high and very low temperatures. The innovative panel solution va-Q-steel enables previously unattained insulation values at ultra-low temperatures as well as high temperatures up to +400°C, and thereby maximum reduction of energy losses. By using vacuum insulation even at high temperatures, va-Q-steel can now enormously enhance the efficiency of fuel cells and high-temperature batteries, for example. In addition to the currently dominant TempChain business, va-Q-tec's innovative high-tech insulation solutions have put the company in an excellent position to benefit from the megatrend of climate protection through thermal energy efficiency.

Overall, business performance in the first half of 2021 was very encouraging thanks to va-Q-tec's highly sought-after portfolio of products and services. The company's dynamic revenue growth continued with a 33% increase in revenue. The high growth momentum already evident in the first quarter accelerated further in Q2 thanks to growth in all areas – and not only in vaccine distribution. The record half year of 2021 marks the beginning of a very promising year for va-Q-tec, although vaccine distribution is only now really taking off and is expected to continue well into 2022 and beyond. Finally, vaccination rates in many countries worldwide are still somewhat low compared with Europe and the USA, and further demand is anticipated from both booster vaccines and vaccine adaptations.

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

In the Products division (sale of vacuum insulation panels and phase change materials), revenues of kEUR 12,481 reflected very dynamic year-on-year growth of 61% (previous year: kEUR 7,774). The Products business thereby continued its pleasing trend from the third and fourth quarters of 2020. va-Q-tec's customers have been noting growing demand for energy-efficient refrigerators and freezers in their consumer markets since Q3/Q4 2020. This is partly due to the "stay-at-home" trend, which is driving demand for frozen foods, for example. In general, it is worth highlighting that VIP technology is becoming increasingly important due to the new EU energy efficiency labels for refrigerators and freezers that will come into force on 1 March 2021. Accordingly, revenues in this division grew faster than planned at the start of the year.

Systems division (sale of thermal packaging systems)

In the Systems division (thermal packaging), revenues grew by 37% year-on-year, from kEUR 10,463 to kEUR 14,362. Business with the va-Q-pal SI ("SI" = SuperInsulation) performed particularly well. va-Q-tec developed this thermal container within a very short time in order to be able to also supply hard-to-reach regions with temperature-sensitive products, such as coronavirus vaccines. The solution is fully adapted to standardized pallet sizes and offers a very good temperature holding time. For example, this product can maintain the temperature range of -20°C, which is frequently required for coronavirus vaccines, including in extreme external temperatures, for 120 hours without being dependent on external energy input or even constant refilling with dry ice. However, the valuable vaccines must not only be stored at a stable temperature until the last moment, but must also be transported at an optimal temperature and securely to injection stations within sometimes extensive vaccination centers before they are administered. In order to ensure this, va-Q-tec's Systems division has also rapidly developed a product based on its va-Q-tray technology. A special inlay has been added to the va-Q-tray for this purpose, which enables the temperature-stable storage of pre-prepared vaccine syringes. This will ensure smooth logistical flows for the massive vaccination campaign. At the same time, the product is extremely light and uncomplicated to handle, stackable, and easy to operate on site. Originally, the va-Q-tray was developed for temperature controlled logistics in the food area.

Services division (Serviced Rental of thermal packaging systems)

va-Q-tec's Services business, which comprises the container and box rental business for the transport of temperature-sensitive goods mainly from the pharmaceutical and biotech sector, recorded a year-on-year increase of 19% to kEUR 19,913 in H1 2021 (H1 2020: kEUR 16,779). Overall, in addition to its significant participation in vaccine distribution, va-Q-tec benefited from a further broadening of its customer base as well as a strong increase in the number of small thermal box rentals for "last mile" shipments. The expansion of the Services division will continue in the future and is considered a key growth factor for va-Q-tec.

Earnings trends

Earnings before interest, tax, depreciation and amortization (EBITDA) increased by 45% year-on-year from kEUR 6,291 to kEUR 9,123. The margin thereby remained stable at 15% in relation to total income, whereas it rose from 18% to 19% in terms of revenues. The result before interest and tax (EBIT) also registered very dynamic growth, increasing by kEUR 2,434, from kEUR 202 to kEUR 2,636, and thereby lying clearly in positive territory, as was the case with the result before tax (EBT), which was also clearly positive at kEUR 1,584 (previous year: kEUR -350).

Overall, va-Q-tec is on a very good track in 2021, and continues to benefit significantly from high demand for its products, which are needed for the storage and transport of COVID-19 vaccines and medicines. This is giving an additional boost to an already very dynamic business: for years, va-Q-tec has been benefiting from rising demand, such as for products for the production of biotech drugs and applications in the thermal energy efficiency area. For this reason, the Management Board is specifying the forecast at the upper end of the revenue range of EUR 90 million to EUR 100 million. The company continues to expect EBITDA to grow faster than revenue. The first half of the year supports this confident outlook. The company is also likely to maintain a high growth rate in the short and medium term, as it is not only driven by a temporary vaccine boom. Vaccine distribution accounted for only about 13% of total revenues in the first half of the year.

4.1.3 Business results and analysis of the financial position and performance

The following overview presents the main items of the income statement of the va-Q-tec Group, in each case in comparison with the first half of the previous year.

Results of operations

kEUR unless stated otherwise	H1 2021 (IFRS)	H1 2020 (IFRS)	Δ 21 / 20
Revenues	47,288	35,651	+33 %
Total Income	59,063	41,385	+43 %
Cost of materials and services	-25,009	-16,573	+51 %
Gross profit	34,054	24,812	+37 %
Gross margin	58 %	60 %	-2 % -Pkt
Personnel expenses	-16,390	-12,607	+30 %
Other operating expenses	-8,541	-5,914	+44 %
EBITDA	9,123	6,291	+45 %
EBITDA margin on total income	15 %	15 %	-
EBITDA margin on revenues	19 %	18 %	+1 % -Pkt,
Depreciation, amortization and impairment losses	-6,487	-6,089	+7 %
EBIT	2,636	202	+1,205 %
EBIT Margin	5 %	1 %	+4 % -Pkte,
Net financial result	-1,052	-552	-91 %
EBT	1,584	-350	+553 %
Number of employees	612	498	+23 %

Total revenues in the first half of 2021 reported very strong growth of 33% year-on-year to a level of kEUR 47,288. The increase was driven by all three divisions, with the growth in the Products division (sale of vacuum insulation panels) being even stronger than in the other two divisions.

In the business with vacuum insulation panels (**Products division**), va-Q-tec generated revenues of kEUR 12,481 in the first half of 2021 (previous year: kEUR 7,774, + 61%). In the **Systems division** (sale of thermal packaging systems), revenues increased by kEUR 3,899 from kEUR 10,463 to kEUR 14,362 (+37%). The **Services division** (Serviced Rental of thermal containers and boxes) recorded year-on-year growth of 19% to kEUR 19,913 in H1 2021 (H1 2020: kEUR 16,779).

All in all, this made for an outstanding first half of the year. The healthcare area, which is reflected in the Systems and Services businesses, currently accounts for 74% of revenues (previous year: 78%).

The German segment (va-Q-tec AG) contributed kEUR 23,338 to consolidated revenues (previous year: kEUR 16,844), the UK segment (va-Q-tec UK) kEUR 16,422 (previous year: kEUR 14,796), and the Other segment kEUR 7,528 (previous year: kEUR 4,011).

Total income in the first half of 2021 reported an even faster rate of growth than the rate of revenue growth, and was up by 43% to kEUR 59,063. The growth derives mainly from a significantly increase in own work capitalized, including the continued expansion of the self-produced container and box fleets.

The cost of materials and purchased services rose by 51% from kEUR 16,573 in the previous year to kEUR 25,009, faster than the rate of growth in total income. In addition to the higher growth dynamic in the materials-intensive Products business, the absolute increase is primarily due to the rise in the cost of services purchased as part of the cost of materials. This is mainly due to the deployment of temporary workers in order to boost production, necessitated as part of business expansion in this area. Overall, the cost of materials to operating output ratio increased to 42% in H1 2021, from 40% in the prior year, which is also due to the significant change in inventories (duly excluding margins) as part of the inventory build-up for internationalization. In parallel, the gross profit ratio decreased to 58% in H1 2021 (previous year: 60%).

Personnel expenses were up from kEUR 12,607 in the previous year to kEUR 16,390 in the first half of 2021 (kEUR +3,783), thereby reducing to 28% of total income (previous year: 31%). In addition to the usual increases in wages and salaries, the absolute increase is mainly due to the increase in the number of employees by an average of 118 compared to the same period of the previous year, whereby the increase in personnel was primarily in production.

Other operating expenses rose by 44% from kEUR 5,914 in the previous year to kEUR 8,541 (kEUR +2,627) in the reporting period. Measured against total income, this represents an other operating expense ratio of 15% (previous year: 14%).

As a consequence of the aforementioned developments in the first half of 2021, earnings before interest, tax, depreciation and amortization (EBITDA) reported very marked growth of 45%, or of kEUR 2,832, from kEUR 6,291 to kEUR 9,123, leading to a stable EBITDA margin of 15% of total income (previous year: 15%). In terms of revenues, it represents an improvement from 18% in 2020 to 19% in H1 2021.

Depreciation, amortization and impairment losses reported only a slight increase of 7% to kEUR 6,487 (previous year: kEUR 6,089).

Thanks to the strong improvement in EBITDA and the only slight increase in depreciation and amortization of kEUR 202, earnings before interest and tax (EBIT) improved very significantly to kEUR 2,636 (kEUR +2,434) and are once again clearly in positive territory.

The net financial result amounted to kEUR -1,052 after kEUR -552 in the previous year, and was thereby lower than in the previous year as a result of the greater use of external financing, including the Swiss franc bond issue.

Higher pre-tax earnings (EBT) of kEUR 1,584 were generated in the first half of 2021, compared with a result of kEUR -350 in the prior-year period.

The reporting segments performed as follows in the first half of 2021:

German reporting segment (va-Q-tec AG)

kEUR unless stated otherwise	H1 2021 (IFRS)	H1 2020 (IFRS)	Δ 21 / 20
Revenues	38,127	23,721	+61 %
EBITDA	5,439	1,448	+276 %
Equity ratio	44 %	53 %	-9 %-Pkte,
Average number of employees	519	425	+94

In the **German reporting segment** (va-Q-tec AG), revenue grew by kEUR 14,406 (+61 %), from kEUR 23,721 in the previous year to kEUR 38,127 in H1 2021. The increase in revenues and earnings is primarily due to business growth in the Systems area, and the dynamic trend in the Products area. At the same time, investments in self-manufactured containers for the global fleet also increased. EBITDA reported a significant increase to kEUR 5,439 (previous year: kEUR 1,448). The average number of employees rose by 94 to 519 (previous year: 425).

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

kEUR unless stated otherwise	H1 2021 (IFRS)	H1 2020 (IFRS)	Δ 21 / 20
Revenues	16,912	15,398	+10 %
EBITDA	6,672	5,474	+22 %
Equity ratio	26 %	18 %	+8 %-Pkte,
Average number of employees	57	46	+11

The **UK reporting segment** comprises mainly the rental of temperature-controlled containers for the global pharmaceuticals industry. Revenues in this segment were up by 10% from kEUR 15,398 in the previous year to kEUR 16,912 in the first half of 2021. Firstly, the UK reporting segment benefited from vaccine deliveries, although it also had to accept a delay in the development of new projects due to coronavirus. In this context, the bulk of vaccine deliveries are not expected until H2 2021. Secondly, given significantly reduced and more expensive air freight capacities, a major customer ordered the large disposable va-Q-pal solution from the Systems division, partly instead of va-Q-tec rental containers. EBITDA reported marked growth of kEUR 1,198 (+22%), from kEUR 5,474 in the previous year to kEUR 6,672 in H1 2021. The average number of employees rose from 46 to 57.

Other reporting segment

kEUR unless stated otherwise	H1 2021 (IFRS)	H1 2020 (IFRS)	Δ 21 / 20
Revenues	8,183	4,683	+75 %
EBITDA	472	21	+2,148 %
Equity ratio	-12 %	-11 %	-1 %-Pkt,
Average number of employees	37	27	+10

The subsidiaries in Singapore, Korea, Switzerland, Japan, Uruguay and the USA, which together form the **Other reporting segment**, also made a disproportionately high contribution to the Group's revenue growth. This was mainly thanks to the significant growth in own revenues in the regions. These companies now account for a significant 16% of Group revenues. The subsidiaries in Korea and Uruguay performed especially well in terms of revenue growth. All subsidiaries in the Other reporting segment are playing an important role in maintaining a local presence, in expanding regional business activities, and in promoting the perception of va-Q-tec as a reliable global and regional partner. Revenues increased by kEUR 3,500 (+75 %), from kEUR 4,683 in the previous year to kEUR 8,183 in 2021. EBITDA amounted to kEUR 472 in the first half of 2021, compared with kEUR 21 in the previous year. The average number of staff amounted to 37 (previous 27).

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 credit lines were optimized continuously in terms of their rate of interest. Overall, va-Q-tec had satisfactory liquidity as of 30 June 2021, with bank balances plus open credit lines totaling EUR 13.3 million. At the same time, the Management Board is constantly evaluating further financing options on both the debt and the equity sides in order to support further growth.

Liquidity

kEUR	H1 2021	H1 2020
Net cash flow from operating activities	383	2,290
Net cash flow from investing activities	-11,492	-4,519
Net cash flow from financing activities	2,028	5,061
Net change in cash and cash equivalents	-9,160	2,782
Cash and cash equivalents	7,974	10,272

Before working capital changes, va-Q-tec generated a positive cash flow from operating activities of kEUR 7,417 as of the balance sheet date, compared with kEUR 4,572 in H1 2020.

Net cash flow from operating activities including working capital changes amounted to kEUR 383 in H1 2021, kEUR 1,907 below the adjusted level of kEUR 2,290 in the prior year. The reason for this is the significant accumulation of inventories to handle the anticipated international business and to exploit the revenue opportunities it offers, especially in the second half of the year. For precautionary reasons, inventories were also accumulated in order to safeguard against possible delivery failures and delays for preliminary products.

Cash flow from investing activities changed from EUR -4,519 in the prior-year period to EUR -11,492 in the first half of 2021. The purchase of property, plant and equipment amounted to kEUR -10,934, compared with kEUR -3,956 in the previous-year period. The largest share of this figure reflects investments in new containers for the global fleet. While especially the investments already realized in 2017 and 2018 form the basis for the further expansion of the company towards a revenue level of EUR 100 million, at the same time the company has had to invest more at short notice in the container fleet in the expectation of very strong revenue growth in 2021.

Cash flow from financing activities in the amount of kEUR 2,028 (prior year: kEUR 5,061) derives from the scheduled drawing down of liabilities to both banks and leasing companies.

Net assets and capital structure

Assets in kEUR	30/06/2021	31/12/2020
Non-current assets		
Intangible assets	2,492	2,955
Property, plant and equipment	75,248	69,636
Investment property	1,614	1,614
Contract assets	56	73
Financial assets	3,530	3,503
Other non-financial assets	1,668	1,056
Deferred tax assets	2,623	2,471
Total non-current assets	87,231	81,308
Current assets		
Inventories	17,419	11,615
Trade receivables	9,504	6,532
Other financial assets	1,647	927
Tax assets	3	3
Other non-financial assets	3,423	1,549
Cash and cash equivalents	7,974	17,134
Total current assets	39,970	37,760
Total assets	127,201	119,068

Compared with 31 December 2020, property, plant and equipment increased by total of kEUR 5,612 to a level of kEUR 75,248 as of 30 June 2021. Total non-current assets rose by kEUR 5,923 to kEUR 87,231 as of 30 June 2021.

Inventories increased by kEUR 5,804, from kEUR 11,615 as of 31 December to kEUR 17,419, as a consequence of the international expansion of business, precautionary reasons, and the provision of finished products to the foreign companies. Trade receivables rose by kEUR 2,972 to kEUR 9,504 as of 30 June 2021 compared to 31 December 2020. Current other financial assets increased by kEUR 720, from kEUR 927 as of 31 December 2020 to kEUR 1,647 as of the first half of 2021. Total current assets rose from kEUR 37,760 as of 31 December 2020 to kEUR 39,970 as of the end of the first half of 2021. Total assets grew from kEUR 119,068 to kEUR 127,201 over the same period.

Equity and liabilities in kEUR	30/06/2021	31/12/2020
Equity		
Issued share capital	13,090	13,090
Treasury shares	-54	-54
Additional paid-in capital	46,158	46,158
Cumulative other comprehensive income	-75	-42
Retained earnings	-16,365	-17,896
Total equity	42,754	41,256
Non-current liabilities and provisions		
Provisions	106	96
Bonds	21,789	22,064
Bank borrowings	23,446	25,170
Other financial liabilities	3,438	3,857
Other non-financial liabilities	4,875	5,425
Total non-current liabilities and provisions	53,654	56,612
Current liabilities and provisions		
Provisions	246	190
Bank borrowings	9,119	3,919
Other financial liabilities	8,007	6,434
Contractual liabilities	186	40
Trade payables	7,656	5,978
Tax liabilities	208	44
Other non-financial liabilities	5,371	4,595
Total current liabilities and provisions	30,793	21,200
Total assets	127,201	119,068

Consolidated equity amounted to kEUR 42,754 as of 30 June 2021, corresponding to 34% of total assets (31 December 2020: kEUR 41,256 or 35%).

Non-current liabilities to banks and from bonds issued decreased slightly. By contrast, current bank borrowings increased from kEUR 3,919 to kEUR 9,119 owing to a greater utilization of existing overdraft lines.

Non-current other financial liabilities reduced from kEUR 3,857 to kEUR 3,438. Non-current other non-financial liabilities decreased by kEUR 550, from kEUR 5,425 to kEUR 4,875. At the same time, current other non-financial liabilities reduced significantly to kEUR 5,371 (previous year: kEUR 4,595).

Bank borrowings plus plant leasing of kEUR 35,377 comprised 28% of total equity and liabilities (31 December 2020: kEUR 33,045; 28%). Current liabilities and provisions stood at kEUR 30,793 in the first half of 2021, representing 24% of total equity and liabilities (previous year: kEUR 21,200; 18%). The Group's non-current liabilities amounted to kEUR 53,654, corresponding to 42% of total assets (previous year: kEUR 56,612; 48%). Trade payables totaled kEUR 7,656, compared with kEUR 5,978 in the previous year.

Overall statement on business progress

va-Q-tec looks back on an enormously successful first half of 2021. The high rate of year-on-year growth in revenues and earnings accelerated once again, and profitability reported a further significant improvement. Consolidated revenues recorded very strong growth of 33% to kEUR 47,288, driven by all three divisions. The significantly enhanced public perception of va-Q-tec as a reliable partner for the life science industry also led to strong growth, including and especially away from the vaccine transport area. Customer demand remains high without interruption, and this in a market that is growing by around 10% annually. As a technology and innovation leader, va-Q-tec is benefiting from this to a disproportionate extent. The Group is setting the trend towards passive, energy-efficient and CO₂-saving thermal transport solutions. In the Products business (sale of VIPs and PCMs), va-Q-tec is benefiting from the trend towards greater energy efficiency, and is acting as a trendsetter itself, such as with particularly efficient insulation systems for pipelines and applications in the mobility sector.

EBITDA again grew at a significantly disproportionate rate of 45% to kEUR 9,123. The EBITDA margin in relation to revenues was up by one percentage point to 19%. In relation to total income, the EBITDA margin was constant in H1 2021 at 15%. EBIT was significantly positive at kEUR 2,636. This improved overall profitability considerably.

4.2 FORECAST

4.2.1 Outlook

The following forecasts for the trend in management metrics were made under the assumption of the relatively uncertain macroeconomic conditions for 2021 described above. They are also based on the expected medium-term positive growth prospects in the market for VIPs and insulation materials overall. A fast growth dynamic is expected in the market for thermal packaging and services, particularly in the high-performance thermal packaging segment. These assumptions are underpinned by estimates produced by market research institutes IMARC and Research-AndMarkets, which already expect growth in the (low) double-digit percentage range (see 5.1.1 Macroeconomic environment and Group-specific conditions). va-Q-tec expects to benefit to an above-average extent from the megatrends of energy efficiency, regulation of cold chains (product safety), and the globalization of value chains, including in the context of COVID-19. The business with COVID-19 vaccine transportation solutions is expected to have a positive impact on growth momentum both in 2022 as well as further ahead in the medium term.

Overall statement

After a strong first half of 2021, combined with a good outlook – especially in the TempChain logistics area, mainly for pharmaceutical and healthcare customers – we will one further accelerate our growth momentum over the rest of the year. For this reason, the Management Board is specifying the previous revenue forecast – of particularly strong revenue growth in a range between EUR 90 million and EUR 100 million – to a level at the upper end of this range.

The remaining indicators are confirmed unchanged in the forecast:

Due to operational economies of scale and an increasing share of higher-margin product groups, the company continues to expect disproportionate EBITDA growth relative to revenue for the full 2021 financial year compared to 2020. Accordingly, the company continues to expect a stronger improvement in margins compared to the previous year.

The company expects the equity ratio to remain constant in the 2021 financial year.

The number of employees will increase significantly in 2021 as a result of the international expansion of business and the coronavirus-related increase in demand.

As a consequence, the Management Board of va-Q-tec AG expects overall above-average revenue growth compared with the target markets, accompanied by a further significant improvement in EBITDA profitability compared with 2020.

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

5 REPORT ON OPPORTUNITIES AND RISKS

Within the framework of the risk management system, which is established as an early risk detection system, va-Q-tec analyses and evaluates the risks relating to the company's its associated business environment. It also comprises an internal control system (ICS) as well as a compliance system, thereby additionally ensuring compliance with relevant statutory and industry-specific framework conditions. The Group's risk management function regards managing and monitoring internal financing requirements as a central task, as well as ensuring the overall company's financial independence. Financial risks are monitored by reporting, and managed by rolling financial and liquidity planning.

The interim management report for the half-year does not contain comprehensive and complete information on the reports on the forecast and on opportunities and risks. An extensive review of the risk situation was performed as of 30 June 2021. In the area of operative, strategic, financial and default risks, no significant changes occurred compared with 31 December 2020.

For more information about the risk management system and the specific opportunities risk profile, as well as in relation to the deployment of financial instruments, please refer to the "Report on opportunities and risks" in the 2020 Group management report.

6 INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS OF VA-Q-TEC AG

CONSOLIDATED INCOME STATEMENT (IFRS) unaudited

kEUR	H1 2021	H1 2020
Revenues	47,288	35,651
Change in inventories	2,826	680
Work performed by the company and capitalised	6,999	2,903
Other operating income	1,950	2,151
Total Income	59,063	41,385
Cost of materials and services	-25,009	-16,573
Gross profit	34,054	24,812
Personnel expenses	-16,390	-12,607
Other operating expenses	-8,541	-5,914
EBITDA	9,123	6,291
Depreciation, amortization and impairment losses	-6,487	-6,089
Earnings before interest and tax (EBIT)	2,636	202
Finance Income	4	7
Finance expenses	-1,056	-559
Net financial result	-1,052	-552
Earnings before tax (EBT)	1,584	-350
Income tax	-53	-
Net income	1,531	-350
Consolidated net income attributable to owners of va-Q-tec AG	1,531	-350
Earnings per share - basic / diluted in EUR	0,12	-0,03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

kEUR	H1 2021	H1 2020
Net Income	1,531	-350
Consolidated other comprehensive income		
Currency translation differences	-72	13
Derivative financial instruments (after tax)	39	-
Total other comprehensive income that will be reclassified to profit or loss	-33	13
Consolidated total comprehensive income	1,498	-337
Consolidated total comprehensive income attributable to owners of va-Q-tec AG	1,498	-337

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

kEUR	30/06/2021	31/12/2020
Non-current assets		
Intangible assets	2,492	2,955
Property, plant and equipment	75,248	69,636
Investment property	1,614	1,614
Contract assets	56	73
Financial assets	3,530	3,503
Other non-financial assets	1,668	1,056
Deferred tax assets	2,623	2,471
Total non-current assets	87,231	81,308
Current assets		
Inventories	17,419	11,615
Trade receivables	9,504	6,532
Other financial assets	1,647	927
Current tax assets	3	3
Other non-financial assets	3,423	1,549
Cash and cash equivalents	7,974	17,134
Total current assets	39,970	37,760
Total assets	127,201	119,068

Equity and liabilities

kEUR	30/06/2021	31/12/2020
Equity		
Issued share capital	13,090	13,090
Treasury shares	-54	-54
Additional paid-in capital	46,158	46,158
Consolidated total other comprehensive income	-75	-42
Retained earnings	-16,365	-17,896
Total equity	42,754	41,256
Non-current liabilities		
Provisions	106	96
Bonds issued	21,789	22,064
Bank borrowings	23,446	25,170
Other financial liabilities	3,438	3,857
Other non-financial liabilities	4,875	5,425
Total non-current liabilities	53,654	56,612
Current liabilities		
Provisions	246	190
Bank borrowings	9,119	3,919
Other financial liabilities	8,007	6,434
Liabilities from contracts with customers	186	40
Trade payables	7,656	5,978
Tax liabilities	208	44
Other non-financial liabilities	5,371	4,595
Total current liabilities	30,793	21,200
Total Equity and liabilities	127,201	119,068

CONSOLIDATED STATEMENT OF CASH FLOW

kEUR	H1 2021	H1 2020
Cash flow from operating activities		
Net income	1,531	-350
Current income taxes recognised income statement	193	3
Income taxes paid	-4	-
Net finance costs recognised income statement	1,052	552
Interest paid	-461	-522
Depreciation on contract assets	31	9
Depreciation, amortisation and impairment losses	6,487	6,039
Gain/loss from disposal of non-current assets	-72	-32
Change in other assets	-2,390	-468
Change in other liabilities	3,005	932
Change in provisions	65	90
Other non-cash expenses or income	-2,020	-1,681
Cash flow from operating activities before working capital changes	7,417	4,572
Change in inventories	-5,780	-1,453
Change in trade receivables	-2,944	-2,157
Change in trade payables	1,690	1,328
Net cash flow from operating activities	383	2,290
Cash flow from investing activities		
Payments for investment in intangible assets	-862	-710
Proceeds from disposal of property, plant and equipment	318	184
Payments for investments in property, plant and equipment	-10,934	-3,956
Payments for investments in contract assets	-14	-37
Net cash flow from investing activities	-11,492	-4,519

in TEUR	H1 2021	H1 2020
Cash flow from financing activities		
Proceeds from bank loans	5,845	12,037
Repayments of bank loans	-2,402	-5,506
Proceeds from government grants	-	57
Payments for leases liabilities	-1,415	-1,527
Net cash flow from financing activities	2,028	5,061
Change in cash and cash equivalents before exchange rate effects	-9,081	2,832
Effect of exchange rate changes on cash and cash equivalents	-79	-50
Net change in cash and cash equivalents	-9,160	2,782
Cash and cash equivalents at start of period	17,134	7,490
Cash and cash equivalents at end of period	7,974	10,272

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

kEUR	Issued share capital	Treasury shares	Additional paid-in capital	Retained earnings	Cumulative other comprehensive income	Derivative financial instruments	Equity attributable to parent company owners	Total equity
					Currency translation reserves			
01/01/2020	13,090	-54	46,158	-16,461	-26	-	42,707	42,707
Net income	-	-	-	-350	-	-	-350	-350
Consolidated other comprehensive income	-	-	-	-	13	-	13	13
Consolidated total comprehensive income	-	-	-	-350	13	-	-337	-337
30/06/2020	13,090	-54	46,158	-16,811	-13	-	42,370	42,370
01/01/2021	13,090	-54	46,158	-17,896	103	-145	41,256	41,256
Net income	-	-	-	1,531	-	-	1,531	1,531
Consolidated other comprehensive income	-	-	-	-	-72	39	-33	-33
Consolidated total comprehensive income	-	-	-	1,531	-72	39	1,498	1,498
30/06/2021	13,090	-54	46,158	-16,365	31	-106	42,754	42,754

7 GENERAL INFORMATION

7.1 INFORMATION ABOUT THE COMPANY

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

These interim consolidated financial statements of va-Q-tec for the first half of the 2021 financial year were approved for publication by the Management Board on 12 August 2021.

7.2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

va-Q-tec AG is the ultimate parent company of the va-Q-tec Group and consequently prepares the consolidated financial statements for both the smallest and largest group of companies. va-Q-tec AG is a listed company. Despite falling short of the size criteria pursuant to Section 293 of the German Commercial Code (HGB), it is obligated on the basis of Section 293 (5) HGB to prepare consolidated financial statements.

Pursuant to Section 37w of the German Securities Trading Act (WpHG), the half-year financial report of the va-Q-tec Group comprises interim consolidated financial statements, an interim Group management report, and a responsibility statement. The interim consolidated financial statements were prepared in compliance with International Financial Reporting Standards (IFRS) for interim reporting and in accordance with the regulations of International Accounting Standard (IAS) 34, as applicable in the EU, and the interim Group management report was prepared in compliance with the applicable regulations of the German Securities Trading Act (WpHG). All of the IFRS issued by the International Accounting Standards Board (IASB) and applicable in the European Union when the interim consolidated financial statements were prepared were applied by va-Q-tec AG.

The interim consolidated financial statements are to be read in conjunction with the consolidated financial statements of va-Q-tec AG as of 31 December 2020, as not all of the information required for consolidated financial statements as of the financial year-end is provided. In the Management Board’s view, all adjustments that are to be applied currently and that are required for an appropriate presentation of the Group’s financial position and performance are included.

As part of preparing the condensed interim consolidated financial statements for interim financial reporting pursuant to IAS 34, the Management Board is required make judgements, estimates and assumptions that affect the application of accounting policies within the Group, and the reporting of assets and liabilities as well as income and expenses. Actual amounts may differ from such estimates. The results achieved in the 2021 financial year to date do not necessarily allow predictions to be made about trends during the further course of business.

In the interim consolidated financial statements as of 30 June 2021, figures in the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity, segment report as well as figures in the notes to the consolidated financial statements are presented in thousands of euros (kEUR). All amounts are commercially rounded. Minor deviations relate to rounding differences.

The condensed interim consolidated financial statements and the interim Group management report for the first half of 2021 have been neither audited nor reviewed by an auditor in the meaning of auditing standards IDW PS 900 or ISRE 2400 and/or 2410.

7.3 CHANGE IN CONSOLIDATION SCOPE

No changes occurred in the fully consolidated subsidiaries of va-Q-tec in the first half of 2021.

7.4 EFFECTS OF NEW ACCOUNTING STANDARDS

Apart from the financial accounting regulations applied for the first time during the current financial year, the same accounting policies were applied in the interim consolidated financial statements as in the preparation of the consolidated financial statements for the financial year ending 31 December 2020.

The following standards and amendments to standards have become effective as of 1 January 2021 and exert no effect on the company's 2021 half-year report:

Standard	Title	Mandatory application for financial years commencing from
Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 And IFRS 16	Interest Rate Benchmark Reform – Phase 2	01/01/2021

8 ACCOUNTING POLICIES

As a matter of principle, the interim consolidated financial statements of va-Q-tec AG apply the same accounting policies as in the IFRS consolidated financial statements as of 31 December 2020. The standards adopted by the EU have not been applied early. The notes to the 2020 consolidated financial statements provide a detailed description of the accounting policies.

9 NOTES

9.1 CONSOLIDATED INCOME STATEMENT

9.1.1 Total income

Total income performed very positively year-on-year, increasing by 43% to kEUR 59,063. Overall, the revenue included in total income reported year-on-year growth of 33% to reach kEUR 47,288 in the first half of the year. The significantly higher other own work capitalised in the first half of 2021 compared with the previous year in the amount of kEUR 6,999 (previous year: kEUR 2,903) arose primarily from the production of additional containers for the Group's own container fleet thanks to the continued strong growth of the container rental business, which is partly attributable to higher demand due to COVID-19. A significant increase was recorded in changes in inventories of kEUR 2,826 compared to kEUR 680 in the same period of the previous year. Other operating income of kEUR 1,950 (previous year: kEUR 2,151) derived mainly from the continuous reversing of the special item deriving from container sale-and-leaseback transactions. In the past (until the end of 2018), this special liability items arose from the sale of self-produced containers by the parent company va-Q-tec AG or by va-Q-tec Ltd., UK, to leasing companies, and subsequent finance leaseback by the UK subsidiary.

9.1.2 Cost of materials and services

The cost of materials, including the cost of purchased services, rose disproportionately by kEUR 8,436 to kEUR 25,009 thousand (51%) compared to the growth in total income. The cost of materials ratio¹ rose from 40% to 42%, mainly as a consequence of higher expenses for temporary workers required to handle the continued substantial increase in new order intake, as a consequence of which the gross profit ratio of 58% was 2% lower than in the previous year.

9.1.3 Personnel expenses

Personnel expenses increased by 30% compared with the previous year's period, rising from kEUR 12,607 to kEUR 16,390. The absolute rise is mainly attributable to the hiring of new staff in order to realize the growth, as well as wage and salary increases. The personnel expense ratio² nonetheless decreased from 31% to 28%.

¹ Cost of materials ratio in % = cost of materials / total income x 100

² Personnel expense ratio in % = personnel expenses / total income x 100

9.1.4 Other operating expenses

Other operating expenses rose by kEUR 2,627, or by 44%, to kEUR 8,541. The increase was mainly attributable to a significant rise in freight costs. Despite the absolute increase, however, the operating expenses ratio³ rose slightly from 14% to 15%, not least due to cost savings achieved as part of the “Power 20+” program.

9.1.5 Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses rose by kEUR 398 to kEUR 6,487. Given that the investments made for the future orientation of va-Q-tec were essentially completed in 2017 and 2018, the increase in depreciation, amortisation and impairment losses is mainly the result of the expansion of the container fleet, as well as contract additions and changes in the portfolio of leases in accordance with IFRS 16. The depreciation and amortisation ratio⁴ decreased from 15% to 11% overall.

9.1.6 Net financial result

The financial result decreased by kEUR 500 compared to the previous year due to the bond issued in November 2020. Interest expenses increased accordingly by kEUR 497 year-on-year to kEUR 1,056 year (previous year: kEUR 559).

9.1.7 Income taxes

Due to the sustained successful business performance in recent financial years of va-Q-tec Ltd., UK, this subsidiary's deferred tax assets on loss carryforwards amounting to kEUR 350 were released in full in the financial year under review. Deferred taxes from the elimination of intercompany profits in inventories and from container sales from va-Q-tec AG to va-Q-tec Ltd., UK, had the opposite effect. Furthermore, based on the parent company's positive result in the first half of the year, deferred taxes were capitalized in relation to a portion of the losses carried forward. As a consequence, va-Q-tec reported only a low tax expense of kEUR 53 (previous year: kEUR 0) for the first half of the year, despite earnings before taxes (EBT) of kEUR 1,584 (previous year: kEUR -350).

9.1.8 Earnings per share

The calculation of basic (undiluted) earnings per share is based on the earnings attributable to the holders of ordinary shares and a weighted average of the number of ordinary shares in issue.

A dilution of earnings per share is not reported, as no circumstances exist at present entailing dilutive effects.

Earnings per share are as follows:

	H1 2021	H1 2020
Consolidated net result (kEUR)	1,531	-350
Weighted average number of shares	13,075,936	13,075,936
Earnings per share (in EUR)	0,12	-0,03

³ Other operating expenses ratio in % = other operating expenses / total income x 100

⁴ Depreciation and amortisation ratio in % = depreciation and amortisation expenses / total income x 100

9.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

9.2.1 Intangible assets

Compared with the 31 December 2020 reporting date, intangible assets decreased by kEUR 463 to kEUR 2,492. The amount arises mainly from amortisation and impairment losses applied to intangible assets.

9.2.2 Property, plant and equipment

Property, plant and equipment increased by kEUR 5,612 to kEUR 75,248. The rise in property, plant and equipment derived primarily from investment in the further expansion of the container fleet and in the build-up of the thermal box fleet for the global rental business, as well as in the expansion of production capacity in Würzburg and Kölleda.

9.2.3 Inventories

Inventories rose by kEUR 5,804 to kEUR 17,419 due to the general expansion of business and the COVID 19 related increase in safety stocks. The significant increase in finished goods related mainly to the products va Q-pal SI and va-Q-proof, especially in order to ensure the worldwide distribution of COVID-19 vaccines in the second half of the financial year. In addition, inventories of raw materials were also increased as a precaution against the current global shortage of materials, price increases and supply difficulties.

9.2.4 Trade receivables

As of the balance sheet date, the inventories position rose by kEUR 2,972 to kEUR 9,504 due to the higher revenue.

9.2.5 Other financial assets

Non-current financial assets remained almost constant at kEUR 3,530 (previous year: kEUR 3,503). These include the interests in SUMTEQ GmbH recognised at fair value in the amount of kEUR 3,000 and in ING3D GmbH in the amount of kEUR 300.

Current financial assets rose by kEUR 720 to kEUR 1,647. This reflects, in particular, claims for grant funds and advance payments made.

9.2.6 Tax assets

The tax assets are unchanged compared to the previous year at kEUR 3.

9.2.7 Other non-financial assets

Other current and non-current non-financial assets increased by kEUR 2,486 to kEUR 5,091, mainly due to advance payments for intangible assets, as well as an increase in VAT receivables.

9.2.8 Cash and cash equivalents

Cash and cash equivalents reduced by kEUR 9,160, from kEUR 17,134 to kEUR 7,974.

9.2.9 Equity

Compared to 31 December 2020, equity rose by kEUR 1,498 to kEUR 42,754. Due to the simultaneous increase in total assets, the equity ratio decreased by 1 % to 34 % (31 December 2020: 35 %).

9.2.10 Non-current and current bank borrowings

Current bank borrowings rose by kEUR 5,200 to kEUR 9,119. Non-current bank borrowings decreased by kEUR 1,724 to kEUR 21,789.

9.2.11 Other non-current and current financial liabilities

Overall, other non-current and current financial liabilities increased by kEUR 1,154 to kEUR 11,445. Scheduled lease payments of kEUR 1,415 reduced other financial liabilities. This was offset, in particular, by the recognition of liabilities from new leases in the amount of kEUR 733 and the increase in accruals for outstanding invoices of kEUR 977.

9.2.12 Other non-current and current non-financial liabilities

Other non-current and current non-financial liabilities increased by 2 % to kEUR 10,246. This change derives mainly from accruals for vacation not taken, from advance payments received on orders, and from liabilities from sales taxes. The change in previous years in the special item for deferred gains from sale and finance leaseback transactions as part of expanding the container fleet had a reducing effect. The special item on the liabilities side for grants received rose by kEUR 73 to kEUR 4,644 due to further grants called down in connection with the investments in Kölleda.

Overall, the special item for grants and deferred container gains from sale and finance leaseback transactions amounts to kEUR 6,596 (previous year: kEUR 7,384), and accounts for around 64 % of the total item (previous year: 74 %).

9.2.13 Trade payables

Trade payables increased by kEUR 1,678 to kEUR 7,656 (previous year: kEUR 5,978).

9.3 FINANCIAL INSTRUMENTS

The following table presents financial instruments with their carrying amounts and fair values, analysed by IFRS 9 measurement categories. All of the fair values are allocated to one of the measurement levels of the fair value hierarchy. Where no corresponding allocation has occurred, it is assumed that the carrying amount corresponds to fair value. This relates mainly to trade receivables, cash and cash equivalents, miscellaneous current financial assets, trade payables and miscellaneous current financial liabilities, all of which have short remaining terms.

Section 1.2 of the 2020 consolidated financial statements "Basis of preparation of the financial statements" provides a definition of the fair value hierarchy levels. All allocations to levels are reviewed at the end of the reporting period. No reclassifications between levels occurred in either the reporting period or in the previous reporting period.

Values by measurement categories 2021

in kEUR	Measurement category as per IFRS 9	Carrying amount		Fair value	of which: fair value		
		Aquisition cost	Fair value	30/06/2021	Level 1	Level 2	Level 3
		30/06/2021	30/06/2021				
Financial Assets							
Investments	FVtPL	-	3,300	3,300	-	3,300	-
Trade accounts receivables	AC	3,896	-	3,896	-	-	-
Trade accounts receivables	FVtPL	-	5,608	5,608	-	5,608	-
Other financial assets	AC	1,876	-	1,871	-	-	-
Cash and cash equivalents	AC	7,974	-	7,974	-	-	-
Total		13,747	8,908	22,649			
Financial liabilities							
Bonds	AC	21,789	-	24,481	24,481	-	-
Bank borrowings	AC	32,566	-	33,174	-	33,174	-
Trade payables	AC	7,656	-	7,656	-	-	-
Other financial liabilities	-	-	-	-	-	-	-
of which: derivative financial instruments with hedging relationship	FVtOCI	-	509	509	-	509	-
of which: derivative financial instruments without hedging relationship	FVtPL	-	3	3	-	3	-
of which: miscellaneous other financial liabilities	AC	6,100	-	6,177	-	6,177	-
Total		68,111	512	72,000			

Of which aggregated by measurement category as per IFRS 9

in kEUR		Carrying amount	Fair value
Amortised Cost (asset)	AC	13,747	13,742
At fair value through P&L (asset)	FVtPL	8,908	8,908
Amortised Cost (liability)	AC	68,111	71,488
At fair value through OCI (liability)	FVtOCI	509	509
At fair value through P&L (liability)	FVtPL	3	3

Values by measurement categories 2020

in kEUR	Measure- ment category as per IFRS 9	Carrying amount		Fair value	of which: fair value		
		Aquisition cost	Fair value				
		31/12/2020	31/12/2020	31/12/2020	Level 1	Level 2	Level 3
Financial Assets							
Investments	FVtPL	-	3,300	3,300	-	3,300	-
Trade accounts receivables	AC	1,873	-	1,873	-	-	-
Trade accounts receivables	FVtPL	-	4,659	4,659	-	4,659	-
Other financial assets	AC	1,130	-	1,125	-	-	-
Cash and cash equivalents	AC	17,134	-	17,134	-	-	-
Total		20,137	7,959	28,091			
Financial liabilities							
Bonds	AC	22,064	-	23,552	23,552	-	-
Bank borrowings	AC	29,089	-	29,760	-	29,760	-
Trade payables	AC	5,978	-	5,978	-	-	-
Other financial liabilities	-	-	-	-	-	-	-
of which: derivative financial instruments with hedging relationship	FVtOCI	-	137	137	-	137	-
of which: derivative financial instruments without hedging relationship	FVtPL	-	7	7	-	7	-
of which: miscellaneous other financial liabilities	AC	4,142	-	4,133	-	4,133	-
Total		61,273	144	63,567			

Of which aggregated by measurement category as per IFRS 9

in kEUR		Carrying amount	Fair value
Amortised Cost (asset)	AC	20,137	20,132
At fair value through P&L (asset)	FVtPL	7,959	7,959
Amortised Cost (liability)	AC	61,273	63,423
At fair value through OCI (liability)	FVtOCI	137	137
At fair value through P&L (liability)	FVtPL	7	7

The fair value of the bond issued by va-Q-tec AG is determined on the basis of the quoted, unadjusted price on an active market and is therefore assigned to measurement Level 1.

The fair value of Level 2 interest-bearing bank borrowings and, in the previous year, finance lease liabilities is derived as the present value of the expected future cash flows. They are discounted at market interest rates on the balance sheet date. In the case of variable interest liabilities, the carrying amounts generally correspond to fair values. The fair value measurement of the investments in SUMTEQ GmbH and ING3D GmbH as of 31 December 2020 was based on closely related transactions in the financial year in which the capital increases were carried out by these companies and thereby on observable market prices (measurement Level 2). No changes in this regard occurred in the current financial year under review.

The fair value of Level 2 interest-rate swaps is calculated by discounting expected future cash flows on the basis of market interest rates valid on the respective reporting date for the contracts' remaining terms. The fair value of the cross-currency swaps assigned to measurement Level 2 is determined on the basis of the current reference rates of the European Central Bank applicable on the balance sheet date. This is realized by taking into account forward premiums and discounts for the respective remaining term of the contracts compared to the contracting foreign exchange rate.

9.4 NET RESULT FROM FINANCIAL INSTRUMENTS

The net result relating to financial instruments as presented in the consolidated income statement is composed as follows:

H1 2021 net results from

Measurement category as IFRS 9 / IFRS 16	Interest income	Interest expense	Impairment losses	Reversals of impairment losses	Currency translation
Amortised Cost (asset)	-	-	-	-	123
At fair value through P&L (assets)	-	-	-	-	-
Amortised Cost (liability)	-	-921	-	-	14
At fair value through P&L (liability)	-	-	-	4	-
IFRS 16	-	-134	-	-	-
Other	-	-	-	-	-30
Total	-	-1,055	-	4	107

H1 2020 net results from

Measurement category as IFRS 9 / IFRS 16	Interest income	Interest expense	Impairment losses	Reversals of impairment losses	Currency translation
Amortised Cost (asset)	-	-	-	-	-771
At fair value through P&L (assets)	-	-	-	647	-
Amortised Cost (liability)	-	-888	-	-	-16
At fair value through P&L (liability)	-	-	-	12	-
IFRS 16	-	-383	-	-	-
Other	-	-	-	-	-34
Total	-	-1,271	-	659	-821

10 OTHER DISCLOSURES

10.1 SEGMENT INFORMATION

For the purpose of segment reporting, the activities of the va-Q-tec Group are separated by operating segments based on the regulations of IFRS 8 (Operating Segments). The structure is based on internal management and reporting on the basis of legal entities. The va-Q-tec Group operates in the three reporting segments of "va-Q-tec AG", "va-Q-tec Ltd. (UK)" and "Other".

The reporting and reporting management of the individual segments at va-Q-tec occurs on a direct basis according to IFRS. Insofar they are material, the supply and service relationships between the reporting segments are presented on a consolidated basis.

Segment reporting H1 2021

	va-Q-tec AG	va-Q-tec Ltd. (UK)	Other	Operating divisions, total	Consolida- tion	Group
kEUR	IFRS	IFRS	IFRS			
External revenue	23,338	16,422	7,528	47,288	-	47,288
Internal revenue	14,789	490	655	15,934	-15,934	-
Total sales revenue	38,127	16,912	8,183	63,222	-15,934	47,288
At a point in time	36,060	-	6,057	42,117	-14,740	27,377
Over time	2,067	16,912	2,126	21,105	-1,194	19,911
Total income	45,235	17,221	8,219	70,675	-11,612	59,063
Cost of materials and services	-19,519	-6,825	-4,927	-31,271	6,262	-25,009
Personnel expenses	-13,894	-1,815	-1,254	-16,963	573	-16,390
Other operating expenses	-6,383	-1,909	-1,566	-9,858	1,317	-8,541
EBITDA	5,439	6,672	472	12,583	-3,460	9,123
Depreciation, amortisation and impairment losses	-2,960	-4,231	-356	-7,547	1,060	-6,487
EBIT	2,479	2,441	116	5,036	-2,400	2,636
Financial income	118	-	-	118	-114	4
Financial expenses	-926	-209	-35	-1,170	114	-1,056
EBT	1,671	2,232	81	3,984	-2,400	1,584
H1 2021 investments	6,584	9,451	664	16,699	-4,195	12,504
Assets 30.06.2021	124,419	36,191	10,044	170,654	-43,453	127,201
Non-current assets 30.06.2021	61,401	23,933	1,799	87,133	-9,393	77,740
Liabilities 30.06.2021	69,886	26,678	11,247	107,811	-23,363	84,448
H1 2021 employees	519	57	37	612	-	612

Segment reporting H1 2020

	va-Q-tec AG	va-Q-tec Ltd. (UK)	Other	Operating divisions, total	Consolida- tion	Group
kEUR	IFRS	IFRS	IFRS			
External revenue	16,844	14,796	4,011	35,651	-	35,651
Internal revenue	6,877	602	672	8,151	-8,151	-
Total sales revenue	23,721	15,398	4,683	43,802	-8,151	35,651
At a point in time	22,384	-	3,329	25,713	-6,842	18,871
Over time	1,337	15,398	1,354	18,089	-1,309	16,780
Total income	27,143	15,706	4,717	47,566	-6,181	41,385
Cost of materials and services	-10,712	-6,815	-2,861	-20,388	3,815	-16,573
Personnel expenses	-10,503	-1,521	-1,065	-13,089	482	-12,607
Other operating expenses	-4,480	-1,896	-770	-7,146	1,232	-5,914
EBITDA	1,448	5,474	21	6,943	-652	6,291
Depreciation, amortisation and impairment losses	-2,326	-4,056	-302	-6,684	595	-6,089
EBIT	-878	1,418	-281	259	-57	202
Financial income	141	-	-	141	-134	7
Financial expenses	-386	-279	-28	-693	134	-559
EBT	-1,123	1,139	-309	-293	-57	-350
H1 2020 invest- ments	2,539	3,970	356	6,865	-1,928	4,937
Assets 30.06.2020	105,614	30,945	5,866	142,425	-30,758	111,667
Non-current assets 30.06.2020	54,410	18,596	1,339	74,345	-5,157	69,188
Liabilities 30.06.2020	50,037	25,186	6,510	81,733	-12,436	69,297
H1 2020 employees	425	46	27	498	-	498

The revenues are distributed geographically as follows:

kEUR	H1 2021	H1 2020
Germany	13,155	10,415
Rest of European Union	11,753	9,849
Other	22,380	15,387
Group, total	47,288	35,651

The allocation of revenues with external customers to a geographic region is based on the customer's location. The geographic allocation of non-current assets is based on the domicile of the asset's owner, and is shown in the segment reporting according to legal entities presented above.

The allocation of revenues to Products, Systems and Services is as follows: revenues of kEUR 12,481 (previous year: kEUR 7,774) were generated with Products (vacuum insulation panels and individually sold heating storage components) in the first half of 2021. The Group reported kEUR 14,362 of revenues from Systems (thermal packaging and related components) in the the first half of 2021 (previous year: kEUR 10,463). Services, which comprise the container and box rental business, generated kEUR 19,913 of revenues in the first half of 2021 (previous year: kEUR 16,779). Other revenues amounted to kEUR 532 in the first half of 2021 (previous year: kEUR 635).

10.2 RELATED PARTIES

During the first six months of 2021, no transactions with related parties occurred that had a significant influence on the Group's financial position and performance.

11 EVENTS AFTER THE REPORTING DATE

No events occurred after the end of the reporting period that could have a material impact on the financial position and performance of va-Q-tec.

Würzburg, 12. August 2021

va-Q-tec AG

The Management Board



Dr. Joachim Kuhn



Stefan Döhmen

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Würzburg, 12. August 2021

va-Q-tec AG

The Management Board



Dr. Joachim Kuhn



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FINANCIAL CALENDAR

11. November 2021

Publication quarterly statement (call-date Q3)

REMARKS

This report can include 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.

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